



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

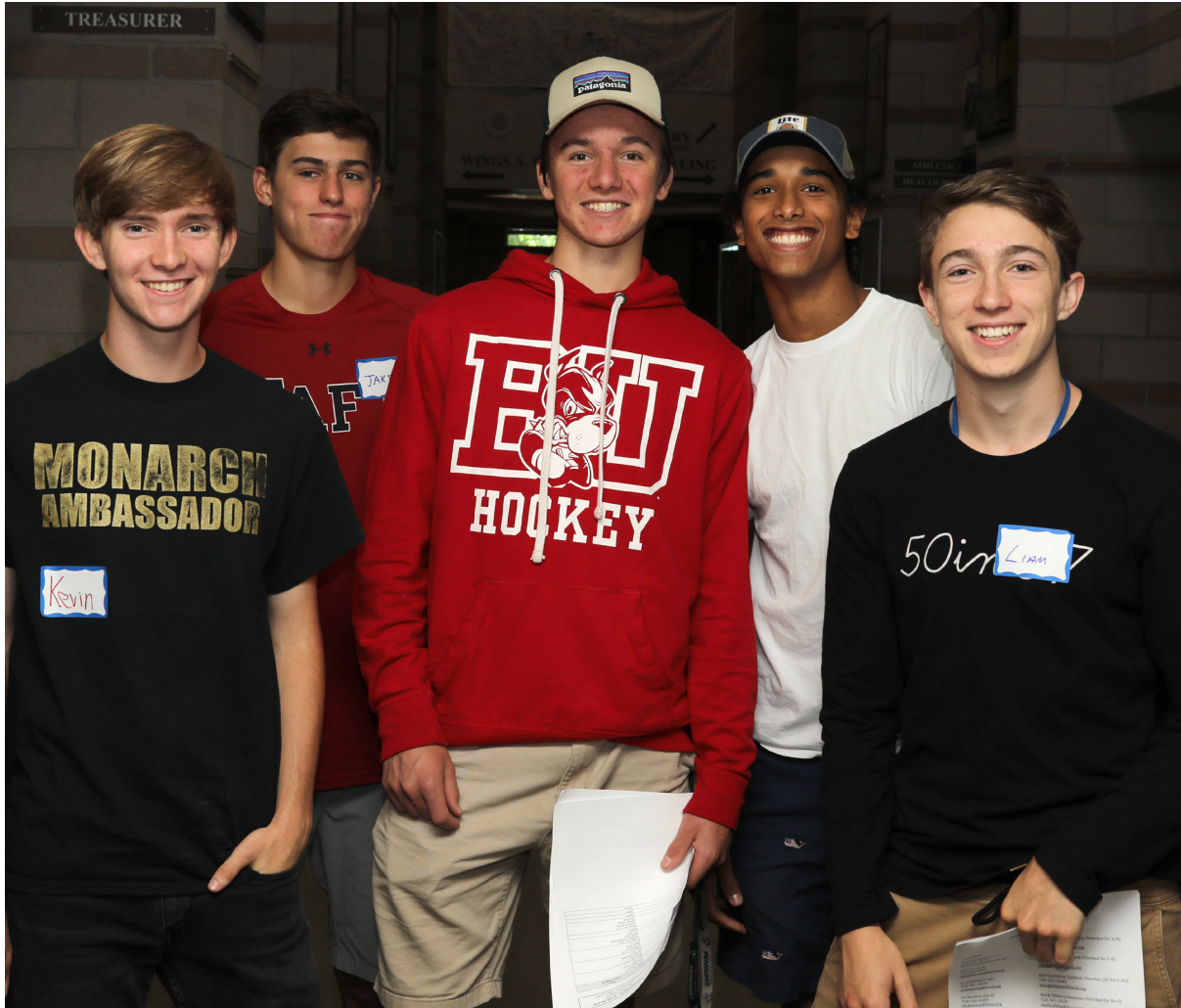
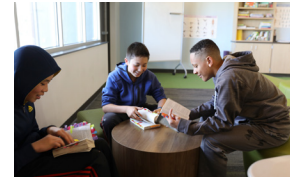
Boulder, Colorado • Boulder •



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 **Boulder Valley School District**
Excellence and Equity



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2017 • 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, 2017

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Business Services Division

November 15, 2017

Members of the Boulder Valley School District Community
Members of the Board of Education
Dr. Cynthia Stevenson, 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, 2017.

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, 2017. 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, 2017, 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 2016-17 school year, the district's total student funded full time equivalent was 29,676, 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 full and challenging range of educational programs and services authorized by Colorado State Statute including basic kindergarten through grade twelve education in elementary, middle and high schools, special education for special needs students, vocational education, English as a second language education and numerous other educational and support programs. In addition, the district offers preschool programs through its Early Childhood Education program.

Five charter schools are included as component units of the district for the 2016 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, and department. 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 5, 2016, the 52nd annual Colorado Business Economic Outlook, the economic outlook for calendar year 2017, was presented by the Business Research Division of the Colorado Leeds School of Business. The report has a message that is continued from prior years – Colorado's economic growth is exceeding the national economic picture. Although slightly behind the pace set in prior years, adding jobs and increasing employment will continue to be the key to sustaining Colorado's robust economy.

After adding 54,900 jobs in 2016, Colorado is expected to gain 63,400 jobs in 2017, or 2.4% growth. The July 2015 Colorado population is estimated by the State Demography Office (SDO) to be approximately 5,457,000, an increase of 1.9%, which is the second fastest state in percentage change. The population growth forecast for Colorado is an increase of 1.8% for 2016 and 2017.

Boulder County has experienced above average employment growth and some of the lowest unemployment rates in Colorado over the past several years. Data from the Bureau of Labor Statistics show employment in Boulder County increased 3.1% between September 2015 and 2016, creating an additional 5,600 jobs, compared to a 2.7% increase in Colorado during that period. In September 2016, the Boulder County unemployment rate was 2.4% (not seasonally adjusted) compared to state unemployment of 3.0% and a national rate of 4.8% (not seasonally adjusted). The area's large concentration of jobs in sectors with higher-than-average wages contributes to above-average incomes for area residents. The median household income for Boulder County residents was \$72,009 in 2015 compared to \$63,909 for Colorado residents, according to data from the U.S. Census Bureau.

The entire 2017 Colorado Business Economic Outlook can be found at <http://www.colorado.edu/business/centers/business-research-division/research>.

The Denver-Boulder-Greeley 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 2017-18 fiscal year, was projected at 2.7 percent in December. In February 2017, the final rate was determined to be 2.8 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 2017-18 fiscal year, the legislature increased base per pupil funding by 2.8% 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 increase 0.8% to 29,910, compared to 29,676 from the 2016-17 fiscal year. The "Budget Stabilization Factor" (previously referred to as the "Negative Factor") reduction to statewide total program funding as calculated in the School Finance Act is projected to be \$828.3 million for the 2017-18 fiscal year, or 11.1%. For the district, the negative factor is expected to be \$28.3 million. While some expect this funding reduction should reflect a "new normal" for K-12 public education, many community leaders and advocacy groups are pushing to restore funding to pre-recession levels, necessary to provide adequate educational resources so that all students have the opportunity to reach their full potential.

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

Fund Balance Requirements

In order to meet the challenges of school funding in Colorado, the board of education adopted Policy DB in 2005, which dictated a minimum level of year-end fund balance in order to ensure

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

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

Spending Limitations:

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

Reserve Requirements:

- In addition, the General Operating Fund budget will be developed containing an ending fund balance equal to required reserves including the TABOR reserve plus a minimum of a three percent contingency reserve. 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, 2017, the district is in compliance with these fund balance requirements.

Major Initiatives

In 2013, the district's board of education approved updates to its Mission Statement, Vision Statement, and Goals.

Mission

The mission of the Boulder Valley School District is to create challenging, meaningful and engaging learning opportunities so that all children thrive and are prepared for successful, civically engaged lives.

Vision of the Boulder Valley School District

We develop our children's greatest abilities and make possible the discovery and pursuit of their dreams, which when fulfilled will benefit us all. We provide a comprehensive and innovative

approach to education and graduate successful, curious lifelong learners who confidently confront the great challenges of their time.

Value Statements

1. We respect the inherent value of each student and incorporate the strengths and diversity of students, families, staff and communities.
2. Societal inequities and unique learning needs will not be barriers to student success.
3. We address the intellectual growth, health and physical development, and social emotional well-being of students.
4. We value accountability and transparency at all levels.

Goals

Goal #1 – Boulder Valley School District will partner with students, families, staff, and community members to address the unique learning needs of each student and to create meaningful and engaging opportunities for each child.

Goal #2 – Boulder Valley School District will ensure that each student meets or exceeds appropriate expectations relative to intellectual growth, physical development and social emotional well-being.

Goal #3 – Boulder Valley School District will ensure that students, families, staff, and community members experience a safe, healthy and inclusive environment.

The following strategies will be used to attain these goals:

- a. Boulder Valley School District will assess the success of each child as well as the overall effectiveness of the school system using multiple measures.
- b. Boulder Valley School District will partner with parents and the larger community to help all students enter school ready to learn and continue to learn throughout their educational experience.
- c. Boulder Valley School District will attract, hire and retain outstanding professionals at all levels of the organization.
- d. Boulder Valley School District will provide high quality professional development.
- e. Boulder Valley School District will increase community involvement, corporate partnerships, volunteer involvement, and legislative advocacy.

Strategic Planning

The district guides the implementation of the Success Effect through its three organizing principles - Learning, Talent and Partnerships. There are six priority action plans within the strategic plan, aligned with the three organizing principles:

- Learning
 - Systems of Support
 - Literacy & Early Learning
 - Successful, Curious, Lifelong Learners
- Talent
 - Educator Pipeline
 - Educator Growth & Development

- Partnerships
 - Parents & Families

Each focus area has key actions that are detailed on the district's website - www.bvsdsucsesseffect.org

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 are 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 has appointed a Citizens' Bond Oversight Committee that will offer 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 an additional \$190,000,000 General Obligation Bonds in March 2017. Through June 30, 2017, the district has completed several projects and performed work sufficient to successfully open four new or replacement schools August 2017. In addition, the district has begun preliminary project planning, conceptual design work and construction on several other capital projects. As of June 30, 2017, approximately half of the scope of work defined in the Educational Facilities Master Plan is either complete or under contract. The district will issue additional debt in future years to fund the remaining scope of work.

Operations and Technology Mill Levy

In November 2016, voters approved an operations and technology mill levy that generated \$9.9 million in property tax revenues for the fiscal year ended June 30, 2017, based on a levy of 1.709 mills. The district may increase the levy by no more than 1 mill per year and the levy cannot exceed 4 mills. The approved mill levy creates revenue flexibility for the district. Revenues will be spent on eligible costs to fund capital construction, new technology, upgrade existing technology, and maintenance needs of the district.

Other Information

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and 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 for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement and the Certificate of Excellence, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year. We believe that our current Comprehensive Annual Financial

Report continues to meet the program requirements for both Certificate of Achievement and Certificate of Excellence programs. This document will be submitted to GFOA and ASBO 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. Cynthia Stevenson, 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



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, 2016

Executive Director/CEO



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

Boulder Valley School District RE-2

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.

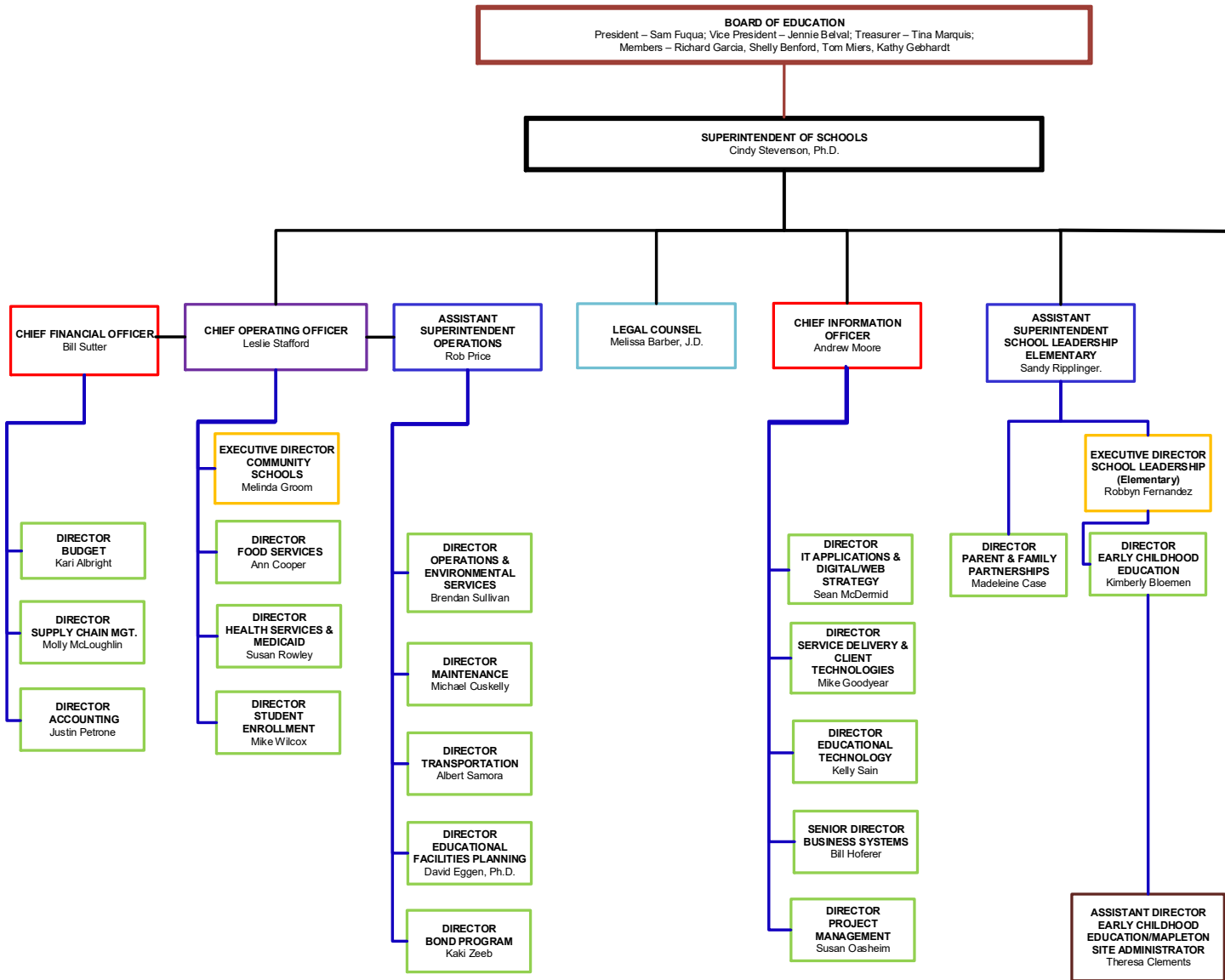


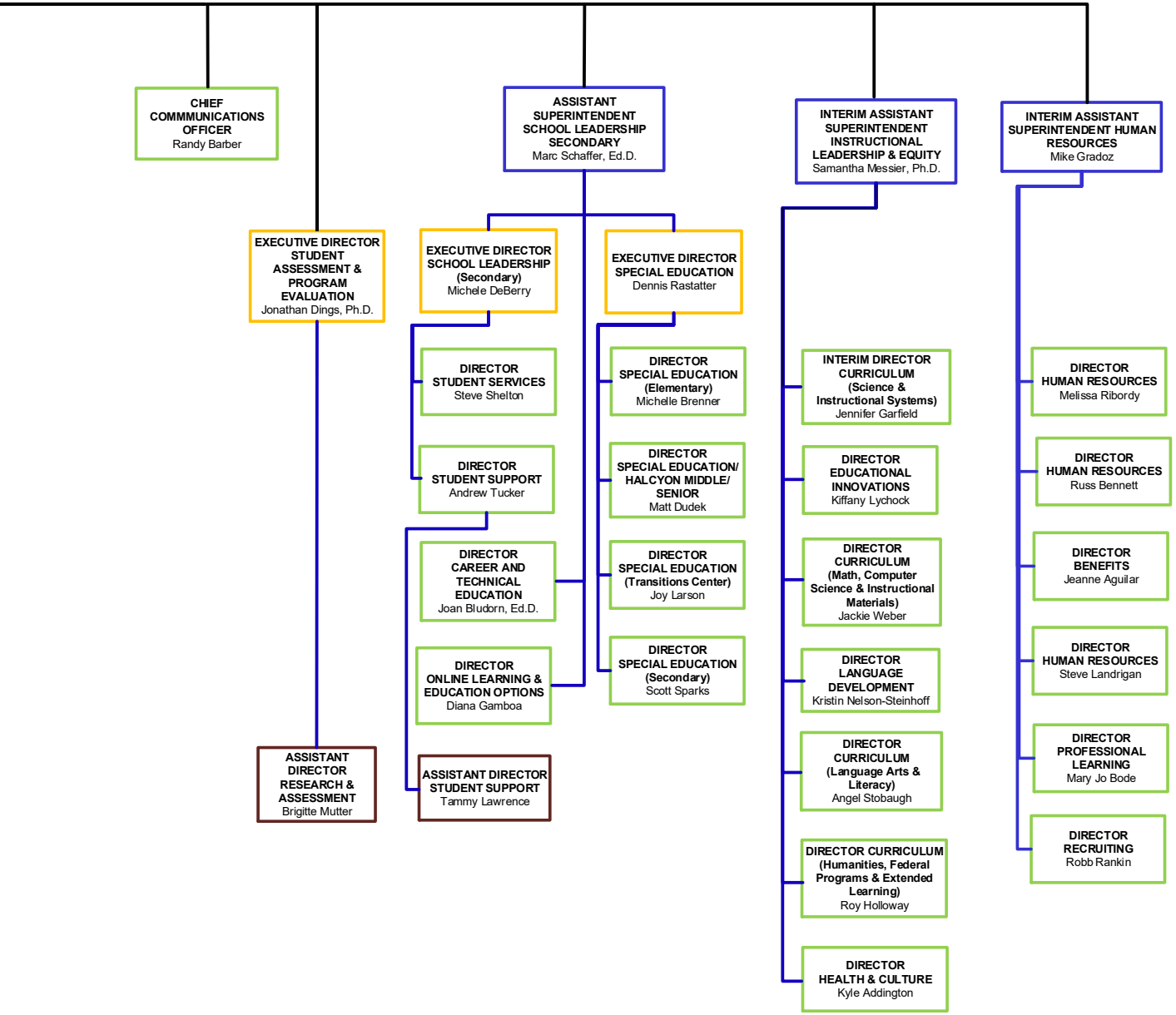
A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
Executive Director





BOULDER VALLEY SCHOOL DISTRICT RE-2
List of Elected and Appointed Officials
June 30, 2017
Board of Education



District G
Richard Garcia

District D
Sam Fuqua,
President

District A
Shelly Benford

District B
Tina Marquis,
Treasurer

District E
Tom Miers

District C
Kathy Gebhardt

District F
Jennie Belval,
Vice President

Superintendent's Cabinet



- Cynthia Stevenson, Ph.D.....Interim Superintendent
- Leslie Stafford Chief Operating Officer
- Andrew Moore.....Chief Information Officer
- Bill Sutter.....Chief Financial Officer
- Melissa Barber, J.D..... Legal Counsel
- Rob Price.....Asst. Superintendent of Operational Services
- Mike Gradoz..... Interim Asst. Superintendent of Human Resources
- Samantha Messier, Ph.D... Interim Asst. Superintendent for Inst. Svcs & Equity
- Sandy Ripplinger..... Asst. Superintendent for School Leadership
- Marc Schaffer, Ed.D..... Asst. Superintendent for School Leadership
- Randy Barber..... Director of Communications & Community Affairs
- Tina Mueh, Ph.D.....Boulder Valley Education Association President
- Ginger Ramsey.....Broomfield High School Principal

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, 2017, 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.

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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 – 29, the budgetary comparison schedule for the General Fund on page 77, and pension information on pages 78 – 80 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, the Colorado Department of Education Auditors Integrity Report, and the budgetary comparison schedules for the Bond Redemption Fund and 2014 Building Fund 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, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, and the budgetary comparison schedules for the Bond Redemption Fund and 2014 Building Fund 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Education
Boulder Valley School District

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2017, 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 15, 2017

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, 2017. 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, 2017, the liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$708.1 million (net position). The net position deficit is due primarily to a June 30, 2017 net pension liability of \$1,413.3 million, related deferred inflows of resources of \$6.3 million, offset by related deferred outflows of resources of \$550.5 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 decreased \$228.4 million during fiscal year 2017, due primarily to additional pension related expenses, as required by GASB No. 68.
- At the end of the current fiscal year, the district's governmental funds reported combined fund balance of \$373.0 million, an increase of \$84.8 million from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$28.6 million or 9.3% of total General Fund expenditures.
- The district's capital assets increased \$127.2 million during the current fiscal year to \$587.4 million at June 30, 2017. The increase is due to progress made on projects outlined in the Educational Facilities Master Plan, offset by depreciation expense and current year disposals.
- The district's noncurrent liabilities increased \$200.9 million during the current fiscal year, due primarily to the issuance of \$190.0 million General Obligation Bonds, Series 2017A, and related premium of \$29.3 million, offset by bond principal repayments of \$19.2 million.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements: The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 45-73 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also contains other required supplementary information that includes a budgetary comparison schedule for the General Fund and certain supporting pension schedules, and accompanying notes. Required supplementary information can be found on pages 77-80 of this report.

Combining and individual fund statements and schedules can be found on pages 84-113 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 \$708.1 million (net position) at June 30, 2017.

During fiscal year 2016-17, the district issued \$190,000,000 General Obligation Bonds, Series 2017A, as approved by voters November 2014 to complete capital projects defined in the district's Educational Facilities Master Plan. During fiscal year 2016-17, the bond issuance and progress towards completion of those projects caused the following changes in district assets and liabilities:

- Current and other assets increased \$85.2 million, due primarily to a \$67.2 million increase in cash and investments (bond proceeds) restricted for capital projects, and a \$9.4 million increase in property tax receipts restricted to pay future debt service.
- Capital assets increased \$127.2 million, which includes \$153.7 million of additions, primarily as a result of progress made on projects outlined in the Educational Facilities Master Plan, offset by \$18.4 million of depreciation expense and \$8.1 million of disposals.

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

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Assets		
Current and Other Assets	\$ 442,446,755	\$ 357,283,727
Capital Assets	587,373,053	460,189,239
Total Assets	<u>1,029,819,808</u>	<u>817,472,966</u>
Deferred Outflows of Resources	<u>550,865,304</u>	<u>98,314,476</u>
Liabilities		
Noncurrent Liabilities	804,455,267	603,542,468
Net Pension Liability	1,413,314,018	721,696,274
Other Liabilities	64,661,884	60,052,787
Total Liabilities	<u>2,282,431,169</u>	<u>1,385,291,529</u>
Deferred Inflows of Resources	<u>6,347,912</u>	<u>10,228,632</u>
Net Position		
Net Investment in Capital Assets	82,055,045	91,385,753
Restricted for:		
Debt Service	43,885,243	36,914,447
Multiple Year Obligations	-	120,000
Preschool Expenditures	162,489	252,147
Operations and Technology	1,389,789	-
Emergencies	9,963,400	9,431,397
Medicaid	1,787,369	1,531,924
Unrestricted	<u>(847,337,304)</u>	<u>(619,368,387)</u>
Total Net Position	<u>\$ (708,093,969)</u>	<u>\$ (479,732,719)</u>

Noncurrent liabilities increased \$200.9 million due to the following:

- The district issued \$190.0 million in bonds (Series 2017A), as described above, and related bond premium of \$29.3 million.
- In connection with issuance of the Series 2017A bonds, the district issued \$93.7 million General Obligation Refunding Bonds, Series 2017B. Proceeds from the bond sale, including premium of \$7.7 million were used to refund all of the outstanding General Obligation Bonds, Series 2007, which included \$99.0 million of outstanding principal plus accrued interest. Unamortized premiums associated with the Series 2007 bonds (\$0.8 million) were removed. The refunding generated a net present value savings of \$13.0 million.
- The district made principal payments on general obligation bonds of and capital leases of \$19.2 million and \$0.4 million, respectively.
- The district recorded bond premium amortization of \$2.4 million and a \$0.2 million increase in compensated absences from the prior year.
- The district entered into a capital lease agreement to finance the purchase of seventeen school buses (\$1.9 million).

Net pension liability increased \$691.6 million, in addition to increases in related deferred inflows of resources and deferred outflows of resources, due to the application of GASB No. 68, which requires the district to report its proportionate share of participation in PERA, the State's cost-sharing multi-employer defined benefit pension plan.

At June 30, 2017, \$82.1 million of the district's net position represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, and vehicles), less the outstanding debt used to acquire these assets. This balance decreased \$9.3 million from the prior year, due primarily to the amount by which capital asset disposals and depreciation expense exceed 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, \$57.2 million of the district's net position is subject to external restrictions on how the assets may be used. Restricted net position increased \$8.9 million over the prior year, due primarily to an increase in property tax receipts restricted to pay future debt service, as a result of the current year debt issuance. An additional \$1.4 million is now restricted as a result of the new operations and technology mill levy approved by voters November 2016.

The remaining balance of net position is a deficit of \$847.3 million, which represents the portion that is unrestricted and would otherwise be available to meet the district's ongoing obligations. Unrestricted net position decreased \$228.0 from the prior year, due primarily to the application of GASB No. 68, the net impact of which caused the district to recognize \$235.1 million in pension related expenses during the current year.

Governmental Activities: Overall, the district's net position decreased \$228.4 million from the prior year. Factors contributing to this decrease include the following:

Charges for Services: The \$1.2 million increase is due to increased revenues from summer school, kindergarten enrichment, school age care and school lunch sales.

Capital Grants and Contributions: The \$1.1 million decrease is due primarily to a decrease in contributions towards capital construction projects.

Local Property Taxes: The \$15.3 million increase is due primarily to a new operations and technology mill levy approved by voters in November 2016, which generated \$9.9 million of revenue in fiscal year 2016-17. In addition, property tax receipts from the bond redemption mill levy increased to account for general obligation debt issued in the current year.

Specific Ownership Taxes: The \$1.2 million increase is due to increased automobile registrations collected by the counties.

State Equalization: The \$2.5 million increase is due to a 1.2% increase in total program funding, as determined by the State. With no significant change in local property values, State equalization payments increased to cover the increase in total program funding.

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

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues:		
Charges For Services	\$ 20,055,972	\$ 18,903,703
Operating Grants and Contributions	30,155,120	29,408,532
Capital Grants and Contributions	506,287	1,600,806
General Revenues:		
Local Property Taxes	282,063,169	266,761,506
Specific Ownership Taxes	14,797,314	13,604,213
State Equalization	63,768,538	61,227,625
All Other Revenues	3,945,481	3,184,864
Total Revenues	<u>415,291,881</u>	<u>394,691,249</u>
Expenses:		
Instruction	399,988,960	254,328,181
Supporting Services	218,805,843	150,229,150
Interest Expense	24,858,328	24,306,236
Total Expenses	<u>643,653,131</u>	<u>428,863,567</u>
Change in Net Position	(228,361,250)	(34,172,318)
Net Position, Beginning	<u>(479,732,719)</u>	<u>(445,560,401)</u>
Net Position, Ending	<u>\$ (708,093,969)</u>	<u>\$ (479,732,719)</u>

Instruction Expenses: Of the \$145.7 million increase in instruction expense, \$128.0 million is due to net additional pension expense related to GASB No. 68. The district also reported an \$8.1 million loss on the disposal of assets, related to three school replacements as part of the bond construction program. The remaining increase is due primarily to a 1.2% cost of living increase, movement on the negotiated salary schedules and a 0.65% increase in required contributions to the state's retirement plan.

Supporting Services: Of the \$68.6 million increase in supporting services expense, \$68.9 million is due to net additional pension expense related to GASB No. 68, and \$4.7 million is related to expenses of the bond program that are not capitalized for accounting purposes (equipment, furniture, etc.). These increases are offset by a \$9.8 million decrease in the district's contribution to charter schools for the portions of construction in progress completed on the charter schools' behalf. The remaining increase is due primarily to a 1.2% cost of living increase, movement on the negotiated salary schedules and a 0.65% 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, 2017, the district's governmental funds reported combined fund balances of \$373.0 million, an increase of \$84.8 million from the prior year. Approximately 7.7% of this amount (\$28.6 million) constitutes unassigned fund balance, which is available for spending at the district's discretion. Remaining fund balance is either nonspendable, restricted, or assigned to indicate that it is either not in a spendable form (\$2.1 million), restricted for particular purposes (\$340.9 million), or assigned for particular purposes (\$1.4 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, Preschool Fund, and Colorado Preschool Program Fund. A Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances of the General Fund are shown on pages 84-87 of this report. As of June 30, 2017, the General Fund reports ending fund balance of \$41.5 million, an increase of \$7.2 million from the prior year.

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

	<u>2017</u>	<u>2016</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Property Taxes	\$213,683,680	\$212,628,855	\$ 1,054,825	0.5%
Specific Ownership Taxes	14,797,314	13,604,213	1,193,101	8.8%
State Equalization	63,768,538	61,227,625	2,540,913	4.1%
State Reimbursement Programs	9,343,637	9,257,551	86,086	0.9%
Local Revenues	18,054,200	16,415,787	1,638,413	10.0%
Federal Grants	1,540,839	1,570,440	(29,601)	-1.9%
Total	<u>\$321,188,208</u>	<u>\$314,704,471</u>	<u>\$ 6,483,737</u>	2.1%

Property Taxes: Property tax revenues were based upon a levy of 37.009 mills applied against an assessed valuation of \$5,850 million compared to 36.682 mills and an assessed valuation of \$5,852 million in the prior year. The net 0.5% increase in property taxes is due to an increase in the abatement levy, as a result of increased tax abatements granted by counties in the prior year. Because the district's property tax levy is based on a calendar year, property tax revenues include collections on both the 2016 and 2017 levies.

Specific Ownership Taxes: (SOT) is a personal property tax based upon the taxable value of vehicles registered in the portions of Boulder, Broomfield, and Gilpin counties that overlap with the district's boundaries. The ownership tax rate is based upon the age of the vehicle from the date of manufacture. The tax is collected at the county level and distributed to all local governments on a pro-rata basis relative to the local government's total mills. In the current fiscal year, specific ownership tax revenue increased 8.8% due to an increase in the volume and applied value of automobile registrations.

State Equalization: State equalization increased by 4.1% in the current year. While total program funding increased, as determined by the State, static property values (applicable to total program funding) caused the State to increase its portion of funding to the district.

Local Revenues: Local revenues increased 10.0% due primarily to increased tuition for summer school, kindergarten enrichment and school age care programs.

The following table reflects expenditures by major program area. Overall, expenditures increased by 0.6% from the previous year.

	<u>2017</u>	<u>2016</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction - Regular Programs	\$162,778,535	\$158,927,310	\$ 3,851,225	2.4%
Instruction - Special Programs	50,347,695	49,863,998	483,697	1.0%
Student Support Services	11,684,260	11,468,178	216,082	1.9%
Instructional Staff Services	13,239,638	11,811,469	1,428,169	12.1%
General Administration	4,537,316	3,830,105	707,211	18.5%
School Administration	22,297,819	21,712,411	585,408	2.7%
Business Services	4,176,406	4,063,248	113,158	2.8%
Operations and Maintenance	17,912,894	23,183,127	(5,270,233)	-22.7%
Central Support Services	14,099,965	14,349,428	(249,463)	-1.7%
Community Services	6,125,433	6,072,087	53,346	0.9%
Total	<u>\$307,199,961</u>	<u>\$305,281,361</u>	<u>\$ 1,918,600</u>	0.6%

Approximately 90% of General Fund expenditures are for staff salaries and benefits. For fiscal year 2016-17, employees received a 1.2% 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 0.65% contribution to PERA, the State of Colorado's retirement plan. These increases were offset by decreases in operations and maintenance and central support services, as \$7.4 million of eligible costs were allocated to the Operations and Technology Fund, related to the new mill levy approved by voters in November 2016.

Bond Redemption Fund: The Bond Redemption Fund reported fund balance of \$48.2 million, an increase of \$9.7 million over the prior year. Property tax revenues of \$52.2 million in the current year were based upon a 2017 levy of 8.995 mills applied to an assessed valuation of \$5,850 million, compared to 7.885 mills and an assessed valuation of \$5,852 million in the prior year. The mill levy was increased in the current year to account for general obligation debt issued in fiscal years 2014-15 and 2016-17. 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. In addition, the Bond Redemption Fund experienced in the current year a one-time savings of \$2.1 million related to the refunding of Series 2007 bonds. 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, 2017, fund balance of \$279.4 million is restricted for those capital projects.

General Operating Fund Highlights

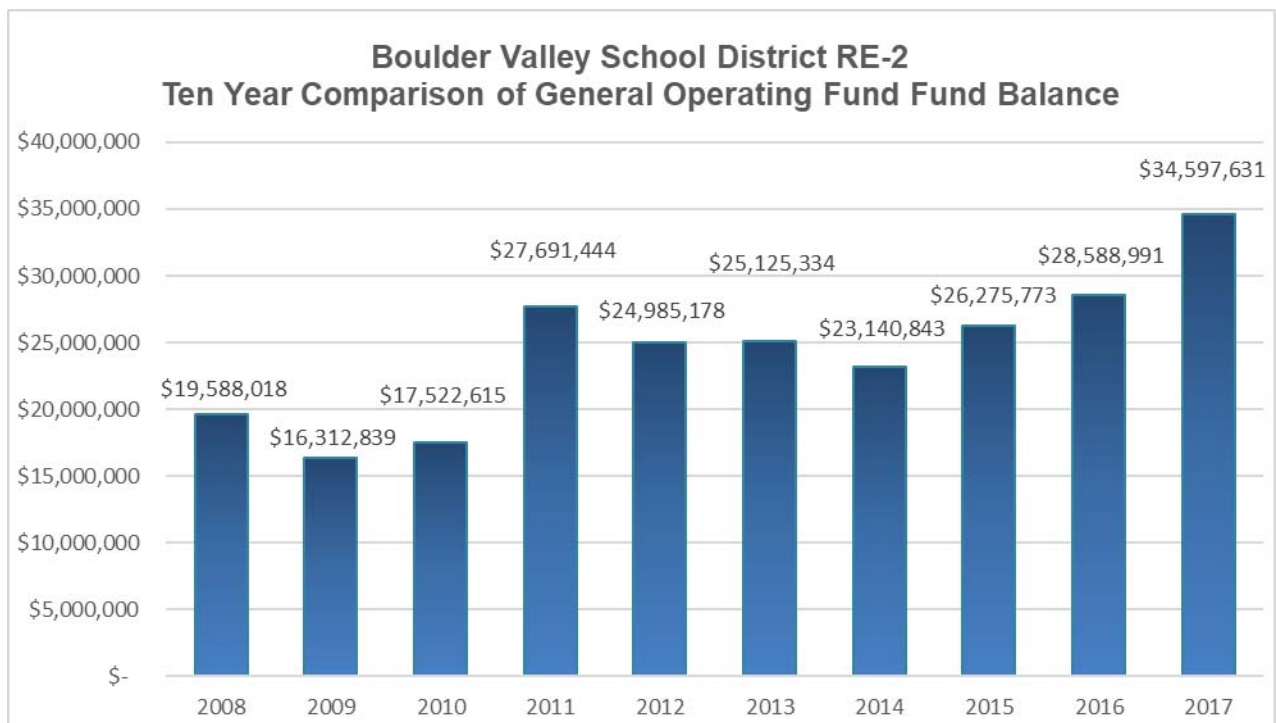
The General Operating Fund is the core operating fund of the district. For the year ended June 30, 2017, fund balance of the General Operating Fund increased \$6.0 million to \$34.6 million. Changes in revenues and expenditures of the General Operating Fund have been explained above as they represent the predominant activity of the General Fund.

General Operating Fund expenditures by function for the past five fiscal years are shown in the following table. The district has spent a minimum of 77.76% of General Operating Fund resources on instruction-related activities over the past five fiscal years.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Regular Instruction	54.57%	54.52%	54.06%	54.41%	55.74%
Special Instruction	15.89%	15.81%	16.24%	15.99%	16.16%
Instructional Support	7.30%	7.93%	7.78%	7.59%	7.93%
Subtotal Instruction	<u>77.76%</u>	<u>78.26%</u>	<u>78.08%</u>	<u>77.99%</u>	<u>79.83%</u>
School Administration and Operations	16.19%	15.70%	15.75%	15.48%	13.79%
District Wide/Community Services	6.05%	6.04%	6.17%	6.53%	6.38%
Subtotal Support	<u>22.24%</u>	<u>21.74%</u>	<u>21.92%</u>	<u>22.01%</u>	<u>20.17%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

An analysis of the district's General Operating Fund ending fund balance is shown in the following chart. Over the 10 year period from fiscal year 2007-08 to 2016-17, fund balance of the General Operating Fund has fluctuated from a low of \$16.3 million at June 30, 2009, to a high of \$34.6 million at June 30, 2017.



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

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 of any fund must be approved by the board of education.

The board of education adopted the 2016-17 budget in June 2016, and approved the revised budget in January 2017. The total General Fund appropriation was increased less than \$0.1 million. A surplus from fiscal year 2015-16 caused beginning fund balance to come in higher than anticipated as part of the 2016-17 budget development process. The surplus was caused by a combination of carryover balances for schools and departments, in addition to revenues exceeding budgeted amounts. This increase was offset by a decrease in certain eligible costs that were allocated to the Operations and Technology Fund, as a result of the new mill levy approved by voters November 2016.

A Budgetary Comparison Schedule for the General Fund is included on page 77 of this report. Significant differences between final budgeted and actual revenues are as follows:

Actual revenues exceeded budget by \$0.8 million (0.2%), related to increased tuition and fees, specific ownership taxes and federal reimbursement programs. These increases were offset by property taxes \$2.5 million less than budget, due to higher than anticipated abatements issued at the county level, which will be collected in fiscal year 2017-18.

Actual expenditures were \$13.5 million less than budget (4.2%), after deducting unspent reserves. \$4.0 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 and athletic purchases of \$1.7 million and \$0.3 million, respectively, will be completed in fiscal year 2017-18 and the district experienced a \$0.7 million savings in utility expenditures. The remaining balance relates to various personnel and other cost savings throughout the General Fund.

Capital Assets and Debt Administration

Capital Assets: The district's investment in capital assets as of June 30, 2017, and 2016, is summarized as follows:

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

	Governmental Activities	
	2017	2016
Land	\$ 5,234,068	\$ 4,726,468
Construction in Progress	135,572,796	54,231,211
Land Improvements	34,997,217	21,171,713
Buildings	404,764,169	373,999,393
Equipment	1,855,287	1,782,463
Vehicles	4,949,516	4,277,991
	<hr/>	<hr/>
Total Capital Assets	\$ 587,373,053	\$ 460,189,239

Changes in capital assets from the prior year include \$153.7 million of capital asset addition, offset by \$18.4 million of depreciation expense and \$8.1 million of current year disposals, which relate to the replacement of three elementary schools. The majority of current year capital additions are related to projects funded by the district's voter approved debt.

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

Debt Administration: The district's long term debt as of June 30, 2017 and 2016, is summarized as follows:

Boulder Valley School District RE-2 Long Term Debt

	Governmental Activities	
	2017	2016
General Obligation Bonds	\$ 725,835,000	\$ 560,290,000
Bond Premium	67,130,939	33,349,485
Capital Lease	2,383,365	951,368
Compensated Absences	9,105,963	8,951,615
	<hr/>	<hr/>
Total Long Term Debt	\$ 804,455,267	\$ 603,542,468

As noted above, the district issued \$190.0 million General Obligation Bonds, Series 2017A, and \$93.7 million General Obligation Refunding Bonds, Series 2017B, during fiscal year 2016-17. As part of the transaction, the district received premiums of \$29.3 million and \$7.7 million, respectively, and refunded all General Obligation Bonds, Series 2007 (\$99.0 million).

During fiscal year 2016-17 the district entered into a capital lease agreement to finance the acquisition of school buses with an initial value of \$1.9 million.

During the current fiscal year, the district repaid \$19.2 million of principal on general obligation bonds and \$0.4 million of principal on capital leases.

The district maintains an “AA+” rating from Fitch Ratings and an “Aa1” rating from Moody’s Investors Services for its general obligation debt. During the current fiscal year, Standard & Poor’s upgraded the district’s rating from “AA” to “AA+,” which is the highest rating assigned by Standard & Poor’s to 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, 2017, the district’s legal debt limit is \$1,170.0 million, which exceeds the district’s total outstanding debt by \$444.1 million.

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

Economic Factors and Next Year’s Budget

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

The majority of the district’s General Operating Fund revenues are a result of state level decisions. The Colorado State Legislature approved the 2017-18 SFA and increased the statewide per pupil base funding by inflation, or 2.8%. However, for the ninth 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 \$28.3 million in lost state revenues for 2017-18.

The district’s projected state per pupil revenue (PPR) for 2017-18 is \$7,588 (slightly rounded). Total program funding, defined by the SFA, is projected to be \$227.1 million, an increase of \$9.0 million from the prior year.

The funded pupil count is the real driver 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 (kindergartners, for example) 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 numbers.

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

Requests for Information

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

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



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BASIC FINANCIAL STATEMENTS



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Boulder Valley School District RE-2

STATEMENT OF NET POSITION

June 30, 2017

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS CHARTER SCHOOLS
ASSETS		
Cash and Investments	\$ 74,232,399	\$ 8,941,624
Restricted Cash and Investments	355,789,183	3,990,880
Accounts Receivable	1,342,569	7,372
Taxes Receivable, Net	6,873,046	-
Grants Receivable	1,777,861	-
Inventories	1,162,711	-
Prepaid Items and Other	1,268,986	26,924
Capital Assets, Not Being Depreciated	140,806,864	2,546,866
Capital Assets, Net of Accumulated Depreciation	446,566,189	25,843,637
TOTAL ASSETS	1,029,819,808	41,357,303
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net of Accumulated Amortization	316,661	3,233,235
Pension Related Items	550,548,643	30,328,152
TOTAL DEFERRED OUTFLOWS OF RESOURCES	550,865,304	33,561,387
LIABILITIES		
Accounts and Retainage Payable	31,605,752	144,354
Accrued Liabilities	9,029,148	-
Accrued Compensation and Benefits	15,653,005	1,172,332
Unearned Revenues	1,574,586	48,453
Accrued Interest Payable	4,683,566	293,494
Claims Payable	2,115,827	-
Noncurrent Liabilities		
Due Within One Year	29,184,216	777,494
Due in More Than One Year	775,271,051	18,843,101
Net Pension Liability	1,413,314,018	76,842,668
TOTAL LIABILITIES	2,282,431,169	98,121,896
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items	6,347,912	559,840
NET POSITION		
Net Investment in Capital Assets	82,055,045	12,397,338
Restricted for Advanced Placement Testing	-	10,847
Restricted for Scholarships	-	1,297,239
Restricted for Debt Service	43,885,243	2,137,867
Restricted for Repair and Maintenance	-	251,433
Restricted for Colorado Preschool Program	162,489	-
Restricted for Operations and Technology	1,389,789	285,276
Restricted for Special Education	-	30,000
Restricted for Capital Renewal	-	20,000
Restricted for Emergencies	9,963,400	776,020
Restricted for Medicaid	1,787,369	-
Restricted for Donations	-	31,198
Unrestricted	(847,337,304)	(41,000,264)
TOTAL NET POSITION	\$ (708,093,969)	\$ (23,763,046)

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Instruction	\$ 399,988,960	\$ 9,659,350	\$ 19,927,712	\$ 257,889
Supporting Services	218,805,843	10,396,622	10,227,408	248,398
Interest Expense	24,858,328	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 643,653,131	\$ 20,055,972	\$ 30,155,120	\$ 506,287
COMPONENT UNITS				
Charter Schools	39,126,541	1,970,705	1,228,096	680,817
TOTAL COMPONENT UNITS	\$ 39,126,541	\$ 1,970,705	\$ 1,228,096	\$ 680,817

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNITS CHARTER SCHOOLS
\$ (370,144,009)	\$ -
(197,933,415)	-
(24,858,328)	-
<u>(592,935,752)</u>	<u>-</u>
	<u>(35,246,923)</u>
	<u>(35,246,923)</u>
282,063,169	-
14,797,314	-
63,768,538	-
46,781	313,127
1,876,868	5,056
-	16,837,431
-	5,956,913
<u>2,021,832</u>	<u>901,082</u>
<u>364,574,502</u>	<u>24,013,609</u>
(228,361,250)	(11,233,314)
<u>(479,732,719)</u>	<u>(12,529,732)</u>
<u>\$ (708,093,969)</u>	<u>\$ (23,763,046)</u>

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

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2017

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>2014 BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
ASSETS					
Cash and Investments	\$ 60,770,065	\$ -	\$ -	\$ 4,094,307	\$ 64,864,372
Restricted Cash and Investments	41,609	47,356,483	308,391,091	-	355,789,183
Accounts Receivable	618,906	-	320,000	403,663	1,342,569
Taxes Receivable, Net	5,273,728	1,212,326	-	386,992	6,873,046
Grants Receivable	-	-	-	1,777,861	1,777,861
Due from Other Funds	1,404,293	-	-	-	1,404,293
Inventories	773,999	-	-	388,712	1,162,711
Prepaid Items	1,268,986	-	-	-	1,268,986
TOTAL ASSETS	<u>\$ 70,151,586</u>	<u>\$ 48,568,809</u>	<u>\$ 308,711,091</u>	<u>\$ 7,051,535</u>	<u>\$ 434,483,021</u>
LIABILITIES					
Accounts and Retainage Payable	\$ 2,626,171	\$ -	\$ 28,979,581	\$ -	\$ 31,605,752
Accrued Liabilities	8,881,605	-	-	147,543	9,029,148
Accrued Compensation and Benefits	14,656,254	-	8,521	988,230	15,653,005
Due to Other Funds	-	-	-	1,404,293	1,404,293
Unearned Revenues	742,612	-	320,000	511,974	1,574,586
TOTAL LIABILITIES	<u>26,906,642</u>	<u>-</u>	<u>29,308,102</u>	<u>3,052,040</u>	<u>59,266,784</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	1,716,674	395,281	-	116,910	2,228,865
FUND BALANCES					
Nonspendable	2,042,985	-	-	47,131	2,090,116
Restricted	10,892,320	48,173,528	279,402,989	2,410,727	340,879,564
Assigned	-	-	-	1,424,727	1,424,727
Unassigned	28,592,965	-	-	-	28,592,965
TOTAL FUND BALANCES	<u>41,528,270</u>	<u>48,173,528</u>	<u>279,402,989</u>	<u>3,882,585</u>	<u>372,987,372</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 70,151,586</u>	<u>\$ 48,568,809</u>	<u>\$ 308,711,091</u>	<u>\$ 7,051,535</u>	<u>\$ 434,483,021</u>

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

Boulder Valley School District RE-2
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2017

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

Total Fund Balances	\$ 372,987,372
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	587,373,053
Other long-term assets are not available to pay for current year expenditures and, therefore, are unavailable in the funds.	2,228,865
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.	7,252,200
Long-term liabilities and related items, including bonds payable (\$725,835,000), bond premium (\$67,130,939), capital lease (\$2,383,365), compensated absences (\$9,105,963), loss on refunding \$316,661 and accrued interest payable (\$4,683,566) are not due and payable in the current year and, therefore, are not reported in the funds.	(808,822,172)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(1,413,314,018)
Deferred outflows of resources related to pensions used in governmental activities are not financial resources and, therefore, are not reported in the funds.	550,548,643
Deferred inflows of resources related to pensions used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(6,347,912)</u>
Net Position of Governmental Activities	<u>\$ (708,093,969)</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, 2017

	GENERAL	BOND REDEMPTION	2014 BUILDING	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Local Sources	\$ 246,535,194	\$ 52,155,594	\$ 1,764,419	\$ 21,992,020	\$ 322,447,227
State Sources	73,112,175	-	-	5,623,782	78,735,957
Federal Sources	1,540,839	-	39,125	13,018,296	14,598,260
TOTAL REVENUES	321,188,208	52,155,594	1,803,544	40,634,098	415,781,444
EXPENDITURES					
Current					
Instruction	213,126,230	-	-	8,187,603	221,313,833
Supporting Services	94,073,731	3,050	-	34,996,179	129,072,960
Capital Outlay	-	-	155,044,701	3,338,875	158,383,576
Debt Service					
Principal	-	19,225,000	-	423,553	19,648,553
Interest	-	23,245,440	-	19,853	23,265,293
Issuance Costs	-	413,681	569,605	5,000	988,286
TOTAL EXPENDITURES	307,199,961	42,887,171	155,614,306	46,971,063	552,672,501
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,988,247	9,268,423	(153,810,762)	(6,336,965)	(136,891,057)
OTHER FINANCING SOURCES (USES)					
Insurance Proceeds	109,068	-	-	-	109,068
Capital Lease Issuance	-	-	-	1,855,550	1,855,550
Bonds Issued	-	93,740,000	190,000,000	-	283,740,000
Bond Premium	-	7,671,051	29,324,600	-	36,995,651
Payment to Escrow Agent	-	(100,997,370)	-	-	(100,997,370)
Transfers In	-	-	-	6,849,695	6,849,695
Transfers Out	(6,849,695)	-	-	-	(6,849,695)
TOTAL OTHER FINANCING SOURCES (USES)	(6,740,627)	413,681	219,324,600	8,705,245	221,702,899
NET CHANGE IN FUND BALANCES	7,247,620	9,682,104	65,513,838	2,368,280	84,811,842
FUND BALANCES, Beginning	34,280,650	38,491,424	213,889,151	1,514,305	288,175,530
FUND BALANCES, Ending	\$ 41,528,270	\$ 48,173,528	\$ 279,402,989	\$ 3,882,585	\$ 372,987,372

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, 2017

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

Net Change in Fund Balances	\$ 84,811,842
<p>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 \$153,716,876 exceeded depreciation expense (\$18,395,546) and the net book value of disposed assets (\$8,084,391) in the current year. In addition, the district contributed to a charter school the portion of construction in progress that was completed on the charter's behalf as of June 30, 2016 (\$53,125).</p>	
	127,183,814
<p>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.</p>	
	(598,631)
<p>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.</p>	
	19,648,553
<p>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 (\$1,855,550), debt issued (\$283,740,000), bond premium (\$36,995,651), amortization of loss on refunding (\$135,715), amortization of bond premium \$2,367,193, and payment to escrow agent \$100,997,370 (less the portion representing accrued interest expense of \$1,424,335).</p>	
	(220,786,688)
<p>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 (\$2,644,147), compensated absences (\$154,348), and miscellaneous expenses related to current year loss on refunding \$243,969.</p>	
	(2,554,526)
<p>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.</p>	
	(1,015,133)
<p>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 not reported in the governmental funds.</p>	
	<u>(235,050,481)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (228,361,250)</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, 2017

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUNDS
ASSETS	
Current	
Cash and Investments	\$ 9,368,027
TOTAL ASSETS	9,368,027
LIABILITIES	
Current	
Claims Payable	2,115,827
TOTAL LIABILITIES	2,115,827
NET POSITION	
Unrestricted	7,252,200
TOTAL NET POSITION	\$ 7,252,200

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, 2017

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES	
Premiums and Services	\$ 30,391,962
Other	812,191
TOTAL OPERATING REVENUES	<u>31,204,153</u>
OPERATING EXPENSES	
Personnel	234,723
Insurance Premiums and Claims	28,701,327
Administrative Fees	1,144,508
Other	2,138,728
TOTAL OPERATING EXPENSES	<u>32,219,286</u>
CHANGE IN NET POSITION	(1,015,133)
NET POSITION, Beginning	<u>8,267,333</u>
NET POSITION, Ending	<u><u>\$ 7,252,200</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, 2017

**GOVERNMENTAL
ACTIVITIES**

**INTERNAL
SERVICE FUNDS**

Cash Flows From Operating Activities

Premiums Received and Other Receipts	\$ 31,204,153
Cash Payments for Premiums, Claims and Other Expenses	(31,102,459)
Cash Paid to Employees for Salaries and Benefits	<u>(239,694)</u>

Net Cash Provided (Used) by Operating Activities (138,000)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (138,000)

CASH AND CASH EQUIVALENTS, Beginning

9,506,027

CASH AND CASH EQUIVALENTS, Ending

\$ 9,368,027

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

Change in Net Position	\$ (1,015,133)
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	882,104
Accrued Compensation and Benefits	<u>(4,971)</u>

Net Cash Provided (Used) by Operating Activities \$ (138,000)

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, 2017

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS		
Cash and Investments	\$ 1,415,097	\$ 5,241,094
TOTAL ASSETS	1,415,097	5,241,094
LIABILITIES		
Due to Student and School Groups	-	5,241,094
TOTAL LIABILITIES	-	5,241,094
NET POSITION		
Held in Trust for Scholarships	1,415,097	-
TOTAL NET POSITION	\$ 1,415,097	\$ -

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, 2017

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS	
Contributions	\$ 36,517
DEDUCTIONS	
Scholarships and Awards	33,107
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	3,410
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>1,411,687</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,415,097</u></u>

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The district reports the following major governmental funds:

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

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

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

Additionally, the district reports the following fund types:

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

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

Assets, Liabilities 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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities 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.

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 historical cost or estimated historical 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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities 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 plan (see Note 9) and a loss on refunding equal to the difference in the carrying value of refunded debt and its reacquisition price. The loss on refunding is amortized over the shorter of the life of the refunded or refunding debt.

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 straight-line 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. See Note 9 for additional information.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities 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 plan (see Note 9).

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, 2017, 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, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities 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 2017 are certified to the county in December 2016 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.

NOTE 2: CASH AND INVESTMENTS

At June 30, 2017, the district had the following cash and investments:

Cash on Hand	\$ 104,599
Deposits	14,722,403
Investments	424,568,920
Total	\$ 439,395,922

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

Primary Government Cash and Investments	\$ 74,232,399
Primary Government Restricted Cash and Investments	355,789,183
Fiduciary Funds Cash and Investments	6,656,191
Charter School Cash Held by District	2,718,149
Total	\$ 439,395,922

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

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, 2017:

	Less than 1 year	1 to 5 years	Total	S&P Rating
US Agency Securities	\$ 23,042,391	\$ -	\$ 23,042,391	AA+
US Government Securities	18,588,218	-	18,588,218	AA+
Local Government Investment Pool	382,938,311	-	382,938,311	AAAm
	<u>\$ 424,568,920</u>	<u>\$ -</u>	<u>\$ 424,568,920</u>	

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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

Local Government Investment Pool - At June 30, 2017, the district had \$382,938,311 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, 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.

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, 2017.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Fair Value of Investments (Continued)

Investments by Fair Value Levels	Balance	Fair Value Measurement Using		
	June 30, 2017	Level 1	Level 2	Level 3
Governmental Activities				
US Agency Securities	\$ 23,042,391	\$ -	\$ 23,042,391	\$ -
US Government Securities	18,588,218	-	18,588,218	-
Total	<u>\$ 41,630,609</u>	<u>\$ -</u>	<u>\$ 41,630,609</u>	<u>\$ -</u>
Component Units				
Endowment (held with				
Community First Foundation)	\$ 1,297,239	\$ -	\$ -	\$ 1,297,239
Common Stock	26,093	26,093	-	-
Total	<u>\$ 1,323,332</u>	<u>\$ 26,093</u>	<u>\$ -</u>	<u>\$ 1,297,239</u>

Component unit investments also include \$136,221 held in a money market fund valued at amortized cost.

Restricted Cash and Investments

Restricted cash and investments include \$41,609 in the General Fund for employee flexible spending balances, \$47,356,483 in the Bond Redemption Fund restricted for future debt service payments, and \$308,391,091 in the 2014 Building Fund for unspent bond proceeds restricted for capital projects.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

Due from Other Funds	Due to Other Funds	Balance
General Fund	Grants Fund	\$ 1,137,954
General Fund	Food Services Fund	266,339
		<u>\$ 1,404,293</u>

The internal balances above represent negative cash balances in the Grants Fund and Food Services Fund, which will be satisfied from operations in the subsequent year.

Transfers In	Transfers Out	Balance
Capital Reserve Fund	General Fund	\$ 1,843,981
Transportation Fund	General Fund	4,410,268
Food Services Fund	General Fund	595,446
Total		<u>\$ 6,849,695</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, 2017

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, is summarized below.

	Balances 6/30/16	Additions	Deletions	Balances 6/30/17
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 4,726,468	\$ 507,600	\$ -	\$ 5,234,068
Construction in Progress	54,231,211	151,556,027	(70,214,442)	135,572,796
Total Capital Assets, Not Being Depreciated	<u>58,957,679</u>	<u>152,063,627</u>	<u>(70,214,442)</u>	<u>140,806,864</u>
Capital Assets, Being Depreciated				
Land Improvements	29,538,431	16,980,095	(411,472)	46,107,054
Buildings	553,797,177	52,626,687	(11,901,294)	594,522,570
Equipment	11,225,995	352,234	(152,662)	11,425,567
Vehicles	22,254,243	1,855,550	(218,874)	23,890,919
Total Capital Assets, Being Depreciated	<u>616,815,846</u>	<u>71,814,566</u>	<u>(12,684,302)</u>	<u>675,946,110</u>
Less Accumulated Depreciation For				
Land Improvements	8,366,718	2,894,328	(151,209)	11,109,837
Buildings	179,797,784	14,043,325	(4,082,708)	189,758,401
Equipment	9,443,532	273,868	(147,120)	9,570,280
Vehicles	17,976,252	1,184,025	(218,874)	18,941,403
Total Accumulated Depreciation	<u>215,584,286</u>	<u>18,395,546</u>	<u>(4,599,911)</u>	<u>229,379,921</u>
Total Capital Assets, Being Depreciated, Net	<u>401,231,560</u>	<u>53,419,020</u>	<u>(8,084,391)</u>	<u>446,566,189</u>
Governmental Activities Capital Assets, Net	<u>\$ 460,189,239</u>	<u>\$ 205,482,647</u>	<u>\$ (78,298,833)</u>	<u>\$ 587,373,053</u>
Component Units				
Capital Assets, Not Being Depreciated				
Land	\$ 1,734,366	\$ 812,500	\$ -	\$ 2,546,866
Construction in Progress	39,378	25,050	(64,428)	-
Total Capital Assets, Not Being Depreciated	<u>1,773,744</u>	<u>837,550</u>	<u>(64,428)</u>	<u>2,546,866</u>
Capital Assets, Being Depreciated				
Land Improvements	3,645,296	42,913	-	3,688,209
Buildings	28,584,462	576,709	-	29,161,171
Equipment	450,943	28,012	-	478,955
Total Capital Assets, Being Depreciated	<u>32,680,701</u>	<u>647,634</u>	<u>-</u>	<u>33,328,335</u>
Less Accumulated Depreciation For				
Land Improvements	1,251,651	159,241	-	1,410,892
Buildings	5,302,812	584,087	-	5,886,899
Equipment	147,126	39,781	-	186,907
Total Accumulated Depreciation	<u>6,701,589</u>	<u>783,109</u>	<u>-</u>	<u>7,484,698</u>
Total Capital Assets, Being Depreciated, Net	<u>25,979,112</u>	<u>(135,475)</u>	<u>-</u>	<u>25,843,637</u>
Component Units Capital Assets, Net	<u>\$ 27,752,856</u>	<u>\$ 702,075</u>	<u>\$ (64,428)</u>	<u>\$ 28,390,503</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities	
Instruction	\$ 16,004,125
Supporting Services	<u>2,391,421</u>
Total	<u>\$ 18,395,546</u>

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2017, the district borrowed \$120,000,000 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, 2017, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	<u>Balances 6/30/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/17</u>
State-sponsored interest-free loan	\$ -	\$ 120,000,000	\$ 120,000,000	\$ -
Total	<u>\$ -</u>	<u>\$ 120,000,000</u>	<u>\$ 120,000,000</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, 2017.

	<u>Balances 6/30/16</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/17</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 560,290,000	\$ 283,740,000	\$ 118,195,000	\$ 725,835,000	\$ 22,265,000
Bond Premium	33,349,485	36,995,651	3,214,197	67,130,939	-
Capital Lease	951,368	1,855,550	423,553	2,383,365	419,533
Compensated Absences	<u>8,951,615</u>	<u>6,415,017</u>	<u>6,260,669</u>	<u>9,105,963</u>	<u>6,499,683</u>
Total	<u>\$ 603,542,468</u>	<u>\$ 329,006,218</u>	<u>\$ 128,093,419</u>	<u>\$ 804,455,267</u>	<u>\$ 29,184,216</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, 2017

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2017, are comprised of the following issues:

\$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%.	\$ 93,740,000
\$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%.	\$ 245,000,000
\$176,800,000 General Obligation Bonds, Series 2009. 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 2034. Interest accrues at rates ranging from 4.00% to 5.00%.	\$ 172,730,000
\$53,645,000 General Obligation Refunding Bonds, Series 2009B. Issued to refund the General Obligation Bonds, Series 1999. Principal payments due on December 1 and interest payments due on December 1 and June 1, through 2018. Interest accrues at rates ranging from 2.25% to 4.00%.	<u>\$ 24,365,000</u>
Total	<u><u>\$ 725,835,000</u></u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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>
2018	\$ 22,265,000	\$ 35,130,212	\$ 57,395,212
2019	18,395,000	32,330,925	50,725,925
2020	18,220,000	31,706,350	49,926,350
2021	14,535,000	31,169,250	45,704,250
2022	14,930,000	30,582,275	45,512,275
2023 - 2027	83,940,000	142,525,500	226,465,500
2028 - 2032	103,230,000	121,479,025	224,709,025
2033 - 2037	130,215,000	93,103,900	223,318,900
2038 - 2042	166,150,000	56,252,125	222,402,125
2043 - 2047	142,185,000	15,290,588	157,475,588
2048	11,770,000	294,250	12,064,250
Total	<u>\$ 725,835,000</u>	<u>\$ 589,864,400</u>	<u>\$ 1,315,699,400</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 may be sold in one or more 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. The remaining amount authorized will be issued in future years to complete the capital projects.

On March 16, 2017, the district issued \$93,740,000 of General Obligation Refunding Bonds, Series 2017B. Proceeds from the issuance, including bond premium of \$7,671,051, were used to pay the costs of issuing the bonds and to refund the General Obligation Bonds, Series 2007 (\$98,970,000 aggregate outstanding principal, plus accrued interest). The Series 2017B refunding bonds mature December 1, 2028, compared to the December 1, 2032 maturity of the refunded Series 2007 bonds. The transaction resulted in an aggregate reduction in total debt service costs of \$22,837,924 and an economic gain of \$12,972,090, which is the difference between the net present value of the debt service payments on the old debt and new debt.

Capital Lease

The district acquired certain school buses under capital lease financing agreements. The buses have an 8-year estimated useful life. At June 30, 2017, the net book value of buses under capital lease agreements is \$2,708,284 (\$2,973,350 less accumulated depreciation of \$265,066). 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2018	\$ 443,406
2019	443,406
2020	443,406
2021	443,406
2022	443,406
2023	276,973
Total minimum lease payments	2,494,003
Less: amount representing interest	(110,638)
Present value of minimum lease payments	\$ 2,383,365

Operating Lease

The district leases the majority of its non-bus fleet of vehicles. Total costs for the lease was \$302,309 for the year ended June 30, 2017. Future minimum lease payments for the lease are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2018	\$ 329,338
2019	329,338
2020	322,173
2021	107,388
2022	40,831
Total	\$ 1,129,068

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Component Units

Changes in long-term debt of the Component Units for the year ended June 30, 2017, were as follows:

	Balances 6/30/16	Additions	Payments	Balances 6/30/17	Due Within One Year
Loan Payable	\$ 192,385	\$ 400,000	\$ 89,629	\$ 502,756	\$ 89,919
Note Payable	-	1,210,000	43,672	1,166,328	44,808
Bonds Payable	17,410,000	-	620,000	16,790,000	640,000
Bond Premium	1,151,276	-	63,960	1,087,316	-
Compensated Absences	69,794	135,251	130,850	74,195	2,767
Total	\$ 18,823,455	\$ 1,745,251	\$ 948,111	\$ 19,620,595	\$ 777,494

Component unit loan, note, and bonds payable consist of the following at June 30, 2017:

\$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.

\$ 320,000

\$250,000 Loan Payable, August 2007.

Issued to purchase a building. Monthly payments are required through April 30, 2032. Interest accrues at a variable rate calculated from the 5-Year Treasury Rate plus 1.28 percentage points. At June 30, 2017, the interest rate was 2.97%.

\$ 182,756

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

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

\$ 1,166,328

\$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. Revenue from the rental of the building has been pledged to pay principal and interest.

\$ 16,790,000

Total

\$ 18,459,084

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6: LONG-TERM DEBT (Continued)

Component Units (Continued)

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>
2018	\$ 89,919	\$ 5,294	\$ 95,213
2019	90,218	4,995	95,213
2020	90,526	4,687	95,213
2021	90,842	4,371	95,213
2022	11,169	4,044	15,213
2023 - 2027	61,095	14,969	76,064
2028 - 2032	68,987	5,202	74,189
Total	<u>\$ 502,756</u>	<u>\$ 43,562</u>	<u>\$ 546,318</u>

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 44,808	\$ 68,761	\$ 113,569
2019	47,571	65,997	113,568
2020	50,505	63,063	113,568
2021	1,023,444	60,109	1,083,553
Total	<u>\$ 1,166,328</u>	<u>\$ 257,930</u>	<u>\$ 1,424,258</u>

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>
2018	\$ 640,000	\$ 773,050	\$ 1,413,050
2019	655,000	750,600	1,405,600
2020	680,000	724,150	1,404,150
2021	710,000	696,350	1,406,350
2022	740,000	667,350	1,407,350
2023 - 2027	4,185,000	2,820,275	7,005,275
2028 - 2032	5,315,000	1,656,875	6,971,875
2033 - 2035	3,865,000	269,125	4,134,125
Total	<u>\$ 16,790,000</u>	<u>\$ 8,357,775</u>	<u>\$ 25,147,775</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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	\$ 773,999	\$ -	\$ -	\$ 47,131	\$ 821,130
Prepaid Items	1,268,986	-	-	-	1,268,986
Total Nonspendable	2,042,985	-	-	47,131	2,090,116
Restricted For:					
Debt Service	-	48,173,528	-	-	48,173,528
Capital Projects	-	-	279,402,989	-	279,402,989
Colorado Preschool Program	162,489	-	-	-	162,489
Operations and Technology	-	-	-	1,389,789	1,389,789
Emergencies	8,942,462	-	-	1,020,938	9,963,400
Medicaid	1,787,369	-	-	-	1,787,369
Total Restricted	10,892,320	48,173,528	279,402,989	2,410,727	340,879,564
Assigned To:					
Transportation	-	-	-	422,118	422,118
Food Service	-	-	-	21,948	21,948
Capital Projects	-	-	-	980,661	980,661
Total Assigned	-	-	-	1,424,727	1,424,727
Unassigned, Reported In					
General Fund	28,592,965	-	-	-	28,592,965
Total Unassigned	28,592,965	-	-	-	28,592,965
Total Fund Balances	<u>\$ 41,528,270</u>	<u>\$ 48,173,528</u>	<u>\$ 279,402,989</u>	<u>\$ 3,882,585</u>	<u>\$ 372,987,372</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, generally the district's chief financial officer.

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

Each member of the JSD Pool is responsible for the first \$100,000 of each loss. Losses between \$100,000 and \$450,000 are pooled between the member districts, and losses in excess of \$450,000 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8: RISK MANAGEMENT (Continued)

Health and Dental Self-Insurance

Under the district's employee health insurance plan and dental insurance plan, the district provides coverage for its employees. 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:

	Health Insurance	Dental Insurance
Claims Payable, June 30, 2015	\$ 1,217,292	\$ 145,223
Claims Incurred and Adjustments Payments	16,328,908 (16,479,422)	2,082,438 (2,060,716)
Claims Payable, June 30, 2016	1,066,778	166,945
Claims Incurred and Adjustments Payments	17,923,422 (17,057,799)	2,177,713 (2,161,232)
Claims Payable, June 30, 2017	<u>\$ 1,932,401</u>	<u>\$ 183,426</u>

Claims payable at June 30, 2017 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.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided - 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.

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. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

Contributions - Eligible employees and the district are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended	
	12/31/2016	12/31/2017
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	4.50%	5.00%
Total Employer Contribution Rate to the SCHDTF ¹	18.13%	18.63%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

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 \$39,564,497 for the year ended June 30, 2017.

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

At June 30, 2017, the district reported a liability of \$1,413,314,018 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The district's proportion of the net pension liability was based on the district's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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)

At December 31, 2016, the district's proportion was 4.74682720 percent, which was an increase of 0.02809828 from its proportion measured as of December 31, 2015. The district's proportion includes the primary government (approximately 97.91%) and four of the district's five charter schools (approximately 2.09%). 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, 2017, the district recognized pension expense of \$235,050,481. At June 30, 2017, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,633,310	\$ 12,264
Changes of assumptions or other inputs	458,590,908	6,335,648
Net difference between projected and actual earnings on pension plan investments	46,920,431	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,180,413	-
Contributions subsequent to the measurement date	20,223,581	-
Total	<u>\$ 550,548,643</u>	<u>\$ 6,347,912</u>

\$20,223,581 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, 2018. 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,

2018	\$ 211,138,856
2019	209,238,924
2020	103,127,972
2021	471,398
2022	-
Thereafter	-

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

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	5.26 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

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

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

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

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

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. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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)

- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

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 by the investment consultant 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 November 18, 2016 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	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 5.26 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 economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. 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, including 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.
- 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.
- 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. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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)

As of the prior measurement date, the projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

Sensitivity of the School'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 5.26 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 (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	\$ 1,777,196,963	\$ 1,413,314,018	\$ 1,116,944,533

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: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Plan Description - The district contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and 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 health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The district is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the district are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2017, 2016, and 2015, the district's contribution to the HCTF were \$2,195,636, \$2,145,303, and \$2,045,954, respectively, equal to their required contributions for each year.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

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, 2017, 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, 2017, the district had construction commitments totaling approximately \$98.6 million, primarily for facility construction contracts to be funded with bond proceeds. Subsequent to June 30, 2017, the district entered into additional construction commitments of approximately \$4.0 million for the same purpose.

Tabor Amendment

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

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

The Amendment requires all governments to establish a reserve for emergencies. At June 30, 2017, \$9,963,400 was restricted to satisfy the reserve requirement.



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REQUIRED SUPPLEMENTARY INFORMATION



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Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Property Taxes	\$ 219,263,216	\$ 216,208,185	\$ 213,683,680	\$ (2,524,505)
Specific Ownership Taxes	13,614,384	13,614,384	14,797,314	1,182,930
Tuition and Fees	10,630,736	10,842,748	12,031,804	1,189,056
Other Local Revenue	4,998,365	5,545,378	6,022,396	477,018
State Equalization	61,826,052	63,752,273	63,768,538	16,265
State Reimbursement Programs	8,886,135	9,178,733	9,343,637	164,904
Federal Grants	1,075,000	1,245,816	1,540,839	295,023
TOTAL REVENUES	320,293,888	320,387,517	321,188,208	800,691
EXPENDITURES				
Current				
Instruction - Regular Programs	167,413,537	169,094,124	162,778,535	6,315,589
Instruction - Special Programs	51,184,156	52,133,463	50,347,695	1,785,768
Student Support Services	10,852,734	13,295,791	11,684,260	1,611,531
Instructional Staff Services	13,343,550	14,537,795	13,239,638	1,298,157
General Administration	3,936,788	4,223,410	4,537,316	(313,906)
School Administration	21,921,043	22,470,419	22,297,819	172,600
Business Services	4,256,807	4,415,375	4,176,406	238,969
Operations and Maintenance	24,785,456	18,927,338	17,912,894	1,014,444
Central Support Services	16,377,086	15,107,527	14,099,965	1,007,562
Community Services	6,587,529	6,508,367	6,125,433	382,934
Emergency Reserves	8,848,351	8,942,462	-	8,942,462
Reserves	9,028,131	8,891,166	-	8,891,166
TOTAL EXPENDITURES	338,535,168	338,547,237	307,199,961	31,347,276
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,241,280)	(18,159,720)	13,988,247	32,147,967
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	30,000	130,000	109,068	(20,932)
Transfers Out	(6,012,492)	(6,849,695)	(6,849,695)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,982,492)	(6,719,695)	(6,740,627)	(20,932)
NET CHANGE IN FUND BALANCE	(24,223,772)	(24,879,415)	7,247,620	32,127,035
FUND BALANCE, Beginning	26,430,919	34,280,650	34,280,650	-
FUND BALANCE, Ending	\$ 2,207,147	\$ 9,401,235	\$ 41,528,270	\$ 32,127,035

Boulder Valley School District RE-2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
June 30, 2017

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion (percentage) of the collective net pension liability (asset)	4.74682720%	4.71872892%	4.67428842%	4.61595307%
District's proportionate share of the collective pension liability (asset)	1,413,314,018	721,696,274	633,523,091	588,763,568
Covered payroll	213,046,306	205,643,263	195,818,956	186,083,709
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	663.38%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	43.10%	59.20%	62.80%	64.06%

* 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.

Boulder Valley School District RE-2
SCHEDULE OF THE CONTRIBUTIONS AND RELATED RATIOS
June 30, 2017

As of June 30,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily required contributions	\$ 39,564,497	\$ 37,290,415	\$ 33,858,535	\$ 30,643,126
Contributions in relation to the statutorily required contribution	<u>39,564,497</u>	<u>37,290,415</u>	<u>33,858,535</u>	<u>30,643,126</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	215,258,416	210,323,829	200,583,738	191,759,237
Contribution as a percentage of covered payroll	18.38%	17.73%	16.88%	15.98%

* 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.

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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GENERAL FUND

Boulder Valley School District RE-2

COMBINING BALANCE SHEET

GENERAL FUND

June 30, 2017

	<u>GENERAL OPERATING</u>	<u>RISK MANAGEMENT</u>	<u>TECHNOLOGY</u>
ASSETS			
Cash and Investments	\$ 54,409,249	\$ 86,067	\$ 1,214,297
Restricted Cash and Investments	41,609	-	-
Accounts Receivable	324,984	100,000	142,471
Taxes Receivable, Net	5,273,728	-	-
Due from Other Funds	1,404,293	-	-
Inventories	403,367	-	370,632
Prepaid Items	615,046	-	653,940
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 62,472,276</u>	<u>\$ 186,067</u>	<u>\$ 2,381,340</u>
LIABILITIES			
Accounts Payable	\$ 2,600,333	\$ 25,838	\$ -
Accrued Liabilities	8,881,605	-	-
Accrued Compensation and Benefits	14,612,398	-	-
Unearned Revenues	63,635	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>26,157,971</u>	<u>25,838</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	1,716,674	-	-
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Nonspendable	1,018,413	-	1,024,572
Restricted	9,969,872	136,300	112,175
Unassigned	23,609,346	23,929	1,244,593
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>34,597,631</u>	<u>160,229</u>	<u>2,381,340</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 62,472,276</u>	<u>\$ 186,067</u>	<u>\$ 2,381,340</u>

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 437,109	\$ 3,867,250	\$ 535,139	\$ 220,954	\$ 60,770,065
-	-	-	-	41,609
-	51,451	-	-	618,906
-	-	-	-	5,273,728
-	-	-	-	1,404,293
-	-	-	-	773,999
-	-	-	-	1,268,986
<u>\$ 437,109</u>	<u>\$ 3,918,701</u>	<u>\$ 535,139</u>	<u>\$ 220,954</u>	<u>\$ 70,151,586</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,626,171
-	-	-	-	8,881,605
10,142	8,907	22,117	2,690	14,656,254
3,920	539,270	135,787	-	742,612
<u>14,062</u>	<u>548,177</u>	<u>157,904</u>	<u>2,690</u>	<u>26,906,642</u>
-	-	-	-	1,716,674
-	-	-	-	2,042,985
101,133	187,592	166,984	218,264	10,892,320
321,914	3,182,932	210,251	-	28,592,965
<u>423,047</u>	<u>3,370,524</u>	<u>377,235</u>	<u>218,264</u>	<u>41,528,270</u>
<u>\$ 437,109</u>	<u>\$ 3,918,701</u>	<u>\$ 535,139</u>	<u>\$ 220,954</u>	<u>\$ 70,151,586</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2017

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 235,032,933	\$ 2,877	\$ 433,681
State Sources	73,112,175	-	-
Federal Sources	1,540,839	-	-
TOTAL REVENUES	309,685,947	2,877	433,681
EXPENDITURES			
Current			
Instruction - Regular Programs	158,583,108	-	768,055
Instruction - Special Programs	45,971,428	-	-
Student Support Services	10,793,420	-	-
Instructional Staff Services	11,765,485	-	612,853
General Administration	4,416,876	21,903	-
School Administration	22,095,967	-	-
Business Services	4,155,694	20,712	-
Operations and Maintenance	17,153,097	673,727	-
Central Support Services	9,578,965	3,908,293	612,707
Community Services	-	-	-
TOTAL EXPENDITURES	284,514,040	4,624,635	1,993,615
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	25,171,907	(4,621,758)	(1,559,934)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	109,068	-
Transfers In	1,202,756	4,396,679	1,637,089
Transfers Out	(20,366,023)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(19,163,267)	4,505,747	1,637,089
NET CHANGE IN FUND BALANCES	6,008,640	(116,011)	77,155
FUND BALANCES, Beginning	28,588,991	276,240	2,304,185
FUND BALANCES, Ending	\$ 34,597,631	\$ 160,229	\$ 2,381,340

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 1,274,414	\$ 8,295,148	\$ 1,496,141	\$ -	\$ 246,535,194
-	-	-	-	73,112,175
-	-	-	-	1,540,839
<u>1,274,414</u>	<u>8,295,148</u>	<u>1,496,141</u>	<u>-</u>	<u>321,188,208</u>
-	-	3,427,372	-	162,778,535
3,020,459	-	-	1,355,808	50,347,695
-	-	890,840	-	11,684,260
-	-	695,144	166,156	13,239,638
98,537	-	-	-	4,537,316
-	-	128,754	73,098	22,297,819
-	-	-	-	4,176,406
378	-	85,692	-	17,912,894
-	-	-	-	14,099,965
-	5,866,472	157,372	101,589	6,125,433
<u>3,119,374</u>	<u>5,866,472</u>	<u>5,385,174</u>	<u>1,696,651</u>	<u>307,199,961</u>
<u>(1,844,960)</u>	<u>2,428,676</u>	<u>(3,889,033)</u>	<u>(1,696,651)</u>	<u>13,988,247</u>
-	-	-	-	109,068
2,000,870	-	3,818,922	1,709,108	14,765,424
-	(1,202,756)	-	(46,340)	(21,615,119)
<u>2,000,870</u>	<u>(1,202,756)</u>	<u>3,818,922</u>	<u>1,662,768</u>	<u>(6,740,627)</u>
155,910	1,225,920	(70,111)	(33,883)	7,247,620
267,137	2,144,604	447,346	252,147	34,280,650
<u>\$ 423,047</u>	<u>\$ 3,370,524</u>	<u>\$ 377,235</u>	<u>\$ 218,264</u>	<u>\$ 41,528,270</u>



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS June 30, 2017

	SPECIAL REVENUE			
	FOOD SERVICES	GRANTS	TRANSPORTATION	OPERATIONS AND TECHNOLOGY
ASSETS				
Cash and Investments	\$ 5,854	\$ -	\$ 1,541,863	\$ 1,522,397
Accounts Receivable	403,663	-	-	-
Taxes Receivable, Net	-	-	172,273	214,719
Grants Receivable	-	1,680,594	-	-
Inventories	388,712	-	-	-
	<u>\$ 798,229</u>	<u>\$ 1,680,594</u>	<u>\$ 1,714,136</u>	<u>\$ 1,737,116</u>
LIABILITIES				
Accrued Liabilities	\$ 147,543	\$ -	\$ -	\$ -
Accrued Compensation and Benefits	162,626	54,316	771,288	-
Due to Other Funds	266,339	1,137,954	-	-
Unearned Revenues	23,650	488,324	-	-
	<u>600,158</u>	<u>1,680,594</u>	<u>771,288</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	-	-	59,389	57,521
	<u>-</u>	<u>-</u>	<u>59,389</u>	<u>57,521</u>
FUND BALANCES				
Nonspendable	47,131	-	-	-
Restricted	128,992	-	461,341	1,679,595
Assigned	21,948	-	422,118	-
	<u>198,071</u>	<u>-</u>	<u>883,459</u>	<u>1,679,595</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 798,229</u>	<u>\$ 1,680,594</u>	<u>\$ 1,714,136</u>	<u>\$ 1,737,116</u>

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 1,024,193	\$ 4,094,307
-	403,663
-	386,992
97,267	1,777,861
-	388,712
<u>\$ 1,121,460</u>	<u>\$ 7,051,535</u>
\$ -	\$ 147,543
-	988,230
-	1,404,293
-	511,974
<u>-</u>	<u>3,052,040</u>
-	116,910
-	47,131
140,799	2,410,727
980,661	1,424,727
<u>1,121,460</u>	<u>3,882,585</u>
<u>\$ 1,121,460</u>	<u>\$ 7,051,535</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2017

	SPECIAL REVENUE			
	FOOD SERVICES	GRANTS	TRANSPORTATION	OPERATIONS AND TECHNOLOGY
REVENUES				
Local Sources	\$ 4,125,832	\$ 475,839	\$ 7,427,962	\$ 9,839,777
State Sources	92,971	2,094,887	3,435,924	-
Federal Sources	3,449,718	9,471,311	-	-
TOTAL REVENUES	7,668,521	12,042,037	10,863,886	9,839,777
EXPENDITURES				
Current				
Instruction - Regular Programs	-	2,358,221	-	-
Instruction - Special Programs	-	4,216,276	1,613,106	-
Student Support Services	-	1,957,001	-	-
Instructional Staff Services	-	1,812,597	-	-
School Administration	-	1,097,468	-	-
Operations and Maintenance	-	5,494	169,691	6,341,788
Student Transportation	-	19,777	13,044,915	-
Central Support Services	-	34,159	-	1,818,394
Food Services Operations	8,228,963	124,781	-	-
Community Services	-	98,755	-	-
Adult Education	-	242,396	-	-
Capital Outlay	-	75,112	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance Costs	-	-	-	-
TOTAL EXPENDITURES	8,228,963	12,042,037	14,827,712	8,160,182
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(560,442)	-	(3,963,826)	1,679,595
OTHER FINANCING SOURCES				
Capital Lease Issuance	-	-	-	-
Transfers In	595,446	-	4,410,268	-
TOTAL OTHER FINANCING SOURCES	595,446	-	4,410,268	-
NET CHANGE IN FUND BALANCE	35,004	-	446,442	1,679,595
FUND BALANCE, Beginning	163,067	-	437,017	-
FUND BALANCE, Ending	\$ 198,071	\$ -	\$ 883,459	\$ 1,679,595

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 122,610	\$ 21,992,020
-	5,623,782
97,267	13,018,296
<u>219,877</u>	<u>40,634,098</u>
-	2,358,221
-	5,829,382
-	1,957,001
-	1,812,597
-	1,097,468
-	6,516,973
-	13,064,692
-	1,852,553
-	8,353,744
-	98,755
-	242,396
3,263,763	3,338,875
423,553	423,553
19,853	19,853
5,000	5,000
<u>3,712,169</u>	<u>46,971,063</u>
<u>(3,492,292)</u>	<u>(6,336,965)</u>
1,855,550	1,855,550
1,843,981	6,849,695
<u>3,699,531</u>	<u>8,705,245</u>
207,239	2,368,280
914,221	1,514,305
<u>\$ 1,121,460</u>	<u>\$ 3,882,585</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Regular School Lunch	\$ 3,148,599	\$ 3,162,452	\$ 3,126,625	\$ (35,827)
State Sources	98,522	98,522	92,971	(5,551)
Federal Reimbursements	3,669,569	3,669,568	3,449,718	(219,850)
Breakfast Revenue	71,424	71,424	97,834	26,410
A La Carte	500,222	500,222	333,356	(166,866)
Other	614,799	600,947	568,017	(32,930)
TOTAL REVENUES	8,103,135	8,103,135	7,668,521	(434,614)
EXPENDITURES				
Current				
Food Services Operations	8,664,431	8,692,657	8,228,963	463,694
Reserves	128,992	168,992	-	168,992
TOTAL EXPENDITURES	8,793,423	8,861,649	8,228,963	632,686
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(690,288)	(758,514)	(560,442)	198,072
OTHER FINANCING SOURCES				
Transfers In	570,902	595,446	595,446	-
NET CHANGE IN FUND BALANCE	(119,386)	(163,068)	35,004	198,072
FUND BALANCE, Beginning	119,386	163,068	163,067	(1)
FUND BALANCE, Ending	\$ -	\$ -	\$ 198,071	\$ 198,071

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 8,578,171	\$ 8,066,146	\$ 475,839	\$ (7,590,307)
State Sources	1,337,489	1,894,328	2,094,887	200,559
Federal Sources	9,584,340	9,539,526	9,471,311	(68,215)
TOTAL REVENUES	19,500,000	19,500,000	12,042,037	(7,457,963)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	6,110,532	-	6,110,532
Instruction - Regular Programs	-	2,603,277	2,358,221	245,056
Instruction - Special Programs	-	4,804,051	4,216,276	587,775
Student Support Services	-	2,045,748	1,957,001	88,747
Instructional Staff Services	-	2,038,551	1,812,597	225,954
School Administration	-	1,194,624	1,097,468	97,156
Operations and Maintenance	-	11,110	5,494	5,616
Student Transportation	-	11,288	19,777	(8,489)
Central Support Services	-	-	34,159	(34,159)
Food Services Operations	-	304,788	124,781	180,007
Community Services	-	111,410	98,755	12,655
Adult Education	-	264,621	242,396	22,225
Capital Outlay	-	-	75,112	(75,112)
TOTAL EXPENDITURES	19,500,000	19,500,000	12,042,037	7,457,963
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

TRANSPORTATION FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,263,500	\$ 7,263,500	\$ 7,203,754	\$ (59,746)
State Transportation Reimbursement	3,473,653	3,478,599	3,435,924	(42,675)
Other Local Revenue	250,000	250,000	224,208	(25,792)
TOTAL REVENUES	10,987,153	10,992,099	10,863,886	(128,213)
EXPENDITURES				
Current				
Instruction - Special Programs	1,427,200	1,617,183	1,613,106	4,077
Operations and Maintenance	225,118	167,782	169,691	(1,909)
Student Transportation	13,217,620	13,593,078	13,044,915	548,163
Emergency Reserves	446,098	461,341	-	461,341
TOTAL EXPENDITURES	15,316,036	15,839,384	14,827,712	1,011,672
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,328,883)	(4,847,285)	(3,963,826)	883,459
OTHER FINANCING SOURCES				
Transfers In	3,891,866	4,410,268	4,410,268	-
NET CHANGE IN FUND BALANCE	(437,017)	(437,017)	446,442	883,459
FUND BALANCE, Beginning	437,017	437,017	437,017	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 883,459	\$ 883,459

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

OPERATIONS AND TECHNOLOGY FUND

Year Ended June 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ -	\$ 9,950,000	\$ 9,839,777	\$ (110,223)
TOTAL REVENUES	<u>-</u>	<u>9,950,000</u>	<u>9,839,777</u>	<u>(110,223)</u>
EXPENDITURES				
Current				
Operations and Maintenance	-	8,160,194	6,341,788	1,818,406
Central Support Services	-	1,500,000	1,818,394	(318,394)
Emergency Reserves	-	289,806	-	289,806
TOTAL EXPENDITURES	<u>-</u>	<u>9,950,000</u>	<u>8,160,182</u>	<u>1,789,818</u>
NET CHANGE IN FUND BALANCE	-	-	1,679,595	1,679,595
FUND BALANCE, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,679,595</u>	<u>\$ 1,679,595</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 51,733,385	\$ 52,242,866	\$ 51,934,589	\$ (308,277)
Investment Earnings	25,000	170,000	221,005	51,005
TOTAL REVENUES	51,758,385	52,412,866	52,155,594	(257,272)
EXPENDITURES				
Fiscal Charges	10,000	10,000	3,050	6,950
Debt Service				
Principal	19,225,000	19,225,000	19,225,000	-
Interest	25,381,943	25,381,943	23,245,440	2,136,503
Debt Issuance Costs	-	413,681	413,681	-
TOTAL EXPENDITURES	44,616,943	45,030,624	42,887,171	2,143,453
EXCESS OF REVENUES OVER EXPENDITURES	7,141,442	7,382,242	9,268,423	1,886,181
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	93,740,000	93,740,000	-
Bond Premium	-	7,671,051	7,671,051	-
Payment to Escrow Agent	-	(100,997,370)	(100,997,370)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	413,681	413,681	-
NET CHANGE IN FUND BALANCE	7,141,442	7,795,923	9,682,104	1,886,181
FUND BALANCE, Beginning	38,055,690	38,491,424	38,491,424	-
FUND BALANCE, Ending	\$ 45,197,132	\$ 46,287,347	\$ 48,173,528	\$ 1,886,181

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

2014 BUILDING FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Investment Earnings, Net	\$ 750,000	\$ 750,000	\$ 1,506,530	\$ 756,530
Capital Contribution	400,000	400,000	80,000	(320,000)
Other	31,300	137,300	177,889	40,589
Federal Sources	-	-	39,125	39,125
TOTAL REVENUES	<u>1,181,300</u>	<u>1,287,300</u>	<u>1,803,544</u>	<u>516,244</u>
EXPENDITURES				
Capital Outlay	151,138,310	196,307,518	155,044,701	41,262,817
Bond Issuance Costs	-	-	569,605	(569,605)
TOTAL EXPENDITURES	<u>151,138,310</u>	<u>196,307,518</u>	<u>155,614,306</u>	<u>40,693,212</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(149,957,010)</u>	<u>(195,020,218)</u>	<u>(153,810,762)</u>	<u>41,209,456</u>
OTHER FINANCING SOURCES				
Bonds Issued	-	-	190,000,000	190,000,000
Bond Premium	-	-	29,324,600	29,324,600
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>219,324,600</u>	<u>219,324,600</u>
NET CHANGE IN FUND BALANCE	<u>(149,957,010)</u>	<u>(195,020,218)</u>	<u>65,513,838</u>	<u>260,534,056</u>
FUND BALANCE, Beginning	<u>164,067,814</u>	<u>213,889,151</u>	<u>213,889,151</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 14,110,804</u>	<u>\$ 18,868,933</u>	<u>\$ 279,402,989</u>	<u>\$ 260,534,056</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 75,000	\$ 220,350	\$ 122,610	\$ (97,740)
Federal Sources	-	-	97,267	97,267
TOTAL REVENUES	75,000	220,350	219,877	(473)
EXPENDITURES				
Capital Outlay				
Building Improvements	695,000	756,981	648,250	108,731
Operating Departments	1,168,851	3,395,282	2,263,007	1,132,275
School Projects	341,153	541,040	352,506	188,534
Debt Service				
Principal	-	-	423,553	(423,553)
Interest	-	-	19,853	(19,853)
Issuance Costs	-	-	5,000	(5,000)
Reserves	66,150	140,799	-	140,799
TOTAL EXPENDITURES	2,271,154	4,834,102	3,712,169	1,121,933
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,196,154)	(4,613,752)	(3,492,292)	1,121,460
OTHER FINANCING SOURCES				
Capital Lease Issuance	-	1,855,550	1,855,550	-
Transfers In	1,549,724	1,843,981	1,843,981	-
TOTAL OTHER FINANCING SOURCES	1,549,724	3,699,531	3,699,531	-
NET CHANGE IN FUND BALANCE	(646,430)	(914,221)	207,239	1,121,460
FUND BALANCE, Beginning	646,430	914,221	914,221	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 1,121,460	\$ 1,121,460

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, 2017

	<u>HEALTH INSURANCE FUND</u>	<u>DENTAL INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Current			
Cash and Investments	<u>\$ 8,532,481</u>	<u>\$ 835,546</u>	<u>\$ 9,368,027</u>
TOTAL ASSETS	<u>8,532,481</u>	<u>835,546</u>	<u>9,368,027</u>
LIABILITIES			
Current			
Claims Payable	<u>1,932,401</u>	<u>183,426</u>	<u>2,115,827</u>
TOTAL LIABILITIES	<u>1,932,401</u>	<u>183,426</u>	<u>2,115,827</u>
NET POSITION			
Unrestricted	<u>6,600,080</u>	<u>652,120</u>	<u>7,252,200</u>
TOTAL NET POSITION	<u>\$ 6,600,080</u>	<u>\$ 652,120</u>	<u>\$ 7,252,200</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2017

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 28,042,323	\$ 2,349,639	\$ 30,391,962
Other	806,310	5,881	812,191
TOTAL OPERATING REVENUES	28,848,633	2,355,520	31,204,153
OPERATING EXPENSES			
Personnel	189,765	44,958	234,723
Insurance Premiums and Claims	26,523,614	2,177,713	28,701,327
Administrative Fees	982,301	162,207	1,144,508
Other	2,130,186	8,542	2,138,728
TOTAL OPERATING EXPENSES	29,825,866	2,393,420	32,219,286
CHANGE IN NET POSITION	(977,233)	(37,900)	(1,015,133)
NET POSITION, Beginning	7,577,313	690,020	8,267,333
NET POSITION, Ending	\$ 6,600,080	\$ 652,120	\$ 7,252,200

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended June 30, 2017

	<u>HEALTH INSURANCE FUND</u>	<u>DENTAL INSURANCE FUND</u>	<u>TOTAL</u>
Cash Flows From Operating Activities			
Premiums Received and Other Receipts	\$ 28,848,633	\$ 2,355,520	\$ 31,204,153
Cash Payments for Premiums, Claims and Other Expenses	(28,770,478)	(2,331,981)	(31,102,459)
Cash Paid to Employees for Salaries and Benefits	(194,736)	(44,958)	(239,694)
Net Cash Provided (Used) by Operating Activities	<u>(116,581)</u>	<u>(21,419)</u>	<u>(138,000)</u>
Net Change in Cash and Cash Equivalents	(116,581)	(21,419)	(138,000)
CASH AND CASH EQUIVALENTS, Beginning	<u>8,649,062</u>	<u>856,965</u>	<u>9,506,027</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 8,532,481</u>	<u>\$ 835,546</u>	<u>\$ 9,368,027</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in Net Position	\$ (977,233)	\$ (37,900)	\$ (1,015,133)
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	865,623	16,481	882,104
Accrued Compensation and Benefits	(4,971)	-	(4,971)
Net Cash Provided (Used) by Operating Activities	<u>\$ (116,581)</u>	<u>\$ (21,419)</u>	<u>\$ (138,000)</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 27,650,000	\$ 27,650,000	\$ 28,042,323	\$ 392,323
Other	240,000	360,000	806,310	446,310
TOTAL OPERATING REVENUES	<u>27,890,000</u>	<u>28,010,000</u>	<u>28,848,633</u>	<u>838,633</u>
OPERATING EXPENSES				
Personnel	176,394	176,394	189,765	(13,371)
Insurance Premiums and Claims	28,579,200	28,579,200	26,523,614	2,055,586
Administrative Fees	1,000,000	1,000,000	982,301	17,699
Other	785,000	890,000	2,130,186	(1,240,186)
Reserves	4,795,045	4,941,719	-	4,941,719
TOTAL OPERATING EXPENSES	<u>35,335,639</u>	<u>35,587,313</u>	<u>29,825,866</u>	<u>5,761,447</u>
CHANGE IN NET POSITION	<u>(7,445,639)</u>	<u>(7,577,313)</u>	<u>(977,233)</u>	<u>6,600,080</u>
NET POSITION, Beginning	<u>7,445,639</u>	<u>7,577,313</u>	<u>7,577,313</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,600,080</u>	<u>\$ 6,600,080</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 2,327,424	\$ 2,327,424	\$ 2,349,639	\$ 22,215
Other	2,000	3,500	5,881	2,381
TOTAL OPERATING REVENUES	<u>2,329,424</u>	<u>2,330,924</u>	<u>2,355,520</u>	<u>24,596</u>
OPERATING EXPENSES				
Personnel	40,228	40,228	44,958	(4,730)
Insurance Premiums and Claims	2,279,561	2,279,561	2,177,713	101,848
Administrative Fees	170,000	170,000	162,207	7,793
Other	19,000	19,000	8,542	10,458
Reserves	415,159	512,155	-	512,155
TOTAL OPERATING EXPENSES	<u>2,923,948</u>	<u>3,020,944</u>	<u>2,393,420</u>	<u>627,524</u>
CHANGE IN NET POSITION	<u>(594,524)</u>	<u>(690,020)</u>	<u>(37,900)</u>	<u>652,120</u>
NET POSITION, Beginning	<u>594,524</u>	<u>690,020</u>	<u>690,020</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 652,120</u>	<u>\$ 652,120</u>



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FIDUCIARY FUNDS

Private Purpose Trust Funds

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

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

Agency Fund

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



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Boulder Valley School District RE-2
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2017

	SCHOLARSHIP	TRUST	TOTAL
ASSETS			
Cash and Investments	\$ 1,189,592	\$ 225,505	\$ 1,415,097
TOTAL ASSETS	1,189,592	225,505	1,415,097
NET POSITION			
Held in Trust for Scholarships	\$ 1,189,592	\$ 225,505	\$ 1,415,097

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2017

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions	\$ 29,662	\$ 6,855	\$ 36,517
TOTAL ADDITIONS	<u>29,662</u>	<u>6,855</u>	<u>36,517</u>
DEDUCTIONS			
Scholarships and Awards	<u>33,107</u>	<u>-</u>	<u>33,107</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	(3,445)	6,855	3,410
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>1,193,037</u>	<u>218,650</u>	<u>1,411,687</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,189,592</u></u>	<u><u>\$ 225,505</u></u>	<u><u>\$ 1,415,097</u></u>

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2017

	<u>Balances 6/30/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/17</u>
ASSETS				
Cash and Investments - Student Groups	\$ 3,519,556	\$ 9,686,027	\$ 9,530,019	\$ 3,675,564
Cash and Investments - School Groups	1,313,780	4,657,806	4,406,056	1,565,530
TOTAL ASSETS	<u>\$ 4,833,336</u>	<u>\$ 14,343,833</u>	<u>\$ 13,936,075</u>	<u>\$ 5,241,094</u>
LIABILITIES				
Due to Student Groups	\$ 3,519,556	\$ 9,686,027	\$ 9,530,019	\$ 3,675,564
Due to School Groups	1,313,780	4,657,806	4,406,056	1,565,530
TOTAL LIABILITIES	<u>\$ 4,833,336</u>	<u>\$ 14,343,833</u>	<u>\$ 13,936,075</u>	<u>\$ 5,241,094</u>



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COMPONENT UNITS

The component units consist of five charter schools: Boulder Preparatory High, Horizons K-8, Peak to Peak K-12, Summit Middle, and Justice High. 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, 2017

	<u>BOULDER PREP</u>	<u>HORIZONS</u>	<u>PEAK TO PEAK</u>
ASSETS			
Cash and Investments	\$ 416,791	\$ 1,522,236	\$ 5,289,104
Restricted Cash and Investments	-	-	3,990,880
Accounts Receivable	-	-	7,372
Prepaid Items and Other	-	910	8,869
Capital Assets, Not Being Depreciated	76,400	-	1,657,966
Capital Assets, Net of Accumulated Depreciation	416,722	201,430	24,666,756
TOTAL ASSETS	<u>909,913</u>	<u>1,724,576</u>	<u>35,620,947</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	-	-	3,233,235
Pension Related Items	1,619,069	4,780,685	18,655,865
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,619,069</u>	<u>4,780,685</u>	<u>21,889,100</u>
LIABILITIES			
Accounts Payable	4,732	2,825	86,973
Accrued Compensation and Benefits	5,568	162,253	834,496
Unearned Revenues	-	-	48,453
Accrued Interest Payable	-	-	293,494
Noncurrent Liabilities			
Due Within One Year	9,919	-	642,767
Due in More Than One Year	172,837	-	17,308,744
Net Pension Liability	4,218,735	12,427,756	46,721,084
TOTAL LIABILITIES	<u>4,411,791</u>	<u>12,592,834</u>	<u>65,936,011</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	24,107	119,173	335,648
NET POSITION			
Net Investment in Capital Assets	310,366	201,430	11,680,641
Restricted for Advanced Placement Testing	-	-	10,847
Restricted for Scholarships	-	-	1,297,239
Restricted for Debt Service	-	-	2,137,867
Restricted for Repair and Maintenance	-	-	251,433
Restricted for Operations and Technology	7,658	-	237,025
Restricted for Special Education	-	-	-
Restricted for Capital Renewal	-	20,000	-
Restricted for Emergencies	37,622	111,300	488,681
Restricted for Donations	-	-	-
Unrestricted	(2,262,562)	(6,539,476)	(24,865,345)
TOTAL NET POSITION	<u>\$ (1,906,916)</u>	<u>\$ (6,206,746)</u>	<u>\$ (8,761,612)</u>

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 1,525,595	\$ 187,898	\$ 8,941,624
-	-	3,990,880
-	-	7,372
17,145	-	26,924
-	812,500	2,546,866
<u>77,518</u>	<u>481,211</u>	<u>25,843,637</u>
<u>1,620,258</u>	<u>1,481,609</u>	<u>41,357,303</u>
-	-	3,233,235
<u>4,278,169</u>	<u>994,364</u>	<u>30,328,152</u>
<u>4,278,169</u>	<u>994,364</u>	<u>33,561,387</u>
43,649	6,175	144,354
170,015	-	1,172,332
-	-	48,453
-	-	293,494
80,000	44,808	777,494
240,000	1,121,520	18,843,101
<u>10,844,725</u>	<u>2,630,368</u>	<u>76,842,668</u>
<u>11,378,389</u>	<u>3,802,871</u>	<u>98,121,896</u>
<u>49,319</u>	<u>31,593</u>	<u>559,840</u>
77,518	127,383	12,397,338
-	-	10,847
-	-	1,297,239
-	-	2,137,867
-	-	251,433
20,536	20,057	285,276
30,000	-	30,000
-	-	20,000
110,316	28,101	776,020
28,003	3,195	31,198
<u>(5,795,654)</u>	<u>(1,537,227)</u>	<u>(41,000,264)</u>
<u>\$ (5,529,281)</u>	<u>\$ (1,358,491)</u>	<u>\$ (23,763,046)</u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2017

	BOULDER PREP	HORIZONS	PEAK TO PEAK
EXPENSES			
Instruction	\$ 1,066,515	\$ 3,924,916	\$ 13,198,071
Supporting Services	852,309	1,793,810	10,171,120
Interest Expense	5,647	-	912,519
Component Unit	-	-	-
	1,924,471	5,718,726	24,281,710
TOTAL EXPENSES			
PROGRAM REVENUES			
Charges for Services	-	219,762	1,640,267
Operating Grants and Contributions	276,368	128,075	426,836
Capital Grants and Contributions	28,876	45,994	392,574
	305,244	393,831	2,459,677
TOTAL PROGRAM REVENUES			
NET EXPENSE (REVENUE)	(1,619,227)	(5,324,895)	(21,822,033)
GENERAL REVENUES			
Per Pupil Revenues	766,861	2,459,032	10,385,493
Mill Levy Override	269,246	892,768	3,752,390
At-Risk Supplemental Aid	1,400	-	-
Grants and Contributions Not Restricted to Specific Programs	30,164	170,169	-
Investment Earnings	4,803	-	-
Other	-	18,133	836,035
	1,072,474	3,540,102	14,973,918
TOTAL GENERAL REVENUES			
CHANGE IN NET POSITION	(546,753)	(1,784,793)	(6,848,115)
NET POSITION, Beginning	(1,360,163)	(4,421,953)	(1,913,497)
NET POSITION, Ending	\$ (1,906,916)	\$ (6,206,746)	\$ (8,761,612)

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 3,014,601	\$ 729,978	\$ 21,934,081
2,646,230	680,709	16,144,178
-	69,896	988,062
60,220	-	60,220
<u>5,721,051</u>	<u>1,480,583</u>	<u>39,126,541</u>
95,963	14,713	1,970,705
60,565	336,252	1,228,096
87,480	125,893	680,817
<u>244,008</u>	<u>476,858</u>	<u>3,879,618</u>
<u>(5,477,043)</u>	<u>(1,003,725)</u>	<u>(35,246,923)</u>
2,621,446	604,599	16,837,431
919,707	122,802	5,956,913
-	45,514	46,914
112,794	-	313,127
253	-	5,056
-	-	854,168
<u>3,654,200</u>	<u>772,915</u>	<u>24,013,609</u>
(1,822,843)	(230,810)	(11,233,314)
<u>(3,706,438)</u>	<u>(1,127,681)</u>	<u>(12,529,732)</u>
<u>\$ (5,529,281)</u>	<u>\$ (1,358,491)</u>	<u>\$ (23,763,046)</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	124 - 131
Revenue Capacity		
These tables contain information to help the reader assess the district's largest revenue source: property taxes.	5 - 8	132 - 139
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	140 - 144
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	145 - 147
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	148 - 161

Boulder Valley School District RE-2

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Unaudited)

	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 65,773,525	\$ 69,851,279	\$ 79,862,762	\$ 80,504,664
Restricted	31,414,692	36,657,498	39,488,349	33,808,972
Unrestricted	16,090,059	10,570,286	13,097,872	32,745,041
Total Governmental Activities	<u>113,278,276</u>	<u>117,079,063</u>	<u>132,448,983</u>	<u>147,058,677</u>
Business-Type Activities				
Net Investment in Capital Assets	356,784	300,555	247,954	221,203
Restricted	170,927	182,553	176,491	286,940
Unrestricted	(19,621)	(148,996)	(788,601)	(322,254)
Total Business-Type Activities	<u>508,090</u>	<u>334,112</u>	<u>(364,156)</u>	<u>185,889</u>
Primary Government				
Net Investment in Capital Assets	66,130,309	70,151,834	80,110,716	80,725,867
Restricted	31,585,619	36,840,051	39,664,840	34,095,912
Unrestricted	16,070,438	10,421,290	12,309,271	32,422,787
Total Primary Government	<u>\$ 113,786,366</u>	<u>\$ 117,413,175</u>	<u>\$ 132,084,827</u>	<u>\$ 147,244,566</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.

Table 1

<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
\$ 85,372,124	\$ 92,872,518	\$ 90,807,938	\$ 87,284,393	\$ 91,385,753	\$ 82,055,045
33,189,140	33,197,541	33,435,619	40,973,413	48,249,915	57,188,290
29,790,356	24,175,800	19,764,725	(573,818,207)	(619,368,387)	(847,337,304)
<u>148,351,620</u>	<u>150,245,859</u>	<u>144,008,282</u>	<u>(445,560,401)</u>	<u>(479,732,719)</u>	<u>(708,093,969)</u>
175,072	147,140	171,320	-	-	-
175,308	187,102	195,427	-	-	-
<u>(175,072)</u>	<u>(147,140)</u>	<u>(165,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>
175,308	187,102	201,187	-	-	-
85,547,196	93,019,658	90,979,258	87,284,393	91,385,753	82,055,045
33,364,448	33,384,643	33,631,046	40,973,413	48,249,915	57,188,290
31,503,876	24,028,660	19,599,165	(573,818,207)	(619,368,387)	(847,337,304)
<u>\$ 150,415,520</u>	<u>\$ 150,432,961</u>	<u>\$ 144,209,469</u>	<u>\$ (445,560,401)</u>	<u>\$ (479,732,719)</u>	<u>\$ (708,093,969)</u>

Boulder Valley School District RE-2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Unaudited)

	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Primary Government				
Expenses				
Governmental Activities				
Instruction	\$ 174,678,565	\$ 184,528,008	\$ 184,537,048	\$ 188,306,226
Supporting Services	94,388,108	91,944,942	93,260,558	102,051,046
Interest Expense	9,817,663	13,076,805	16,358,947	16,456,075
Total Governmental Activities	<u>278,884,336</u>	<u>289,549,755</u>	<u>294,156,553</u>	<u>306,813,347</u>
Business-Type Activities				
Food Services	5,728,486	5,708,651	6,033,046	5,735,910
Total Business-Type Activities	<u>5,728,486</u>	<u>5,708,651</u>	<u>6,033,046</u>	<u>5,735,910</u>
Total Primary Government Expenses	284,612,822	295,258,406	300,189,599	312,549,257
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	805,306	850,255	885,640	1,049,174
Supporting Services	10,496,456	10,908,725	10,934,983	10,931,866
Operating Grants and Contributions	19,718,065	20,861,065	24,748,470	25,719,981
Capital Grants and Contributions	-	-	3,747,258	386,381
Total Governmental Activities	<u>31,019,827</u>	<u>32,620,045</u>	<u>40,316,351</u>	<u>38,087,402</u>
Business-Type Activities				
Charges for Services				
Food Services	3,649,198	3,124,504	2,696,927	2,545,086
Operating Grants and Contributions	2,016,276	2,185,169	2,412,851	2,486,869
Total Business-Type Activities	<u>5,665,474</u>	<u>5,309,673</u>	<u>5,109,778</u>	<u>5,031,955</u>
Total Primary Government Program Revenues	36,685,301	37,929,718	45,426,129	43,119,357
Net (Expense) Revenue				
Governmental Activities	(247,864,509)	(256,929,710)	(253,840,202)	(268,725,945)
Business-Type Activities	<u>(63,012)</u>	<u>(398,978)</u>	<u>(923,268)</u>	<u>(703,955)</u>
Total Primary Government Net (Expense)	(247,927,521)	(257,328,688)	(254,763,470)	(269,429,900)
General Revenues and Transfers				
Governmental Activities				
Local Property Taxes	174,440,943	182,808,375	193,973,616	212,383,487
Specific Ownership Taxes	11,258,208	9,995,765	9,251,558	9,404,630
State Equalization	56,336,553	61,973,644	64,227,060	53,462,090
State Fiscal Stabilization Fund	-	-	-	7,628,224
Investment Earnings	7,152,235	2,288,518	716,554	444,720
Insurance Proceeds	-	-	-	-
Other Revenues	4,834,871	3,989,195	1,266,334	1,266,488
Transfers	-	-	(225,000)	(1,254,000)
Total Governmental Activities	<u>254,022,810</u>	<u>261,055,497</u>	<u>269,210,122</u>	<u>283,335,639</u>
Business-Type Activities				
Transfers	<u>-</u>	<u>-</u>	<u>225,000</u>	<u>1,254,000</u>
Total Primary Government Revenues and Transfers	254,022,810	261,055,497	269,435,122	284,589,639
Change in Net Position				
Governmental Activities	6,158,301	4,125,787	15,369,920	14,609,694
Business-type Activities	<u>(63,012)</u>	<u>(398,978)</u>	<u>(698,268)</u>	<u>550,045</u>
Total Primary Government	<u>\$ 6,095,289</u>	<u>\$ 3,726,809</u>	<u>\$ 14,671,652</u>	<u>\$ 15,159,739</u>

Table 2

June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
\$ 200,020,904	\$ 205,026,722	\$ 214,083,289	\$ 240,165,692	\$ 254,328,181	\$ 399,988,960
103,678,052	98,720,151	114,982,286	131,540,473	150,229,150	218,805,843
15,993,118	15,258,134	14,685,794	16,003,560	24,306,236	24,858,328
<u>319,692,074</u>	<u>319,005,007</u>	<u>343,751,369</u>	<u>387,709,725</u>	<u>428,863,567</u>	<u>643,653,131</u>
5,946,779	6,350,628	6,939,928	-	-	-
<u>5,946,779</u>	<u>6,350,628</u>	<u>6,939,928</u>	<u>-</u>	<u>-</u>	<u>-</u>
325,638,853	325,355,635	350,691,297	387,709,725	428,863,567	643,653,131
1,253,365	1,262,543	7,229,664	7,938,683	8,770,592	9,659,350
11,245,296	11,851,986	6,857,643	10,918,529	10,133,111	10,396,622
23,819,210	22,481,256	22,613,126	28,672,251	29,408,532	30,155,120
6,531,809	2,708,752	-	110,791	1,600,806	506,287
<u>42,849,680</u>	<u>38,304,537</u>	<u>36,700,433</u>	<u>47,640,254</u>	<u>49,913,041</u>	<u>50,717,379</u>
2,823,846	3,062,748	3,352,443	-	-	-
2,713,851	2,846,872	3,049,864	-	-	-
<u>5,537,697</u>	<u>5,909,620</u>	<u>6,402,307</u>	<u>-</u>	<u>-</u>	<u>-</u>
48,387,377	44,214,157	43,102,740	47,640,254	49,913,041	50,717,379
(276,842,394)	(280,700,470)	(307,050,936)	(340,069,471)	(378,950,526)	(592,935,752)
<u>(409,082)</u>	<u>(441,008)</u>	<u>(537,621)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(277,251,476)	(281,141,478)	(307,588,557)	(340,069,471)	(378,950,526)	(592,935,752)
211,385,970	214,017,080	221,192,341	232,169,602	266,761,506	282,063,169
9,836,876	10,466,659	11,583,505	12,575,734	13,604,213	14,797,314
56,488,225	57,695,380	61,203,456	73,935,111	61,227,625	63,768,538
180,742	-	33,500	209,216	85,070	46,781
126,883	85,715	38,554	68,996	1,556,533	1,876,868
-	-	4,920,401	336,130	222,511	-
1,989,913	782,677	2,393,308	1,332,941	1,320,750	2,021,832
<u>(398,501)</u>	<u>(452,802)</u>	<u>(405,017)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>279,610,108</u>	<u>282,594,709</u>	<u>300,960,048</u>	<u>320,627,730</u>	<u>344,778,208</u>	<u>364,574,502</u>
398,501	452,802	405,017	-	-	-
280,008,609	283,047,511	301,365,065	320,627,730	344,778,208	364,574,502
2,767,714	1,894,239	(6,237,577)	(19,441,741)	(34,172,318)	(228,361,250)
<u>(10,581)</u>	<u>11,794</u>	<u>14,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,757,133</u>	<u>\$ 1,906,033</u>	<u>\$ (6,223,492)</u>	<u>\$ (19,441,741)</u>	<u>\$ (34,172,318)</u>	<u>\$ (228,361,250)</u>

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Unaudited)

	2008	2009	2010	2011
General Fund				
Reserved	\$ 7,244,362	\$ 7,543,322	\$ 7,441,515	\$ -
Unreserved	14,521,629	12,092,348	12,203,848	-
Subtotal	21,765,991	19,635,670	19,645,363	-
Other Governmental Funds				
Reserved	683,809	1,135,289	1,246,044	-
Unreserved, reported in				
Grants Fund	-	-	(1,422,177)	-
Debt Service Fund	17,282,227	20,663,878	24,032,073	-
Capital Projects Fund	93,862,349	169,505,386	101,209,140	-
Special Revenue Fund	318,922	-	-	-
Subtotal	112,147,307	191,304,553	125,065,080	-
Total Governmental Funds	\$ 133,913,298	\$ 210,940,223	\$ 144,710,443	\$ -
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 373,499
Restricted	-	-	-	8,446,994
Committed	-	-	-	3,579,393
Assigned	-	-	-	10,785,148
Unassigned	-	-	-	7,440,288
Subtotal	-	-	-	30,625,322
Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	-	-	-	24,974,541
Assigned	-	-	-	46,778,607
Unassigned	-	-	-	(100,540)
Subtotal	-	-	-	71,652,608
Total Governmental Funds	\$ -	\$ -	\$ -	\$ 102,277,930

Note: The district adopted GASB No. 54 in fiscal year 2011.

Table 3

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 375,768	\$ 679,078	\$ 956,496	\$ 882,881	\$ 1,920,756	\$ 2,042,985
8,837,606	8,835,965	9,041,519	9,655,786	10,682,635	10,892,320
2,471,900	2,636,718	-	-	-	-
-	-	-	-	-	-
<u>16,123,842</u>	<u>16,180,855</u>	<u>17,572,988</u>	<u>20,431,108</u>	<u>21,677,259</u>	<u>28,592,965</u>
27,809,116	28,332,616	27,571,003	30,969,775	34,280,650	41,528,270
-	-	-	306,280	43,681	47,131
30,816,441	27,945,863	26,592,260	311,325,855	253,033,408	329,987,244
6,702,180	2,123,646	1,038,977	1,480,990	817,791	1,424,727
-	-	-	(306,280)	-	-
<u>37,518,621</u>	<u>30,069,509</u>	<u>27,631,237</u>	<u>312,806,845</u>	<u>253,894,880</u>	<u>331,459,102</u>
<u>\$ 65,327,737</u>	<u>\$ 58,402,125</u>	<u>\$ 55,202,240</u>	<u>\$ 343,776,620</u>	<u>\$ 288,175,530</u>	<u>\$ 372,987,372</u>

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

	(Unaudited)			
	2008	2009	2010	2011
Revenues				
Local Sources				
Current Property Taxes	\$ 174,153,758	\$ 181,266,109	\$ 193,946,500	\$ 212,537,152
Specific Ownership Taxes	11,258,208	9,995,765	9,251,558	9,404,630
Grants	425,429	739,098	570,743	643,019
Tuition and Fees	5,026,167	5,868,843	5,856,442	6,068,801
Interest	7,152,235	2,288,518	716,554	444,720
Food Service Revenue	-	-	-	-
Miscellaneous	11,110,467	9,879,333	10,977,773	7,565,108
State Sources				
Equalization	56,336,553	61,973,644	64,227,060	53,462,090
Special Education	4,450,546	4,449,466	4,525,751	4,300,112
State Fiscal Stabilization Fund	-	-	-	2,116,382
Transportation	1,629,616	2,244,747	2,506,921	2,730,405
Vocational Education	945,566	1,098,195	1,391,921	1,059,030
Grants	39,200	198,448	649,220	830,508
Miscellaneous	432,416	400,302	733,858	776,173
Federal Sources				
Grants	11,795,291	11,730,809	12,947,879	22,314,753
Food Service Reimbursements	-	-	-	-
Total Revenues	284,755,452	292,133,277	308,302,180	324,252,883
Expenditures				
Regular Instruction	118,137,145	124,512,216	129,345,449	129,694,776
Special Instruction	48,087,295	48,462,119	48,778,916	48,672,908
Instructional Support				
Student Services	7,202,651	7,726,360	8,338,184	7,821,093
Instructional Staff Support	11,976,063	11,489,131	12,228,132	11,839,653
School Administration and Operations				
School Administration	16,473,185	17,865,922	18,299,706	18,178,756
Operations and Maintenance	18,005,709	18,855,666	20,526,501	20,406,434
Student Transportation	8,952,362	9,218,669	10,146,947	10,954,306
District Wide/Community Services				
General Administration	3,253,790	2,757,510	2,678,408	2,783,571
Business Services	2,211,860	2,693,872	2,803,873	2,593,077
Central Services	10,887,214	10,956,736	10,173,778	10,299,898
Food Services Operations	-	-	-	90,810
Community Services	5,158,084	5,097,238	5,131,753	5,215,466
Debt Service				
Principal	10,535,000	10,105,000	9,870,000	11,570,000
Interest and Fiscal Charges	11,172,641	12,477,695	17,036,074	17,075,900
Issuance Costs	124,702	1,330,325	453,110	-
Capital Outlay	46,175,383	112,036,962	76,734,547	66,234,748
Total Expenditures	318,353,084	395,585,421	372,545,378	363,431,396
Other Financing Sources (Uses)				
Proceeds from Disposal of Capital Assets	-	-	-	-
Insurance Proceeds	-	-	-	-
Capital Lease Issuance	-	-	-	-
Transfers In	10,484,082	4,754,381	5,281,112	12,051,538
Transfers Out	(14,584,082)	(4,979,381)	(5,506,112)	(15,305,538)
Bonds Issued	49,910,000	176,800,000	53,645,000	-
Bond Premium	2,824,044	3,904,069	2,385,564	-
Payment to Escrow Agent	(57,164,554)	-	(57,792,146)	-
Total Other Financing Sources (Uses)	(8,530,510)	180,479,069	(1,986,582)	(3,254,000)
Net Change in Fund Balances	(42,128,142)	77,026,925	(66,229,780)	(42,432,513)
Fund Balance, Beginning	176,041,440	133,913,298	210,940,223	144,710,443
Fund Balance, Ending	\$ 133,913,298	\$ 210,940,223	\$ 144,710,443	\$ 102,277,930
Debt Service as a Percentage of Noncapital Expenditures	7.76%	7.87%	9.03%	9.30%

Table 4

2012	2013	2014	2015	2016	2017
\$ 211,543,619	\$ 213,298,330	\$ 222,469,147	\$ 232,737,396	\$ 265,538,822	\$ 282,661,800
9,836,876	10,466,659	11,583,505	12,575,734	13,604,213	14,797,314
523,146	554,519	639,331	760,001	906,614	475,839
6,543,035	8,390,490	9,649,790	10,393,455	11,203,532	12,244,933
126,883	85,715	38,554	68,996	1,556,533	1,876,868
-	-	-	3,902,609	3,916,335	4,078,093
10,457,358	5,581,447	6,830,825	6,020,558	6,891,706	6,312,380
56,488,225	57,695,380	61,203,456	73,935,111	61,227,625	63,768,538
4,695,420	4,835,600	5,397,619	5,402,497	5,635,253	5,635,253
-	-	-	-	-	-
2,915,419	3,172,498	3,205,307	3,261,096	3,373,313	3,435,924
907,589	1,185,965	1,014,120	1,193,205	1,036,753	1,318,335
574,109	314,708	474,378	1,193,149	1,350,313	2,094,887
766,433	798,632	874,855	2,124,898	2,682,316	2,483,020
13,617,836	11,618,553	11,041,016	11,462,839	10,923,247	11,148,542
-	-	-	3,308,404	3,399,479	3,449,718
318,995,948	317,998,496	334,421,903	368,339,948	393,246,054	415,781,444
134,540,220	138,803,749	147,962,035	153,657,447	161,240,464	165,136,756
48,722,631	48,355,374	51,208,372	54,275,508	55,598,390	56,177,077
10,695,514	11,059,003	12,240,626	12,726,343	12,988,596	13,641,261
11,754,232	11,261,483	12,512,844	13,551,009	13,673,608	15,052,235
19,037,915	19,527,725	20,442,615	21,750,812	22,490,479	23,395,287
20,261,982	21,315,547	22,312,345	22,950,430	23,362,058	24,429,867
11,874,817	11,255,337	12,030,563	12,210,790	13,076,272	13,064,692
2,916,898	3,014,889	3,030,421	3,562,599	3,830,105	4,537,316
2,742,194	3,098,198	3,773,977	3,892,155	4,063,248	4,179,456
12,044,255	11,505,688	17,696,836	13,467,695	14,377,750	15,952,518
52,735	141,375	3,053	7,821,082	8,324,680	8,353,744
5,056,489	5,019,007	5,478,236	5,969,646	6,388,203	6,466,584
14,890,000	12,250,000	12,790,000	13,370,000	14,001,432	19,648,553
16,615,268	15,882,292	15,312,930	14,709,074	26,949,772	23,265,293
-	-	-	913,732	-	988,286
45,481,450	12,291,962	5,195,630	6,275,843	69,822,398	158,383,576
356,686,600	324,781,629	341,990,483	361,104,165	450,187,455	552,672,501
1,138,960	-	-	-	-	-
-	310,323	4,773,712	495,830	222,511	109,068
-	-	-	-	1,117,800	1,855,550
8,098,037	6,072,727	5,038,558	6,086,810	6,334,746	6,849,695
(8,496,538)	(6,525,529)	(5,443,575)	(6,086,810)	(6,334,746)	(6,849,695)
-	-	-	250,000,000	-	283,740,000
-	-	-	30,812,900	-	36,995,651
-	-	-	-	-	(100,997,370)
740,459	(142,479)	4,368,695	281,308,730	1,340,311	221,702,899
(36,950,193)	(6,925,612)	(3,199,885)	288,544,513	(55,601,090)	84,811,842
102,277,930	65,327,737	58,402,125	55,232,107	343,776,620	288,175,530
\$ 65,327,737	\$ 58,402,125	\$ 55,202,240	\$ 343,776,620	\$ 288,175,530	\$ 372,987,372
9.97%	9.11%	8.27%	7.84%	10.69%	11.00%

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

(Unaudited)

Collection Year	Taxable Assessed Value			Total	Total Direct Tax Rate*
	Residential Property	Commercial Property	All Other		
2008	2,334,001,690	1,956,154,040	337,926,058	4,628,081,788	37.865
2009	2,334,456,140	2,047,735,440	299,416,056	4,681,607,636	39.113
2010	2,451,438,580	1,562,360,162	864,866,444	4,878,665,186	39.999
2011	2,470,710,400	1,656,952,142	737,801,555	4,865,464,097	43.838
2012	2,429,617,885	1,599,185,710	699,134,869	4,727,938,464	44.843
2013	2,447,708,360	1,599,001,398	685,388,865	4,732,098,623	45.547
2014	2,503,236,110	1,701,380,837	698,454,024	4,903,070,971	45.372
2015	2,529,623,742	1,684,921,078	712,472,722	4,927,017,542	47.569
2016	3,048,839,500	2,001,509,673	802,017,995	5,852,367,168	45.814
2017	3,085,184,532	1,985,301,874	779,265,114	5,849,751,520	48.961

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

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

Table 5

Estimated Actual Value	Ratio of Estimated Actual Value to Assessed Value	Assessment Rate	
		Residential	All Other
36,648,062,817	7.9186	7.96%	29.00%
37,827,103,800	8.0799	7.96%	29.00%
38,364,291,949	7.8637	7.96%	29.00%
38,538,770,816	7.9209	7.96%	29.00%
39,739,863,309	8.4053	7.96%	29.00%
39,966,908,824	8.4459	7.96%	29.00%
41,090,894,471	8.3806	7.96%	29.00%
41,411,589,636	8.4050	7.96%	29.00%
49,246,579,486	8.4148	7.96%	29.00%
49,607,874,852	8.4803	7.20%	29.00%



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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
2007	2008	175,242,316	172,742,380	98.57%	47,942	172,790,322	98.60%
2008	2009	183,111,718	178,265,743	97.35%	184,636	178,450,379	97.45%
2009	2010	195,141,729	190,148,336	97.44%	80,169	190,228,505	97.48%
2010	2011	213,292,216	208,270,983	97.65%	149,647	208,420,630	97.72%
2011	2012	212,014,945	207,164,133	97.71%	167,457	207,331,590	97.79%
2012	2013	215,532,897	209,935,274	97.40%	126,768	210,062,042	97.46%
2013	2014	222,462,137	218,064,909	98.02%	151,746	218,216,655	98.09%
2014	2015	234,373,297	230,424,752	98.32%	102,815	230,527,567	98.36%
2015	2016	268,120,350	262,344,109	97.85%	340,674	262,684,783	97.97%
2016	2017*	286,410,987	281,318,011	98.22%	303,124	281,621,135	98.33%

* Collections through July 31, 2017

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)

	2008	2009	2010	2011
Boulder Valley School District RE-2				
General Fund				
School Finance Act (*)	25.023	25.023	25.023	25.023
Budget Election	7.057	6.977	6.695	11.338
Abatements and Refunds	0.229	0.125	0.220	0.186
Subtotal General Fund	32.309	32.125	31.938	36.547
Operations and Technology Fund (**)	-	-	-	-
Transportation Fund	1.414	1.559	1.496	1.500
Bond Redemption Fund	4.142	5.429	6.565	5.791
Total Boulder Valley School District RE-2	37.865	39.113	39.999	43.838
Boulder County	22.467	23.067	23.667	24.645
Cities and Towns				
Boulder	9.201	9.841	10.295	10.818
Broomfield	28.968	28.968	28.968	28.968
Lafayette	10.641	15.515	15.009	14.334
Louisville	6.710	6.710	6.710	6.710
Jamestown	21.400	21.000	21.000	21.000
Nederland	14.070	15.051	14.883	15.156
Superior	8.050	8.050	8.050	9.480
Ward	2.699	2.792	3.480	3.399
	101.739	107.927	108.395	109.865
Special Districts (Ranges)	.507 to 49.500	.528 to 74.771	.508 to 79.366	.523 to 80.420
Fire Districts (Ranges)	2.500 to 11.747	2.500 to 15.256	2.500 to 15.192	2.500 to 15.130
Water/Sanitation Districts (Ranges)	.197 to 21.825	.194 to 22.755	.184 to 22.283	.184 to 17.545

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

2012	2013	2014	2015	2016	2017
25.023	25.023	25.023	25.023	25.023	25.023
12.096	12.620	12.576	13.012	11.348	11.473
0.181	0.354	0.492	0.526	0.311	0.513
<u>37.300</u>	<u>37.997</u>	<u>38.091</u>	<u>38.561</u>	<u>36.682</u>	<u>37.009</u>
-	-	-	-	-	1.709
1.544	1.543	1.489	1.482	1.247	1.248
5.999	6.007	5.792	7.526	7.885	8.995
<u>44.843</u>	<u>45.547</u>	<u>45.372</u>	<u>47.569</u>	<u>45.814</u>	<u>48.961</u>
24.645	24.645	25.120	24.794	22.624	24.064
11.981	11.981	11.981	11.981	11.981	11.981
28.968	28.968	28.968	28.968	28.968	28.968
14.387	14.379	14.368	16.331	16.039	17.228
6.710	6.710	6.710	6.710	6.710	6.710
21.000	18.500	18.500	18.500	25.200	25.200
16.527	16.917	17.274	17.274	17.274	17.274
9.480	9.430	9.430	9.430	9.430	9.430
3.700	3.800	3.800	4.325	3.700	3.855
<u>112.753</u>	<u>110.685</u>	<u>111.031</u>	<u>113.519</u>	<u>119.302</u>	<u>120.646</u>
.566 to 78.265	.599 to 80.965	.608 to 76.663	.632 to 73.479	.553 to 39.196	.559 to 39.196
2.500 to 15.454	2.500 to 17.445	2.500 to 18.445	2.500 to 19.445	2.500 to 20.445	2.500 to 21.445
.184 to 17.746	.184 to 17.743	.184 to 18.506	.184 to 25.374	.156 to 22.446	.156 to 23.429



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Boulder Valley School District RE-2
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Table 8

(Unaudited)

Taxpayer	2017			2008		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Public Service Co of Colorado	1	101,478,707	1.73%	1	58,814,640	1.27%
Oracle America Inc	2	51,249,480	0.88%			
Flatiron Property Holding LLC	3	49,248,280	0.84%			
IBM Corporation	4	48,693,122	0.83%	8	23,141,460	0.50%
Level 3 Communications, LLC	5	44,085,400	0.75%	4	33,654,431	0.73%
Qwest Corporation	6	31,791,993	0.54%	3	35,043,000	0.76%
Ball Corporation	7	31,305,705	0.54%			
Charlotte Ball Seymour Childrens Trust	8	26,111,803	0.45%			
Flatiron Investments LP	9	23,865,869	0.41%			
FSP Corp (380 & 390 Interlocken)	10	22,316,280	0.38%			
Flatiron Holding LLC				2	49,158,590	1.06%
Sun Microsystems Inc				5	27,390,450	0.59%
Roche Colorado Corporation				6	24,711,190	0.53%
Macerich Twenty ninth Street LLC				7	23,387,710	0.51%
Sun Microsystems				9	17,545,000	0.38%
DDR Flatirons LLC				10	15,328,520	0.33%
Subtotal		<u>430,146,639</u>	<u>7.35%</u>		<u>308,174,991</u>	<u>6.66%</u>
Remaining Assessed Valuation		<u>5,419,604,881</u>	<u>92.65%</u>		<u>4,319,906,797</u>	<u>93.33%</u>
Total Assessed Valuation		<u>\$ 5,849,751,520</u>	<u>100.00%</u>		<u>\$ 4,628,081,788</u>	<u>100.00%</u>

Source: Boulder County and Broomfield County Assessors' Office

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

Table 9

(Unaudited)

Fiscal Year	General Obligation Bonds*	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income**	Debt Per Capita**
2008	232,543,125	4,785,000	-	237,328,125	1.64%	813
2009	403,452,144	4,255,000	-	407,707,144	2.97%	1,388
2010	391,819,081	3,710,000	-	395,529,081	2.70%	1,338
2011	380,235,881	3,145,000	-	383,380,881	2.46%	1,277
2012	367,912,681	-	-	367,912,681	2.22%	1,205
2013	356,354,757	-	-	356,354,757	2.06%	1,148
2014	342,645,466	-	-	342,645,466	1.85%	1,093
2015	609,200,710	-	-	609,200,710	3.17%	1,909
2016	593,639,485	-	951,368	594,590,853	2.97%	1,838
2017	792,965,939	-	2,383,365	795,349,304	3.82%	2,427

* 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**
2008	232,543,125	16,694,258	215,848,867	0.588977562	740
2009	403,452,144	19,509,241	383,942,903	1.014994183	1,308
2010	391,819,081	23,087,097	361,252,927	0.941638458	1,222
2011	380,235,881	23,322,828	356,913,053	0.926114262	1,189
2012	367,912,681	23,473,052	344,439,629	0.866735817	1,129
2013	356,354,757	23,655,325	332,699,432	0.832437238	1,072
2014	342,645,466	23,855,100	318,790,366	0.775817538	1,017
2015	609,200,710	30,679,879	578,520,831	1.397002231	1,813
2016	593,639,485	36,914,447	556,725,038	1.130484683	1,721
2017	792,965,939	43,885,243	749,080,696	1.510003600	2,286

* 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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 925,616,358	\$ 936,321,527	\$ 975,733,037	\$ 973,092,819	\$ 945,587,693
Debt Applicable To Limit	<u>230,175,000</u>	<u>397,400,000</u>	<u>385,285,000</u>	<u>374,280,000</u>	<u>362,535,000</u>
Legal Debt Margin	<u>\$ 695,441,358</u>	<u>\$ 538,921,527</u>	<u>\$ 590,448,037</u>	<u>\$ 598,812,819</u>	<u>\$ 583,052,693</u>
Total Debt Applicable As A Percentage Of Debt Limit	24.87%	42.44%	39.49%	38.46%	38.34%

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

\$ 5,849,751,520

20.00%

1,169,950,304

725,835,000\$ 444,115,304

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 946,419,725	\$ 980,614,194	\$ 985,403,508	\$ 1,170,473,434	\$ 1,169,950,304
<u>350,285,000</u>	<u>337,495,000</u>	<u>574,125,000</u>	<u>560,290,000</u>	<u>725,835,000</u>
<u><u>\$ 596,134,725</u></u>	<u><u>\$ 643,119,194</u></u>	<u><u>\$ 411,278,508</u></u>	<u><u>\$ 610,183,434</u></u>	<u><u>\$ 444,115,304</u></u>
37.01%	34.42%	58.26%	47.87%	62.04%

Boulder Valley School District RE-2
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2017

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			
Berthoud Fire Protection District	459,325	100.00%	459,325
Boulder Central Area General Improvement District	7,185,000	100.00%	7,185,000
City of Boulder	22,395,000	100.00%	22,395,000
City of Lafayette	8,265,000	100.00%	8,265,000
City of Louisville	29,230,000	100.00%	29,230,000
Colorado Tech Center Metropolitan District	7,975,000	100.00%	7,975,000
East Boulder County Water District	695,000	100.00%	695,000
Hoover Hill Water and Sanitation District	24,906	100.00%	24,906
Interlocken Consolidated Metropolitan District	87,325,000	100.00%	87,325,000
Nederland Community Library District	1,565,000	100.00%	1,565,000
Nederland Fire Protection District	150,000	100.00%	150,000
North Metro Fire Rescue District	20,365,000	20.88%	4,252,212
Northern Colorado Water Conservancy District	3,725,324	41.05%	1,529,246
Pine Brook Water District	3,910,044	100.00%	3,910,044
Rocky Mountain Fire	7,010,000	100.00%	7,010,000
Superior/McCaslin Interchange District	2,495,000	100.00%	2,495,000
Superior Metropolitan District #2	1,233,000	100.00%	1,233,000
Superior Metropolitan District #3	586,000	100.00%	586,000
Town of Erie	17,465,000	1.96%	342,314
Town of Nederland	620,000	100.00%	620,000
Town of Superior	3,550,000	100.00%	3,550,000
Subtotal Overlapping Debt			190,797,047
School District Direct Debt (1)			795,349,304
Total Direct and Overlapping Debt			\$ 986,146,351

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, 2017
- (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)
2008	291,827	14,465	49,731	27,222.5	4.900%
2009	293,641	13,743	46,875	27,455.2	7.500%
2010	295,610	14,655	49,513	27,673.3	6.500%
2011	300,225	15,564	51,764	28,148.8	6.500%
2012	305,209	16,604	54,341	28,317.5	6.200%
2013	310,384	17,308	55,705	28,538.3	6.100%
2014	313,572	18,492	58,917	28,959.2	5.200%
2015	319,177	19,233	60,220	29,398.3	3.500%
2016	323,457	20,018	61,856	29,702.0	2.900%
2017	327,699	20,835	63,537	29,673.2	2.000%

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	2017			2008		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado	1	8,959	4.11%	1	7,050	3.98%
Boulder Valley School District	2	4,389	2.01%	2	4,144	2.34%
St. Vrain Valley School District	3	3,807	1.75%	4	3,392	1.91%
SCL Health System	4	2,980	1.37%			
Level 3 Communications, Inc.	5	2,440	1.12%	8	2,000	1.13%
Oracle	6	2,000	0.92%			
Boulder County	7	1,957	0.90%	9	1,684	0.95%
Ball Corporation (includes Ball Aerospace)	8	1,816	0.83%			
International Business Machines	9	1,800	0.83%	3	4,000	2.26%
Medtronic Surgical Technologies (formerly Covidien)	10	1,700	0.78%			
Sun Microsystems, Inc.				5	3,387	1.91%
State of Colorado				6	3,048	1.72%
Boulder Community Hospital				7	2,380	1.34%
City of Boulder				10	1,238	0.70%
Subtotal		31,848	14.62%		32,323	18.24%
Other Employers		186,051	85.38%		144,888	81.76%
Total		217,899	100.00%		177,211	100.00%

Source: BizWest 2017 Book of Lists, Denver Business Journal Book of Lists 2016-2017, and Colorado Department of Labor

Boulder Valley School District RE-2

DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS

Last Ten Fiscal Years

(Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	9.50	13.80	12.30	10.50	10.60
Non-Instructional Director	22.70	18.90	17.50	17.30	16.60
Instructional Director	7.70	14.04	15.57	15.02	13.00
Principal	54.10	54.40	54.80	54.80	52.50
Assistant Principal	37.00	40.70	38.70	37.60	41.10
Instructional Program Coord.	2.50	2.00	2.00	2.48	5.60
Non-Instructional Program Coord.	-	-	-	-	3.77
Subtotal	<u>134.50</u>	<u>144.84</u>	<u>141.87</u>	<u>138.70</u>	<u>144.17</u>
Professional-Instructional					
Teacher, Regular	1,538.20	1,549.50	1,517.40	1,490.20	1,493.00
Teacher, Special Education	190.47	178.60	180.16	172.87	191.57
Teacher, Title I	16.10	15.70	18.90	21.80	22.70
Counselor	65.70	68.20	61.80	54.80	66.00
Curriculum Specialist Consultant	10.97	9.60	4.70	4.10	3.50
Dean	3.20	4.70	3.00	2.10	2.00
Education Diagnostician	4.33	4.60	2.76	-	-
Instructional Program Consultant	8.79	1.00	1.25	-	2.00
Librarian/Media Consultant	43.50	42.60	41.60	40.30	39.00
Teacher Mentor	54.90	49.20	48.90	45.77	45.98
Behavioral Specialist	-	-	-	-	-
Audiologist	1.52	2.06	1.98	1.50	1.29
Licensed Practical Nurse	2.10	-	-	-	-
Registered Nurse	15.74	14.91	14.73	12.60	14.86
Occupational Therapist	14.12	15.03	15.13	14.30	15.43
Physical Therapist	2.16	1.76	2.06	2.00	2.30
Psychologist	22.10	46.66	25.81	26.04	28.80
Social Worker	26.40	24.47	21.63	18.60	18.71
Speech-Language Pathologist	28.72	34.62	29.73	36.26	37.99
Subtotal	<u>2,049.02</u>	<u>2,063.21</u>	<u>1,991.54</u>	<u>1,943.24</u>	<u>1,985.13</u>
Professional-Other	112.40	132.75	132.36	130.46	134.56
Paraprofessionals	675.52	757.90	727.88	686.77	708.69
Office/Administrative Support	269.00	268.70	254.77	241.58	238.32
Crafts, Trades, and Services					
Bus Driver	165.80	198.00	196.10	190.60	176.90
Food Service Workers	78.30	84.50	100.60	91.80	81.70
Custodian	153.50	155.70	160.30	150.70	145.70
Maintenance Workers	101.40	95.90	92.10	88.60	88.60
Subtotal	<u>499.00</u>	<u>534.10</u>	<u>549.10</u>	<u>521.70</u>	<u>492.90</u>
Total	<u><u>3,739.44</u></u>	<u><u>3,901.50</u></u>	<u><u>3,797.52</u></u>	<u><u>3,662.45</u></u>	<u><u>3,703.77</u></u>

Source: Boulder Valley School District RE-2

Table 15

2013	2014	2015	2016	2017
1.00	1.00	1.00	1.00	1.00
11.80	10.80	11.80	15.40	15.66
16.80	15.90	16.30	23.30	24.36
11.61	12.90	15.90	16.80	13.21
52.50	54.20	54.70	55.30	56.44
41.10	41.40	41.00	40.40	43.06
5.83	3.90	3.90	2.90	2.92
2.90	3.10	2.10	2.10	2.13
<u>143.54</u>	<u>143.20</u>	<u>146.70</u>	<u>157.20</u>	<u>158.78</u>
1,503.90	1,484.60	1,479.10	1,483.50	1,504.04
188.68	187.53	185.97	183.60	182.86
18.50	18.80	14.70	13.30	12.87
64.20	57.30	63.10	61.00	62.87
3.90	8.60	7.80	9.80	8.61
2.40	2.20	3.00	3.10	1.50
-	-	-	-	7.80
2.00	-	-	-	1.00
37.80	40.10	41.00	40.80	41.04
33.90	34.20	42.20	46.20	46.80
-	-	2.55	2.16	3.63
1.50	1.50	1.50	1.60	1.61
-	0.46	0.73	0.81	-
15.11	13.90	12.18	14.76	16.67
15.57	14.81	14.64	14.78	14.25
2.30	2.30	2.30	2.40	2.40
24.32	21.01	20.78	20.30	20.28
16.90	18.50	15.87	14.90	12.27
44.36	42.02	45.00	44.14	45.43
<u>1,975.34</u>	<u>1,947.83</u>	<u>1,952.42</u>	<u>1,957.15</u>	<u>1,985.93</u>
138.18	135.10	140.60	145.60	148.76
668.55	634.46	651.48	644.93	586.80
253.92	250.88	255.50	248.80	251.72
178.90	165.90	165.80	193.00	153.30
89.20	91.00	98.00	101.40	83.14
150.90	149.20	149.80	145.10	151.91
84.10	87.30	86.80	81.10	81.60
<u>503.10</u>	<u>493.40</u>	<u>500.40</u>	<u>520.60</u>	<u>469.95</u>
<u><u>3,682.63</u></u>	<u><u>3,604.87</u></u>	<u><u>3,647.10</u></u>	<u><u>3,674.28</u></u>	<u><u>3,601.94</u></u>

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2008	2009	2010	2011	2012	2013	2014
<u>Elementary Schools</u>							
Bear Creek							
Square Feet	39,549	39,549	39,549	54,579	54,579	54,579	54,579
Capacity	350	350	350	355	475	478	478
Enrollment	361	362	352	367	378	391	414
Birch							
Square Feet	44,714	44,714	44,714	51,192	51,192	51,192	51,192
Capacity	463	463	440	405	436	453	453
Enrollment	425	448	426	443	401	352	359
BCSIS							
Square Feet	25,922	25,922	31,745	31,745	31,745	31,745	31,745
Capacity	230	230	280	280	312	301	301
Enrollment	287	290	284	300	295	294	294
Coal Creek							
Square Feet	53,916	53,916	53,916	52,476	57,305	57,305	57,305
Capacity	465	465	485	490	496	555	555
Enrollment	470	470	448	464	467	453	431
Columbine							
Square Feet	48,078	48,078	50,938	68,294	68,787	68,787	68,787
Capacity	431	431	431	455	579	603	603
Enrollment	368	379	398	410	453	462	480
Community Montessori							
Square Feet	42,583	42,583	42,588	42,588	42,588	42,588	42,588
Capacity	200	200	280	280	287	367	367
Enrollment	228	225	237	251	258	250	255
Creekside							
Square Feet	46,976	46,976	46,976	50,661	50,661	50,661	50,661
Capacity	316	316	334	441	484	505	505
Enrollment	330	344	345	348	353	335	340
Crest View							
Square Feet	55,007	67,266	66,884	66,884	66,884	66,884	66,884
Capacity	530	530	595	670	685	674	674
Enrollment	511	532	594	627	625	617	607
Douglass							
Square Feet	54,772	54,772	54,901	54,901	59,705	57,966	57,966
Capacity	435	435	480	480	491	504	504
Enrollment	439	409	423	430	433	461	478
Eisenhower							
Square Feet	53,601	53,601	53,601	59,525	59,525	59,525	59,525
Capacity	525	525	555	580	613	653	653
Enrollment	468	453	445	474	453	411	404
Emerald							
Square Feet	56,300	56,300	56,300	62,542	62,573	62,573	62,573
Capacity	377	377	413	473	454	484	484
Enrollment	384	386	370	345	341	327	335
Fireside							
Square Feet	60,307	60,307	60,307	60,307	61,486	61,486	61,486
Capacity	440	440	465	515	475	576	576
Enrollment	444	418	437	445	464	470	456
Flatirons							
Square Feet	33,469	33,469	43,857	43,857	43,857	43,857	43,857
Capacity	320	320	305	325	337	339	339
Enrollment	295	288	272	279	306	295	307
Foothill							
Square Feet	57,819	57,819	75,951	76,021	76,021	76,021	76,021
Capacity	510	510	610	610	644	648	648
Enrollment	526	528	572	564	583	569	574

Table 16

2015	2016	2017
54,579	54,579	54,579
478	478	492
417	441	438
51,192	51,192	52619
453	453	418
383	407	408
31,745	31,745	31,745
301	301	295
307	301	309
57,305	57,305	57,305
555	555	565
427	426	417
68,787	68,787	68,787
603	603	615
496	531	536
42,588	42,588	42,588
367	367	417
270	262	251
50,843	50,843	50,843
505	505	492
333	332	319
66,884	66,884	66,884
674	674	664
586	580	606
59,836	59,836	56333
504	504	492
463	473	448
59,525	59,525	59,525
653	653	590
405	398	418
62,573	62,573	62,573
484	484	541
376	380	388
61,486	61,486	61,486
576	576	492
458	453	469
43,857	43,857	43,857
339	339	320
290	274	254
76,021	76,021	76,021
648	648	615
545	547	541

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2008	2009	2010	2011	2012	2013	2014
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,316	3,316	3,293	3,293
Capacity	41	41	41	36	37	41	41
Enrollment	25	25	21	29	26	29	23
Heatherwood							
Square Feet	52,016	52,016	51,975	60,797	60,797	60,797	60,797
Capacity	321	321	440	540	552	555	555
Enrollment	368	382	363	385	381	378	390
High Peaks							
Square Feet	24,521	24,521	32,983	32,983	32,983	32,983	32,983
Capacity	240	240	280	280	312	301	301
Enrollment	299	301	311	306	303	299	297
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,030	5,032	5,032
Capacity	18	18	18	18	19	21	21
Enrollment	22	21	27	25	21	20	21
Kohl							
Square Feet	54,113	54,113	54,113	57,417	57,417	57,417	57,417
Capacity	480	480	490	490	521	525	525
Enrollment	469	488	478	498	473	506	485
Lafayette							
Square Feet	60,673	67,638	62,208	62,203	62,203	62,203	62,203
Capacity	350	350	492	555	623	628	628
Enrollment	475	534	603	636	606	619	583
Louisville							
Square Feet	57,018	57,018	57,018	63,034	63,034	63,034	63,034
Capacity	460	460	485	535	572	628	628
Enrollment	427	440	459	502	540	572	600
Mapleton Early Childhood Center							
Square Feet	na	na	na	na	na	na	21,387
Capacity	na	na	na	na	na	na	na
Enrollment	na	na	na	na	na	na	41
Mesa							
Square Feet	45,670	45,670	45,670	54,963	55,195	55,195	55,195
Capacity	315	315	375	385	485	494	494
Enrollment	355	384	365	378	371	352	341
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	355	355	375	405	432	468	468
Enrollment	285	307	278	287	280	280	282
Pioneer							
Square Feet	72,398	72,398	72,398	74,874	74,864	74,864	74,864
Capacity	348	348	419	391	477	525	525
Enrollment	414	429	433	423	422	419	448
Ryan							
Square Feet	49,398	49,398	49,398	55,075	55,075	55,075	55,075
Capacity	357	357	377	460	512	530	530
Enrollment	430	406	422	419	443	454	408
Sanchez							
Square Feet	49,887	49,887	49,900	55,320	55,320	55,320	55,320
Capacity	334	334	266	294	301	330	330
Enrollment	280	278	286	295	330	320	321
Superior							
Square Feet	69,765	69,765	69,725	69,673	71,480	71,480	71,480
Capacity	500	500	505	505	521	525	525
Enrollment	633	664	635	591	573	553	556

Table 16
(continued)

2015	2016	2017
3,293	3,293	3,293
41	41	49
27	26	26
60,797	60,797	60,797
555	555	516
384	385	379
32,983	32,983	32,983
301	301	295
297	314	305
5,032	5,032	5,032
21	21	25
15	18	19
57,417	57,417	57,417
525	525	565
487	481	479
62,203	62,203	62,203
628	628	639
590	592	655
63,034	63,034	63,034
651	651	639
584	582	569
21,387	21,387	21,387
na	na	na
70	70	75
55,195	55,195	55,195
494	494	467
330	320	287
61,470	61,470	61,470
468	468	467
285	276	278
74,864	74,864	74,864
525	525	541
473	480	469
55,075	55,075	55,075
530	530	516
410	417	458
55,320	55,320	55,320
330	330	369
359	379	405
71,480	71,480	71,480
525	525	516
505	486	465

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2008	2009	2010	2011	2012	2013	2014
<u>Elementary Schools (continued)</u>							
University Hill							
Square Feet	68,696	68,696	67,276	69,701	69,701	69,701	69,701
Capacity	375	375	402	427	426	474	474
Enrollment	306	321	338	358	385	366	419
Whittier							
Square Feet	35,122	35,122	35,123	46,517	46,517	46,517	46,517
Capacity	325	325	325	380	371	412	412
Enrollment	320	347	334	369	394	401	389
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,676	121,676	121,961	121,961	121,961
Capacity	906	906	902	946	968	962	962
Enrollment	550	546	581	545	587	573	611
Broomfield Heights							
Square Feet	107,385	107,385	107,239	107,239	111,379	111,379	111,379
Capacity	914	914	932	932	935	935	935
Enrollment	523	536	530	526	561	531	552
Casey							
Square Feet	84,007	84,007	44,923	109,072	109,072	109,072	109,072
Capacity	535	535	521	743	743	743	743
Enrollment	345	292	349	440	546	582	608
Centennial							
Square Feet	99,556	99,556	99,515	99,515	117,772	117,772	117,772
Capacity	772	772	750	750	750	750	750
Enrollment	583	596	627	562	554	548	581
Louisville							
Square Feet	74,206	74,206	101,483	101,483	101,483	101,483	101,483
Capacity	651	651	669	669	673	691	691
Enrollment	567	548	569	603	623	632	631
Manhattan							
Square Feet	83,572	83,572	93,632	93,542	93,542	93,551	93,551
Capacity	618	618	638	642	642	642	642
Enrollment	413	455	498	468	466	487	547
Platt							
Square Feet	117,573	117,573	81,495	117,552	123,958	123,958	123,958
Capacity	707	707	888	827	860	860	860
Enrollment	556	540	546	533	502	510	510
Southern Hills							
Square Feet	70,194	70,194	98,342	98,340	98,340	98,340	98,340
Capacity	503	503	701	701	701	683	683
Enrollment	487	496	539	545	535	542	550
<u>High Schools</u>							
Boulder							
Square Feet	218,717	218,717	245,772	245,971	245,971	245,971	245,971
Capacity	1900	1900	1900	1900	1900	1900	1900
Enrollment	1851	1808	1786	1775	1790	1846	1938
Broomfield							
Square Feet	218,163	218,163	240,535	240,535	240,535	240,535	240,535
Capacity	1606	1606	1805	1805	1805	1762	1762
Enrollment	1438	1388	1401	1437	1329	1401	1429
Centaurus							
Square Feet	196,089	198,329	194,687	194,687	194,687	194,687	194,687
Capacity	1581	1581	1874	1874	1874	1874	1874
Enrollment	1051	1135	1092	1029	1008	999	1013
Fairview							
Square Feet	256,392	256,392	262,019	264,007	264,007	264,007	264,007
Capacity	1840	1840	1958	1990	1990	1996	1996
Enrollment	1907	1903	1913	1971	2065	2132	2118

Table 16
(continued)

2015	2016	2017
69,701	69,701	69,701
474	474	565
427	436	449
46,517	46,518	47,613
412	412	418
396	415	424
121,953	121,953	121,953
962	962	950
662	725	709
111,379	111,379	111,379
935	935	906
550	547	520
109,072	109,072	109,072
743	743	725
607	632	652
117,772	117,772	117,772
750	750	732
595	630	628
101,483	101,483	101,483
691	691	710
633	621	642
93,551	93,551	93,551
642	642	690
543	493	458
123,958	123,958	123,958
860	860	875
557	602	638
98,340	98,340	98,340
683	683	671
560	555	559
245,971	245,971	245,971
1900	1900	1987
1978	1979	1981
240,535	240,535	240,535
1762	1762	1778
1498	1548	1595
194,687	194,687	194,687
1874	1874	1833
1020	1079	1127
264,007	264,007	264,007
1996	1996	2052
2169	2183	2165

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2008	2009	2010	2011	2012	2013	2014
<u>High Schools (continued)</u>							
Monarch							
Square Feet	228,827	230,134	233,909	233,909	241,819	241,823	241,823
Capacity	1728	1728	1728	1728	1728	1833	1833
Enrollment	1526	1508	1511	1527	1514	1576	1626
New Vista							
Square Feet	76,668	76,668	76,668	76,668	77,966	77,966	77,966
Capacity	659	659	659	659	654	654	654
Enrollment	324	324	317	299	309	301	280
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	115,919	115,919	115,919	115,919	122,127	122,127	122,127
Capacity	969	969	892	919	990	1015	1015
Enrollment	912	913	921	916	929	917	942
Eldorado K-8							
Square Feet	117,336	117,336	120,210	120,207	123,343	123,343	123,343
Capacity	876	876	926	926	1003	1006	1006
Enrollment	1012	967	983	987	972	991	958
Halcyon							
Square Feet	8,736	8,736	10,163	10,163	10,163	10,163	10,163
Capacity	na	na	na	na	na	na	na
Enrollment	17	6	27	24	21	21	18
Monarch K-8							
Square Feet	108,802	108,802	108,802	108,802	114,491	114,491	114,491
Capacity	766	766	856	904	926	933	933
Enrollment	757	769	748	790	814	844	858
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	97,080	102,168	102,168
Capacity	650	650	674	630	718	718	718
Enrollment	377	457	340	333	299	270	284
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge High School							
Square Feet	129,579	129,579	130,707	152,954	152,954	152,146	152,146
Capacity	925	925	981	1099	1099	1062	1062
Enrollment	216	199	175	204	200	147	130
<u>Charter Schools</u>							
Boulder Preparatory High School							
Square Feet	5,938	5,938	5,938	5,938	5,938	5,938	5,938
Capacity	na	na	na	na	na	117	117
Enrollment	149	131	158	142	122	117	107
Horizons K-8 School							
Square Feet	30,814	30,814	30,810	30,814	43,426	52,009	52,009
Capacity	342	342	404	404	440	414	414
Enrollment	340	324	325	332	332	340	348
Peak To Peak K-12 School							
Square Feet	116,679	116,679	134,284	139,990	139,990	139,990	139,990
Capacity	na	na	na	na	na	1444	1444
Enrollment	1341	1405	1425	1443	1446	1444	1445
Summit Middle School							
Square Feet	41,161	52,434	49,934	49,935	49,935	49,944	49,944
Capacity	337	337	480	493	493	493	493
Enrollment	312	319	324	336	334	339	342
Justice High 6-12 School							
Square Feet	2,409	2,409	2,409	6,590	6,590	6,590	6,590
Capacity	na	na	na	na	na	91	91
Enrollment	75	97	129	111	96	91	115

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

Source: Boulder Valley School District RE-2

Table 16
(continued)

2015	2016	2017
241,823	241,823	241,823
1833	1833	1861
1653	1749	1708
77,966	77,966	77,966
654	654	680
294	296	292
122,127	122,127	122,127
1015	1015	949
961	933	927
123,343	123,343	123,343
1006	1006	937
987	957	916
10,163	10,163	10,163
na	na	na
19	18	17
114,491	114,491	114,491
933	933	951
888	880	881
102,168	102,168	102,168
718	718	701
290	273	261
152,146	152,146	152,797
1062	1062	602
132	139	90
5,938	48408	48408
117	117	160
94	109	104
52,009	52,009	52,009
414	414	348
347	348	347
139,990	179,258	179,258
1444	1444	1409
1444	1446	1444
49,936	45,609	58,750
493	493	360
349	353	354
6,590	6,590	9,680
91	91	95
76	80	82

Boulder Valley School District RE-2

TEACHER STATISTICS

Last Ten School Years

(Unaudited)

	2008	2009	2010	2011	2012
Number of Teachers by Education Level					
Bachelor's Degree	141	151	141	144	137
Bachelor's Degree + 12 Hours	79	72	66	63	70
Bachelor's Degree + 24 Hours	73	62	58	56	53
Bachelor's Degree + 36 Hours	67	72	64	52	44
Bachelor's Degree + 48 Hours	250	247	233	217	216
Master's Degree	451	453	450	450	467
Master's Degree + 12 Hours	183	190	204	198	207
Master's Degree + 24 Hours	171	159	152	142	151
Master's Degree + 36 Hours	128	142	126	132	154
Master's Degree + 48 Hours	381	395	387	413	411
Master's Degree + 60 Hours	-	-	-	-	-
Doctorate	49	43	40	42	45
Other	4	5	4	4	3
Total	1,977	1,991	1,925	1,913	1,958
Average Teacher Pay by Education Level					
Bachelor's Degree	39,517	35,858	36,587	37,280	38,096
Bachelor's Degree + 12 Hours	42,872	38,946	44,281	42,411	42,170
Bachelor's Degree + 24 Hours	46,876	43,058	44,500	44,701	47,842
Bachelor's Degree + 36 Hours	49,058	44,033	48,101	46,883	46,682
Bachelor's Degree + 48 Hours	55,005	52,484	55,448	56,109	56,472
Master's Degree	51,828	47,307	51,033	51,143	50,470
Master's Degree + 12 Hours	58,454	50,784	54,896	54,988	56,963
Master's Degree + 24 Hours	61,068	55,917	59,145	61,192	60,165
Master's Degree + 36 Hours	65,306	56,713	62,768	61,602	61,704
Master's Degree + 48 Hours	68,787	65,072	70,096	69,845	69,924
Master's Degree + 60 Hours	-	-	-	-	-
Doctorate	68,954	63,710	65,547	68,594	68,211
Other*	60,975	64,609	63,248	63,248	62,089

*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

2013	2014	2015	2016	2017
132	118	108	105	104
63	52	50	46	47
55	48	46	41	39
47	46	61	64	64
201	155	132	112	82
459	383	404	405	392
202	201	181	196	196
152	170	166	152	165
152	161	155	150	142
409	190	175	175	166
-	345	425	465	505
38	40	50	55	54
15	2	1	1	1
1,925	1,911	1,954	1,967	1,957
42,338	44,511	43,397	43,225	40,480
47,234	49,219	47,171	49,655	47,934
49,315	52,454	53,521	51,034	54,100
51,771	52,806	53,285	54,118	53,090
60,979	64,829	68,002	70,065	69,513
55,473	59,475	61,211	61,408	60,397
63,676	65,249	67,137	67,727	66,384
65,841	69,071	71,331	71,670	70,662
66,512	70,632	74,261	75,938	75,435
73,997	77,767	81,922	83,933	82,535
-	81,869	85,999	88,800	89,400
74,199	82,048	83,184	85,868	85,493
43,269	65,745	61,899	63,632	64,396

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last Ten School Years

(Unaudited)

	2008	2009	2010	2011
Student Teacher Ratio*				
Elementary	15.94	15.45	15.60	16.37
Combination	17.32	17.23	16.72	17.43
Middle	16.23	15.90	16.97	17.18
Senior	18.97	18.45	18.71	19.28
Governmental Activities Expenses	\$ 278,784,336	\$ 289,549,755	\$ 294,156,553	\$ 306,813,347
Cost Per Student	\$ 9,742	\$ 10,118	\$ 10,200	\$ 10,464
Enrollment Data**				
Student Full Time Equivalent				
Elementary	11,331.0	11,658.2	11,716.8	12,029.8
Middle	6,385.5	6,356.0	6,576.0	6,536.0
Senior	9,204.0	9,142.0	9,128.0	9,324.5
Other	302.0	299.0	252.5	258.5
Total	27,222.5	27,455.2	27,673.3	28,148.8
Total Enrollment				
K-12 Enrollment	28,173.0	28,171.00	28,344.00	28,815.00
Pre-K Enrollment	445.0	445.00	494.00	505.00
Total	28,618.0	28,616.0	28,838.0	29,320.0
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	2,544	2,529	2,473	2,646
Combination	191	207	256	317
Middle	900	864	893	946
Senior	963	1,101	1,025	1,177
Total	4,598	4,701	4,647	5,086
Percent of Students Receiving Free or Reduced Cost Meals	16.07%	16.43%	16.11%	17.35%

* Balances reported for previous years have been updated to be consistent with current year presentation. Ratios now include all FTE related to special education and title programs, and are consistent with balances reported by the Colorado Department of Education.

** Budget amounts are used prior to 2010 and submitted amounts from the October count thereafter.

Source: Boulder Valley School District RE-2

* Colorado Department of Education

Table 18

2012	2013	2014	2015	2016	2017
16.27	16.44	16.76	17.22	17.37	17.55
17.49	18.61	18.54	19.42	18.97	18.07
17.43	17.01	17.77	17.86	18.29	18.10
19.33	19.48	19.79	20.24	20.46	19.76
\$ 319,692,074	\$ 319,005,007	\$ 343,751,369	\$ 387,709,725	\$ 428,863,567	\$ 643,653,131
\$ 10,821	\$ 10,734	\$ 11,403	\$ 12,684	\$ 13,890	\$ 20,873
12,055.5	12,097.3	12,154.2	12,228.8	12,222.0	12,210.7
6,671.0	6,681.5	6,913.5	7,106.5	7,183.5	7,186.5
9,305.0	9,480.0	9,610.0	9,731.5	9,958.5	9,925.0
286.0	279.5	281.5	331.5	338.0	351.0
28,317.5	28,538.3	28,959.2	29,398.3	29,702.0	29,673.2
28,986.00	29,181.00	29,595.00	29,941.00	30,231.00	30,168.00
558.00	537.00	550.00	625.00	644.00	669.00
29,544.0	29,718.0	30,145.0	30,566.0	30,875.0	30,837.0
2,714	2,740	2,709	2,988	3,171	3,018
342	336	379	364	443	406
1,033	1,033	1,103	1,157	1,282	1,190
1,223	1,247	1,240	1,457	1,688	1,617
5,312	5,356	5,431	5,966	6,584	6,231
17.98%	18.02%	18.02%	19.52%	21.32%	20.21%



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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, 2017, 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 15, 2017.

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



CliftonLarsonAllen LLP

Broomfield, Colorado
November 15, 2017



**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, 2017. 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, 2017.

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 15, 2017

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

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)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies (Title I, Part A of ESEA) and Neglected and Delinquent State Agency and Local Education (Title I, Part D)
84.367	Improving Teacher Quality State Grants (Title IIA)

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, 2017**

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).



Business Services Division

**BOULDER VALLEY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017**

Boulder Valley School District respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2017.

Audit period: July 1, 2016 - June 30, 2017

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, Accounting Services Director, at (720) 561-5008.

Boulder Valley School District RE-2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>		<u>Pass- Through Entity Grant Code</u>	<u>6/30/2017 Expenditures</u>
U.S. Department of Education				
Direct Programs				
Indian Education	84.060			\$ 18,830
Passed Through State Department of Education				
Adult Education	84.002		5002	95,067
Title I	84.010		4010/92XX	2,294,331
Migrant Education	84.011		4011	6,124
Special Education	84.027	(1)	4027/5027	5,354,926
Special Education Preschool	84.173	(1)	4173	112,920
21st Century Community Learning Centers	84.287		5287	465,938
Advanced Placement Program	84.330		5330	4,704
English Language Acquisition	84.365		4365	204,293
Improving Teacher Quality	84.367		4367	664,711
Passed Through State Community College System				
Career and Technical Education	84.048		5048	<u>137,916</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u><u>9,359,760</u></u>
U.S. Department of Agriculture				
Direct Programs				
Local Food Promotion and Farm to School	10.172			12,750
Passed Through State Department of Human Services				
National School Lunch Program (non-cash commodities)	10.555	(2)	4555	501,008
Passed Through State Department of Public Health and Environment				
Child and Adult Care Food Program	10.558		4558	23,101
Passed Through State Department of Education				
Child Nutrition Discretionary Grants Limited Availability	10.579		5579	36,894
Fresh Fruit and Vegetable Program	10.582		4582	42,130
National School Lunch Program	10.555	(2)	4555	2,125,366
School Breakfast Program	10.553	(2)	4553	712,229
Summer Food Service Program for Children	10.559	(2)	4559	<u>88,013</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u><u>3,541,491</u></u>
U.S. Department of Transportation				
Passed Through State Department of Transportation				
Highway Planning and Construction	20.205	(3)	6205/7205	<u>156,169</u>
U.S. Department of Homeland Security				
Passed Through State Department of Public Safety				
Disaster Grants - Public Assistance	97.036			<u>7,251</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>\$ 13,064,671</u></u>

(1) Special Education Cluster (IDEA): \$5,467,846

(2) Child Nutrition Cluster: \$3,426,616

(3) Highway Planning and Construction Cluster: \$156,169

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, 2017

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 \$501,008 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.



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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 2016-17
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+	-	=	
10 General Fund	33,752,263	285,772,999	278,375,485	41,149,777
18 Risk Mgmt Sub-Fund of General Fund	276,240	4,508,624	4,624,635	160,229
19 Colorado Preschool Program Fund	252,147	1,662,768	1,696,651	218,264
Sub- Total	34,280,650	291,944,391	284,696,771	41,528,270
11 Charter School Fund	9,758,820	26,441,058	25,154,273	11,045,605
20,26-29 Special Revenue Fund	0	1,407,023	1,407,023	0
06 Supplemental Cap Const, Tech, Main. Fund	0	9,839,777	7,866,127	1,973,650
21 Food Service Spec Revenue Fund	185,290	8,783,546	8,745,566	223,270
22 Govt Designated-Purpose Grants Fund	0	12,042,037	12,042,037	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	437,017	15,274,154	14,827,712	883,459
31 Bond Redemption Fund	38,491,424	153,566,645	143,884,541	48,173,528
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	213,889,151	221,128,144	155,614,306	279,402,989
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	914,221	3,919,408	3,712,169	1,121,460
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	297,956,573	744,346,183	657,950,525	384,352,231
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	8,267,333	7,278,239	8,293,372	7,252,200
Totals	8,267,333	7,278,239	8,293,372	7,252,200
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	1,411,687	36,517	33,107	1,415,097
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	4,833,336	14,343,833	13,936,075	5,241,094
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	184,649	112,373	60,220	236,802
Totals	6,429,672	14,492,723	14,029,402	6,892,993

FINAL

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



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