



Boulder Valley School District
Excellence and Equity



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
Boulder, Colorado • Boulder • Broomfield • Gilpin Counties



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2018 • 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, 2018

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal.....	1 – 7
The Certificate of Excellence in Financial Reporting Award	8
Certificate of Achievement for Excellence in Financial Reporting.....	9
Organization Chart	10 – 11
List of Elected and Appointed Officials	12
 FINANCIAL SECTION	
Independent Auditors' Report.....	13 – 15
Management's Discussion and Analysis.....	16 – 29
Basic Financial Statements:	
Statement of Net Position	33
Statement of Activities	34 – 35
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	39
Statement of Net Position – Proprietary Funds.....	40
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	41
Statement of Cash Flows – Proprietary Funds	42
Statement of Net Position – Fiduciary Funds.....	43
Statement of Changes in Net Position – Fiduciary Funds.....	44
Notes to Basic Financial Statements	45 – 80
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund.....	83

TABLE OF CONTENTS

(Continued)

PAGE

FINANCIAL SECTION (Continued)

Schedule of the District's Proportionate Share of the Net Pension and Other Post Employment Benefit Liabilities.....	84 – 85
Schedule of Contributions and Related Ratios	86 – 87
Notes to Required Supplementary Information	88

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – General Fund.....	92 – 93
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – General Fund	94 – 95
Nonmajor Governmental Funds Descriptions	97
Combining Balance Sheet – Nonmajor Governmental Funds.....	98 – 99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	100 – 101
Budgetary Comparison Schedule – Food Services Fund	102
Budgetary Comparison Schedule – Grants Fund	103
Budgetary Comparison Schedule – Transportation Fund	104
Budgetary Comparison Schedule – Operations and Technology Fund	105
Budgetary Comparison Schedule – Bond Redemption Fund.....	106
Budgetary Comparison Schedule – 2014 Building Fund.....	107
Budgetary Comparison Schedule – Capital Reserve Fund.....	108
Internal Service Funds Descriptions	109
Combining Statement of Net Position – Internal Service Funds	111
Combining Statement of Revenue, Expenses and Changes in Fund Net Position – Internal Service Funds	112
Combining Statement of Cash Flows – Internal Service Funds	113
Budgetary Comparison Schedule – Health Insurance Fund	114
Budgetary Comparison Schedule – Dental Insurance Fund	115
Fiduciary Funds Descriptions.....	117
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	119
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	120
Statement of Changes in Assets and Liabilities – Agency Fund	121
Component Units Description	123

TABLE OF CONTENTS

(Continued)

PAGE

FINANCIAL SECTION (Continued)

Combining Statement of Net Position – Component Units.....	124 – 125
Combining Statement of Activities – Component Units.....	126 – 127

STATISTICAL SECTION (Unaudited)

Table of Contents	131
-------------------------	-----

Financial Trends

Table 1 – Net Position by Component	132 – 133
Table 2 – Changes in Net Position.....	134 – 135
Table 3 – Fund Balances of Governmental Funds.....	136 – 137
Table 4 – Changes in Fund Balances of Governmental Funds.....	138 – 139

Revenue Capacity

Table 5 – Assessed Value and Estimated Actual Value of Taxable Property	140 – 141
Table 6 – Property Tax Levies and Collections.....	143
Table 7 – Property Tax Rates – Direct and Overlapping Governments	144 – 145
Table 8 – Principal Property Taxpayers	147

Debt Capacity

Table 9 – Ratios of Outstanding Debt by Type	148
Table 10 – Ratios of General Bonded Debt Outstanding	149
Table 11 – Legal Debt Margin Information.....	150 – 151
Table 12 – Computation of Direct and Overlapping General Obligation Debt.....	152

Demographic and Economic Information

Table 13 – Demographic and Economic Statistics.....	153
Table 14 – Principal Employers	155

Operating Information

Table 15 – District Employees – Full Time Equivalents	156 – 157
Table 16 – School Building Information	158 – 165
Table 17 – Teacher Statistics	166 – 167
Table 18 – Miscellaneous Statistical Data	168 – 169

TABLE OF CONTENTS
(Continued)

PAGE

COMPLIANCE SECTION

Single Audit

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 <i>Government Auditing Standards</i>	173 – 174
Independent Auditors' Report on Compliance for Each Major Federal Program And Report on Internal Control over Compliance Required by the Uniform Guidance	175 – 176
Schedule of Findings and Questioned Costs	177 – 178
Summary Schedule of Prior Audit Findings	179
Schedule of Expenditures of Federal Awards	180
Notes to Schedule of Expenditures of Federal Awards.....	181

State Compliance

Auditors Integrity Report	185
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Business Services Division

November 15, 2018

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, 2018.

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, 2018. 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, 2018, 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 2017-18 school year, the district's total student funded full time equivalent was 29,669, 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 pre-kindergarten, 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.

Five charter schools are included as component units of the district for the 2018 CAFR: Boulder Preparatory High School, Horizons K-8 School, Peak to Peak K-12 Charter School, Summit Middle School and Justice High School. Funding for charter schools is based on charter enrollment and contract agreements between the individual charter school and the district.

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

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

Economic Conditions and Outlook

On December 11, 2017, the 53rd annual Colorado Business Economic Outlook, the economic outlook for calendar year 2018, was presented by the Business Research Division of the Colorado Leeds School of Business.

The Colorado economy continued to experience faster growth than the national economy in the first half of 2017, ranking Colorado third in the pace of GDP growth. Colorado outperforms in the nation and region despite a slowing growth rate. While per capita personal income is ranked 15th in the nation, and average annual pay are above the national average, the rate of income growth ranks 35th, below the national average.

Colorado's unemployment rate stood at 2.5 percent in September 2017, which is a strong indicator of the state's current talent shortage. The unemployment rate for Colorado is projected to remain low in 2018, and the tight labor market conditions are making it difficult for businesses to find the labor they need to maintain operations and for expansion. The tight labor market also creates upward pressure on wages in the metro Denver area, the labor market in which school

districts must compete for qualified staff, including instructional, trades and professional ranks. Colorado's population is forecast to continue to grow but at a slowing rate. The population is forecast to increase by an estimated 90,600 in 2018 and 90,000 through 2019.

Data from the Bureau of Labor Statistics show employment in Boulder County increased 3.6% between September 2016 and 2017, creating an additional 6,600 jobs, compared to a 1.6% increase in Colorado during that period. In September 2017, the Boulder County unemployment rate was 1.9% (not seasonally adjusted) compared to state unemployment of 2.3% and a national rate of 4.1% (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 \$74,615 in 2016 compared to \$65,685 for Colorado residents, according to data from the U.S. Census Bureau.

The entire 2018 Colorado Business Economic Outlook can be found at <http://www.colorado.edu/business/centers/business-research-division/research>.

The Denver-Aurora-Lakewood CPI (Consumer Price Index) is the measure of inflation that is used for the State of Colorado. The rate increase, used as a function of funding increases for the 2018-19 fiscal year, was determined to be 3.4 percent in February 2018. 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 2018-19 fiscal year, the legislature increased base per pupil funding by 3.4% 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 slightly (less than 1.0%) over the prior fiscal year. The "Budget Stabilization Factor" (previously referred to as the "Negative Factor") reduction to statewide total program funding as calculated in the School Finance Act is projected to be \$672.4 million for the 2018-19 fiscal year, or 8.7%. For the district, the budget stabilization factor is expected to be \$23.0 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, 2018, 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 strategic plan 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, 2018, 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, 2018, approximately 70% 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 \$17.9 million in property tax revenues for the fiscal year ended June 30, 2018, based on a levy of 2.709 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 Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the district for its comprehensive annual financial report and the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Excellence and the Certificate of Achievement,

the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence and Certificate of Achievement are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Excellence and Certificate of Achievement programs. This document will be submitted to ASBO and GFOA respectively to determine eligibility for another certificate.

Acknowledgments

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Business Services Division. We would like to express our sincere appreciation to all members of the department for their contributions to this report. We also thank the district's independent auditors, CliftonLarsonAllen LLP, for the professional manner in which they accomplished the audit and for their work to publish this Comprehensive Annual Financial Report. We would also like to thank Dr. 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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**Boulder Valley School
District**

**for its Comprehensive Annual Financial Report
(CAFR) for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

**Charles E. Peterson, Jr., SFO, RSBA,
MBA President**

A handwritten signature in black ink, reading 'John D. Musso'.

**John D. Musso,
CAE Executive
Director**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

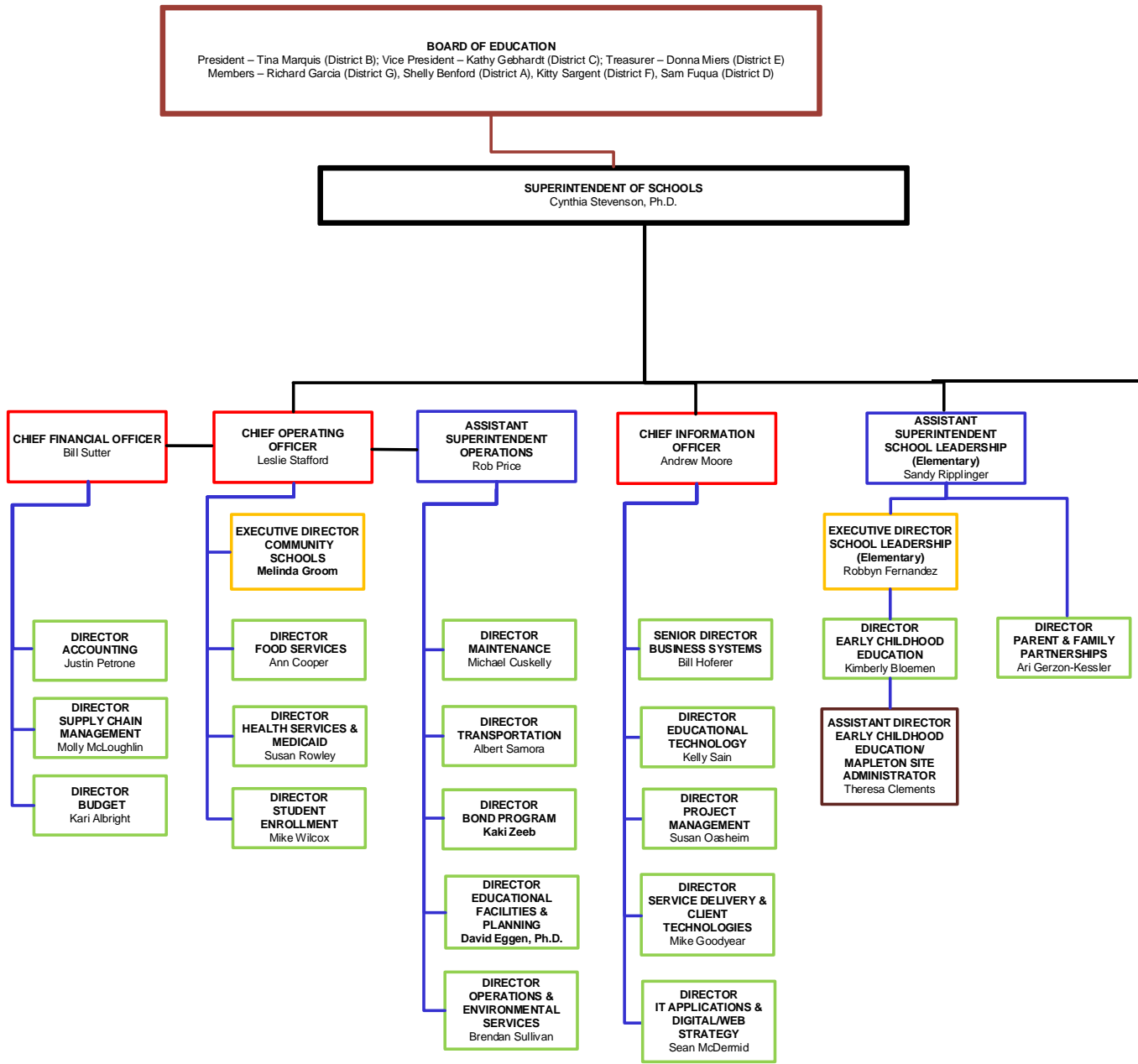
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Colorado**

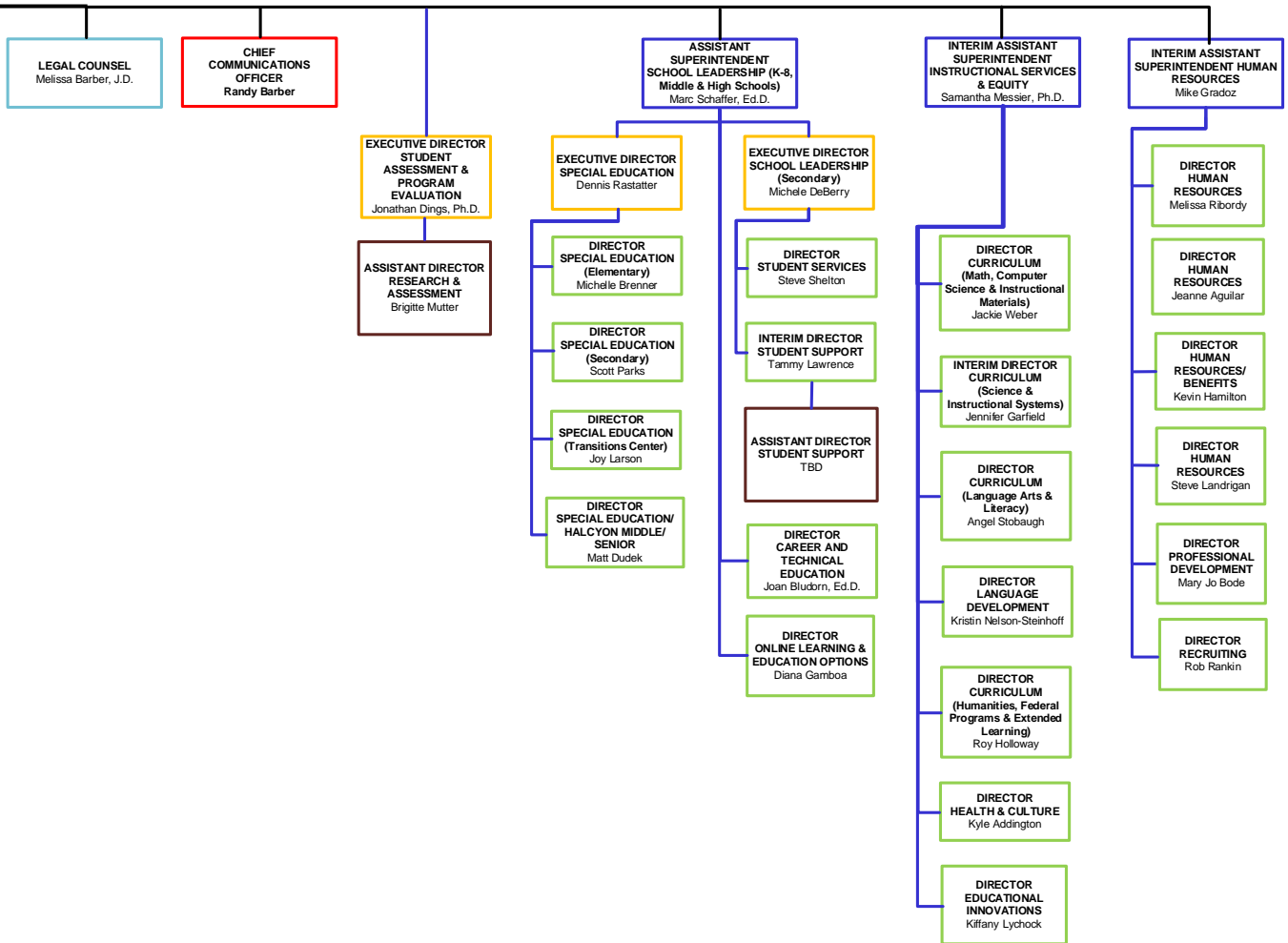
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO





BOULDER VALLEY SCHOOL DISTRICT RE-2
List of Elected and Appointed Officials
June 30, 2018
Board of Education



District G
Richard Garcia

District A
Shelly Benford

District F
Kitty Sargent

District B
Tina Marquis,
President

District C
Kathy Gebhardt,
Vice President

District E
Donna Miers,
Treasurer

District D
Sam Fuqua

Superintendent's Cabinet



- 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..... Asst. Superintendent for Inst. Services & 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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2018, Boulder Valley School District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB Statement No. 75, Boulder Valley School District reported a restatement for the change in accounting principle. See Note 12 of the notes to the financial statements for further information. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boulder Valley School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Colorado Department of Education Auditors Integrity Report, the budgetary comparison schedules for the Bond Redemption Fund and 2014 Building Fund, the combining balance sheet for the General Fund, and the Component Unit combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the Colorado Department of Education Auditors Integrity Report, the schedule of expenditures of federal awards, the budgetary comparison schedules for the Bond Redemption Fund and 2014 Building Fund, the combining balance sheet for the General Fund, and the Component Unit combining statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018, 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, 2018

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, 2018. 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, 2018, the liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$1,020.9 million (net position). The net position deficit is due primarily to a June 30, 2018 net pension liability of \$1,546.6 million, related deferred inflows of resources of \$63.2 million, offset by related deferred outflows of resources of \$452.7 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 \$278.9 million during fiscal year 2018, 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 \$250.7 million, a decrease of \$122.3 million from the prior year. The decrease is due primarily to completion of capital projects in the 2014 Building Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$34.5 million or 10.8% of total General Fund expenditures, and increased \$5.9 million from the prior year.
- The district's capital assets increased \$102.7 million during the current fiscal year to \$690.0 million at June 30, 2018. The increase is due to progress made on projects outlined in the Educational Facilities Master Plan, offset by depreciation expense and current year disposals.

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 45-80 of this report.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$1,020.9 million (net position) at June 30, 2018.

Net position is \$312.8 million less than the amount reported in the prior year, which is due partially to a \$33.8 million restatement (reduction) of net position as of June 30, 2017 related to the implementation of GASB No. 75. As a result, the district reported a net other postemployment benefit (OPEB) liability of \$35.3 million, deferred outflows of resources of \$1.6 million and deferred inflows of resources of \$0.6 million in the current year. Such balances were not required to be reported in the prior year.

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

	Governmental Activities	
	<u>2018</u>	<u>2017 (*)</u>
Assets		
Current and Other Assets	\$ 328,802,023	\$ 442,446,755
Capital Assets	690,037,105	587,373,053
Total Assets	<u>1,018,839,128</u>	<u>1,029,819,808</u>
Deferred Outflows of Resources	<u>454,425,578</u>	<u>550,865,304</u>
Liabilities		
Noncurrent Liabilities	778,192,744	804,455,267
Net Pension Liability	1,546,601,653	1,413,314,018
Net OPEB Liability	35,317,870	-
Other Liabilities	70,187,004	64,661,884
Total Liabilities	<u>2,430,299,271</u>	<u>2,282,431,169</u>
Deferred Inflows of Resources	<u>63,833,349</u>	<u>6,347,912</u>
Net Position		
Net Investment in Capital Assets	80,455,577	82,055,045
Restricted for:		
Debt Service	42,712,366	43,885,243
Preschool Expenditures	-	162,489
Operations and Technology	4,180,437	1,389,789
Emergencies	10,694,062	9,963,400
Medicaid	1,819,136	1,787,369
Unrestricted	<u>(1,160,729,492)</u>	<u>(847,337,304)</u>
Total Net Position (*)	<u>\$ (1,020,867,914)</u>	<u>\$ (708,093,969)</u>

(*) 2017 balances have not been restated for the implementation of GASB No. 75, as such balances are not required to be and cannot be determined. See Note 12.

Since 2015, the district has issued \$440,000,000 of general obligation bonds, of the \$576.5 million approved by voters November 2014 to complete capital projects defined in the district's Educational Facilities Master Plan. During fiscal year 2017-18, progress towards completion of those projects caused the following changes:

- Current and other assets decreased \$113.6 million, due primarily to a \$123.7 million decrease in cash and investments (bond proceeds) restricted for capital projects, offset by an \$11.2 million increase in unrestricted cash and investments due primarily to an excess of revenues over expenses, excluding adjustments to net pension and OPEB expense.
- Capital assets increased \$102.7 million, which includes \$124.9 million of additions, primarily as a result of progress made on projects outlined in the Educational Facilities Master Plan, offset by \$22.2 million of depreciation expense.

Noncurrent liabilities decreased \$26.3 million, due to principal payments on general obligation bonds and capital leases of \$22.3 million and \$0.4 million, respectively, bond premium amortization of \$3.5 million and a \$0.1 million decrease in compensated absences from the prior year.

Net pension liability increased \$133.3 million, in addition to changes 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, 2018, \$80.5 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 \$1.6 million from the prior year, due primarily to the amount by which reductions in long-term debt exceeded capital asset disposals and depreciation expense. 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, \$59.4 million of the district's net position is subject to external restrictions on how the assets may be used. Restricted net position increased \$2.2 million over the prior year, due primarily to an increase in property tax receipts restricted as a result of the operations and technology mill levy approved by voters November 2016.

The remaining balance of net position is a deficit of \$1,160.7 million, which represents the portion that is unrestricted and would otherwise be available to meet the district's ongoing obligations.

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

	Governmental Activities	
	<u>2018</u>	<u>2017 (*)</u>
Revenues:		
Program Revenues:		
Charges For Services	\$ 20,663,111	\$ 20,055,972
Operating Grants and Contributions	29,388,223	30,155,120
Capital Grants and Contributions	2,948,183	506,287
General Revenues:		
Local Property Taxes	316,510,576	282,063,169
Specific Ownership Taxes	17,466,367	14,797,314
State Equalization	51,061,211	63,768,538
All Other Revenues	5,948,989	3,945,481
Total Revenues	<u>443,986,660</u>	<u>415,291,881</u>
Expenses:		
Instruction	438,306,597	399,988,960
Supporting Services	254,949,972	218,805,843
Interest Expense	29,659,313	24,858,328
Total Expenses	<u>722,915,882</u>	<u>643,653,131</u>
Change in Net Position	(278,929,222)	(228,361,250)
Net Position, Beginning	<u>(741,938,692)</u>	<u>(479,732,719)</u>
Net Position, Ending (*)	<u>\$ (1,020,867,914)</u>	<u>\$ (708,093,969)</u>

(*) 2017 balances have not been restated for the implementation of GASB No. 75, as such balances are not required to be and cannot be determined. See Note 12.

Governmental Activities: Overall, the district's net position decreased \$278.9 million from the prior year. Factors contributing to this decrease include the following:

Capital Grants and Contributions: The \$2.4 million increase is due primarily to an increase in anticipated E-rate funds related to capital construction projects.

Local Property Taxes: The \$34.4 million increase is due primarily to a 13.8% increase in net assessed property value and an increase in the operations and technology mill levy approved by voters in November 2016, which generated \$17.9 million of revenue in fiscal year 2017-18, compared to \$9.9 million in the prior year. 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 \$2.7 million increase is due to increased automobile registrations collected by the counties.

State Equalization: The \$12.7 million decrease is due to a reduction in State funding under the school finance act. While total program funding increased over the prior year, as determined by the State, increased property values and related local property tax revenues allowed the State to reduce the amount of State equalization revenue provided to the district.

Instruction Expenses: Of the \$38.3 million increase in instruction expense, \$31.6 million is due to net additional pension expense related to GASB No. 68. The increase is offset by an \$8.1 million loss on the disposal of assets in the prior year, related to three school replacements as part of the bond construction program. The remaining increase is due primarily to a 2.8% cost of living increase, movement on the negotiated salary schedules and a 0.5% increase in required contributions to the state's retirement plan.

Supporting Services: Of the \$36.1 million increase in supporting services expense, \$21.4 million is due to net additional pension expense related to GASB No. 68, and \$6.1 million is related to an increase in expenses of the bond program that are not capitalized for accounting purposes (equipment, furniture, etc.). The remaining increase is due primarily to a 2.8% cost of living increase, movement on the negotiated salary schedules and a 0.5% increase in required contributions to the state's retirement plan.

Financial Analysis of the Government's Funds

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

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

At June 30, 2018, the district's governmental funds reported combined fund balances of \$250.7 million, a decrease of \$122.3 million from the prior year. Approximately 13.8% of this amount (\$34.5 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 (\$2.0 million), restricted for particular purposes (\$210.8 million), or assigned for particular purposes (\$3.3 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 92-95 of

this report. As of June 30, 2018, the General Fund reports ending fund balance of \$47.7 million, an increase of \$6.2 million from the prior year.

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

	<u>2018</u>	<u>2017</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Property Taxes	\$237,887,006	\$213,683,680	\$ 24,203,326	11.3%
Specific Ownership Taxes	17,466,367	14,797,314	2,669,053	18.0%
State Equalization	51,061,211	63,768,538	(12,707,327)	-19.9%
State Reimbursement Programs	9,140,970	9,343,637	(202,667)	-2.2%
Local Revenues	17,965,910	18,054,200	(88,290)	-0.5%
Federal Grants	1,827,721	1,540,839	286,882	18.6%
Total	<u>\$335,349,185</u>	<u>\$321,188,208</u>	<u>\$ 14,160,977</u>	4.4%

Property Taxes: Property tax revenues were based upon a levy of 35.879 mills applied against an assessed valuation of \$6,657 million compared to 37.009 mills and an assessed valuation of \$5,850 million in the prior year, which caused net increase of 11.3% over the prior year.

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 18.0%, due to a combination of an increase in the volume and applied value of automobile registrations and an increase in the Operations and Technology Fund mill levy, which increases the district's proportionate share of collections compared to other taxing authorities.

State Equalization: State equalization decreased by 19.9% in the current year. While total program funding increased, as determined by the State, the increase in property tax revenues caused the State to reduce its portion of funding to the district.

The following table reflects expenditures by major program area. Overall, expenditures increased by 4.2% from the previous year.

	<u>2018</u>	<u>2017</u>	<u>Amount of Change</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction - Regular Programs	\$172,490,956	\$162,778,535	\$ 9,712,421	6.0%
Instruction - Special Programs	53,614,983	50,347,695	3,267,288	6.5%
Student Support Services	13,765,871	11,684,260	2,081,611	17.8%
Instructional Staff Services	13,684,382	13,239,638	444,744	3.4%
General Administration	4,355,610	4,537,316	(181,706)	-4.0%
School Administration	23,335,162	22,297,819	1,037,343	4.7%
Business Services	4,408,871	4,176,406	232,465	5.6%
Operations and Maintenance	15,443,705	17,912,894	(2,469,189)	-13.8%
Central Support Services	12,466,227	14,099,965	(1,633,738)	-11.6%
Community Services	6,582,109	6,125,433	456,676	7.5%
Total	<u>\$320,147,876</u>	<u>\$307,199,961</u>	<u>\$ 12,947,915</u>	4.2%

Approximately 90% of General Fund expenditures are for staff salaries and benefits. For fiscal year 2017-18, employees received a 2.8% cost of living increase and step increases for experience and education, in accordance with district approved salary schedules. The district was also required to make an additional 0.5% contribution to PERA, the State of Colorado's retirement plan, and increased its contribution to health insurance by 4.8%. These increases were offset by decreases in operations and maintenance and central support services, as \$13.6 million of eligible costs were allocated to the Operations and Technology Fund (up from \$7.4 million in the prior year), related to the new mill levy approved by voters in November 2016.

Bond Redemption Fund: The Bond Redemption Fund reported fund balance of \$45.0 million, a decrease of \$3.2 million from the prior year. Property tax revenues of \$54.2 million in the current year were based upon a 2018 levy of 8.095 mills applied to an assessed valuation of \$6,657 million, compared to 8.995 mills and an assessed valuation of \$5,850 million in the prior year. While debt service requirements increased in the current year related to general obligation debt issued in fiscal years 2014-15 and 2016-17, the district was able to reduce the mill levy based on a 13.8% increase in net assessed property values. The large ending fund balance is necessary to have sufficient cash on hand to make debt service payments as they become due in the subsequent year. Property tax levies are based upon a calendar year cycle while debt service payments are made each fiscal year in December and June.

2014 Building Fund: The 2014 Building Fund accounts for the issuance of debt approved by voters November 2014 and activity related to completion of capital projects defined in the district's Educational Facilities Master Plan. June 30, 2018, fund balance of \$149.3 million is restricted for those capital projects.

General Operating Fund Highlights

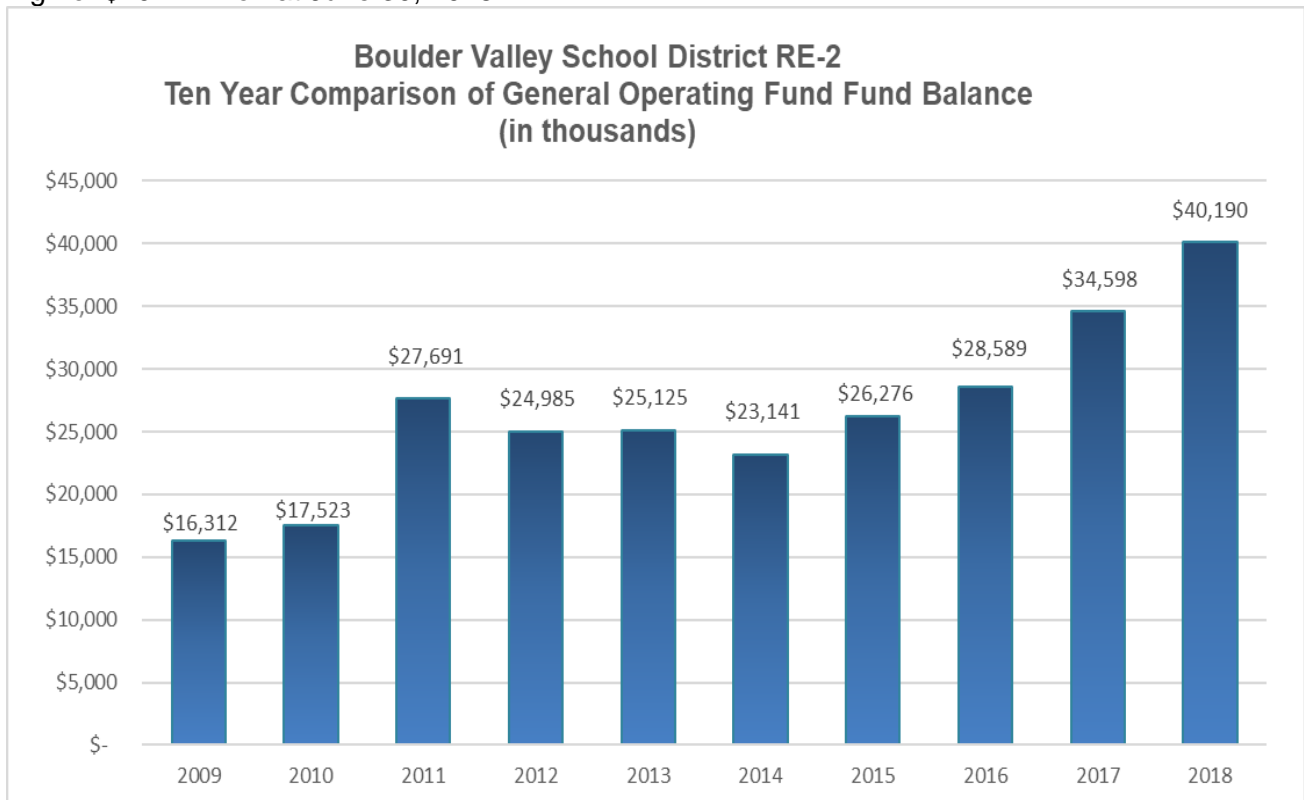
The General Operating Fund is the core operating fund of the district. For the year ended June 30, 2018, fund balance of the General Operating Fund increased \$5.6 million to \$40.2 million. Changes in revenues and expenditures of the General Operating Fund have been explained above as they represent 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 77.99% 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Regular Instruction	54.52%	54.06%	54.41%	55.74%	56.57%
Special Instruction	15.81%	16.24%	15.99%	16.16%	16.46%
Instructional Support	7.93%	7.78%	7.59%	7.93%	8.45%
Subtotal Instruction	78.26%	78.08%	77.99%	79.83%	81.48%
School Administration and Operations	15.70%	15.75%	15.48%	13.79%	12.74%
District Wide/Community Services	6.04%	6.17%	6.53%	6.38%	5.78%
Subtotal Support	21.74%	21.92%	22.01%	20.17%	18.52%
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 ten year period from fiscal year 2008-09 to 2017-18, fund balance of the General Operating Fund has fluctuated from a low of \$16.3 million at June 30, 2009, to a high of \$40.2 million at June 30, 2018.



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

In addition, voters approved an Operations and Technology mill levy in November 2016. As discussed above, this allowed the district to allocate eligible expenses related to operations and maintenance and central support services from the General Operating Fund to the Operations and Technology Fund (\$13.6 million of eligible costs in the current year and \$7.4 million in the prior year).

General Fund Budgetary Highlights

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

appropriations that alter the total expenditures of any fund must be approved by the board of education.

The board of education adopted the 2017-18 budget in June 2017, and approved the revised budget in January 2018. A surplus from fiscal year 2016-17 caused beginning fund balance to come in \$11.0 million higher than anticipated as part of the 2017-18 budget development process. The surplus was caused by a combination of carryover balances for schools and departments, in addition to revenues exceeding budgeted amounts. \$6.8 million of this amount was used to increase the total General Fund appropriation. Remaining amounts were used primarily to increase transfers out to the Capital Reserve Fund and to increase budgeted ending fund balance of the General Fund.

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

Actual revenues exceeded budget by \$3.5 million (1.1%), related to property taxes and Medicaid reimbursements exceeding budgeted amounts.

Actual expenditures were \$16.2 million less than budget (4.8%), after deducting unspent reserves. \$6.6 million of the savings is due to carryover related to schools, departments and the Medicaid program that will be spent in the subsequent year. Planned technology, athletic and preschool purchases of \$0.2 million, \$0.3 million and \$0.4 million, respectively, will be completed in fiscal year 2018-19. In addition, the district experienced a \$0.6 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, 2018, and 2017, is summarized as follows:

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

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Land	\$ 9,746,279	\$ 5,234,068
Construction in Progress	95,355,875	135,572,796
Land Improvements	43,152,807	34,997,217
Buildings	530,894,808	404,764,169
Equipment	6,777,036	1,855,287
Vehicles	4,110,300	4,949,516
	\$ 690,037,105	\$ 587,373,053
Total Capital Assets	\$ 690,037,105	\$ 587,373,053

Changes in capital assets from the prior year include \$124.9 million of capital asset addition, offset by \$22.2 million of depreciation expense. The majority of current year capital additions are related to projects funded by the district's voter approved debt.

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

Debt Administration: The district's long term debt as of June 30, 2018 and 2017, is summarized as follows:

**Boulder Valley School District RE-2
Long Term Debt**

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
General Obligation Bonds	\$ 703,570,000	\$ 725,835,000
Bond Premium	63,595,404	67,130,939
Capital Lease	1,963,832	2,383,365
Compensated Absences	<u>9,063,508</u>	<u>9,105,963</u>
 Total Long Term Debt	 <u>\$ 778,192,744</u>	 <u>\$ 804,455,267</u>

During the current fiscal year, the district repaid \$22.3 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. The district's rating from Standard & Poor's is "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, 2018, the district's legal debt limit is \$1,331.4 million, which exceeds the district's total outstanding debt by \$627.9 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 2018-19 SFA and increased the

statewide per pupil base funding by inflation, or 3.4%. 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 \$23.0 million in lost state revenues for 2018-19.

The district's projected state per pupil revenue (PPR) for 2018-19 is \$8,051 (slightly rounded). Total program funding, defined by the SFA, is projected to be \$242.6 million, an increase of \$16.5 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, 2018

	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>	<u>COMPONENT UNITS CHARTER SCHOOLS</u>
ASSETS		
Cash and Investments	\$ 85,396,405	\$ 9,377,622
Restricted Cash and Investments	228,806,395	4,081,096
Accounts Receivable	2,722,437	2,863
Taxes Receivable, Net	8,386,322	-
Grants Receivable	1,042,998	-
Inventories	1,168,085	-
Prepaid Items and Other	1,279,381	29,850
Capital Assets, Not Being Depreciated	105,102,154	3,371,093
Capital Assets, Net of Accumulated Depreciation	584,934,951	25,585,245
TOTAL ASSETS	<u>1,018,839,128</u>	<u>42,447,769</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net of Accumulated Amortization	180,946	3,043,045
Pension Related Items	452,671,766	25,757,016
OPEB Related Items	1,572,866	112,081
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>454,425,578</u>	<u>28,912,142</u>
LIABILITIES		
Accounts and Retainage Payable	37,736,395	116,702
Accrued Liabilities	9,541,495	-
Accrued Compensation and Benefits	16,655,103	1,243,251
Unearned Revenues	1,391,866	55,598
Accrued Interest Payable	2,588,614	286,294
Claims Payable	2,273,531	-
Noncurrent Liabilities		
Due Within One Year	25,343,193	795,953
Due in More Than One Year	752,849,551	17,988,113
Net Pension Liability	1,546,601,653	85,181,877
Net OPEB Liability	35,317,870	1,942,689
TOTAL LIABILITIES	<u>2,430,299,271</u>	<u>107,610,477</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related Items	63,242,489	3,646,251
OPEB Related Items	590,860	39,843
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>63,833,349</u>	<u>3,686,094</u>
NET POSITION		
Net Investment in Capital Assets	80,455,577	13,530,764
Restricted for Advanced Placement Testing	-	10,128
Restricted for Scholarships	-	1,356,068
Restricted for Debt Service	42,712,366	2,177,181
Restricted for Repair and Maintenance	-	230,166
Restricted for Operations and Technology	4,180,437	113,938
Restricted for Special Education	-	60,000
Restricted for Capital Renewal	-	25,000
Restricted for Emergencies	10,694,062	823,264
Restricted for Medicaid	1,819,136	-
Restricted for Donations	-	27,907
Unrestricted	(1,160,729,492)	(58,291,076)
TOTAL NET POSITION	<u>\$ (1,020,867,914)</u>	<u>\$ (39,936,660)</u>

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

Boulder Valley School District RE-2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Instruction	\$ 438,306,597	\$ 9,814,764	\$ 18,951,405	\$ 827,091
Supporting Services	254,949,972	10,848,347	10,436,818	2,121,092
Interest Expense	29,659,313	-	-	-
TOTAL PRIMARY GOVERNMENT	\$ 722,915,882	\$ 20,663,111	\$ 29,388,223	\$ 2,948,183
COMPONENT UNITS				
Charter Schools	43,013,533	2,161,162	1,089,834	577,472
TOTAL COMPONENT UNITS	\$ 43,013,533	\$ 2,161,162	\$ 1,089,834	\$ 577,472

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, as Restated

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
\$ (408,713,337)	\$ -
(231,543,715)	-
(29,659,313)	-
<u>(669,916,365)</u>	<u>-</u>
	<u>(39,185,065)</u>
	<u>(39,185,065)</u>
316,510,576	-
17,466,367	-
51,061,211	-
61,089	360,127
4,203,604	158,749
-	17,154,023
-	6,627,002
<u>1,684,296</u>	<u>551,855</u>
<u>390,987,143</u>	<u>24,851,756</u>
(278,929,222)	(14,333,309)
<u>(741,938,692)</u>	<u>(25,603,351)</u>
<u>\$ (1,020,867,914)</u>	<u>\$ (39,936,660)</u>

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

Boulder Valley School District RE-2

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2018

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>2014 BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
ASSETS					
Cash and Investments	\$ 67,604,324	\$ -	\$ -	\$ 8,905,128	\$ 76,509,452
Restricted Cash and Investments	-	44,118,035	184,688,360	-	228,806,395
Accounts Receivable	140,403	-	2,184,255	397,779	2,722,437
Taxes Receivable, Net	6,655,483	1,182,945	-	547,894	8,386,322
Grants Receivable	124,997	-	68,860	849,141	1,042,998
Due from Other Funds	553,851	-	-	-	553,851
Inventories	657,483	-	204,611	305,991	1,168,085
Prepaid Items	1,279,381	-	-	-	1,279,381
TOTAL ASSETS	<u>\$ 77,015,922</u>	<u>\$ 45,300,980</u>	<u>\$ 187,146,086</u>	<u>\$ 11,005,933</u>	<u>\$ 320,468,921</u>
LIABILITIES					
Accounts and Retainage Payable	\$ 2,058,673	\$ -	\$ 35,677,722	\$ -	\$ 37,736,395
Accrued Liabilities	9,402,193	-	-	139,302	9,541,495
Accrued Compensation and Benefits	15,593,897	-	4,232	1,056,974	16,655,103
Due to Other Funds	-	-	-	553,851	553,851
Unearned Revenues	787,449	-	240,000	364,417	1,391,866
TOTAL LIABILITIES	<u>27,842,212</u>	<u>-</u>	<u>35,921,954</u>	<u>2,114,544</u>	<u>65,878,710</u>
DEFERRED INFLOWS OF RESOURCES					
Property Tax Revenue	1,475,385	339,045	-	136,693	1,951,123
Other Local Revenue	-	-	1,944,255	-	1,944,255
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,475,385</u>	<u>339,045</u>	<u>1,944,255</u>	<u>136,693</u>	<u>3,895,378</u>
FUND BALANCES					
Nonspendable	1,936,864	-	-	44,218	1,981,082
Restricted	11,215,448	44,961,935	149,279,877	5,388,685	210,845,945
Assigned	-	-	-	3,321,793	3,321,793
Unassigned	34,546,013	-	-	-	34,546,013
TOTAL FUND BALANCES	<u>47,698,325</u>	<u>44,961,935</u>	<u>149,279,877</u>	<u>8,754,696</u>	<u>250,694,833</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 77,015,922</u>	<u>\$ 45,300,980</u>	<u>\$ 187,146,086</u>	<u>\$ 11,005,933</u>	<u>\$ 320,468,921</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, 2018

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

Total Fund Balances	\$ 250,694,833
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	690,037,105
Other long-term assets are not available to pay for current year expenditures and, therefore, are reported as unavailable revenue in the funds.	3,895,378
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.	6,613,422
Long-term liabilities and related items, including bonds payable (\$703,570,000), bond premium (\$63,595,404), capital lease (\$1,963,832), compensated absences (\$9,063,508), loss on refunding \$180,946 and accrued interest payable (\$2,588,614) are not due and payable in the current year and, therefore, are not reported in the funds.	(780,600,412)
Net pension (\$1,546,601,653) and net OPEB (\$35,317,870) liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,581,919,523)
Deferred outflows of resources related to pensions \$452,671,766 and OPEB \$1,572,866 used in governmental activities are not financial resources and, therefore, are not reported in the funds.	454,244,632
Deferred inflows of resources related to pensions (\$63,242,489) and OPEB (\$590,860) used in governmental activities are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(63,833,349)</u>
Net Position of Governmental Activities	<u>\$ (1,020,867,914)</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, 2018

	<u>GENERAL</u>	<u>BOND REDEMPTION</u>	<u>2014 BUILDING</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
REVENUES					
Local Sources	\$ 273,319,283	\$ 54,187,169	\$ 3,985,390	\$ 30,566,735	\$ 362,058,577
State Sources	60,202,181	-	-	5,970,518	66,172,699
Federal Sources	1,827,721	-	101,725	11,942,116	13,871,562
TOTAL REVENUES	<u>335,349,185</u>	<u>54,187,169</u>	<u>4,087,115</u>	<u>48,479,369</u>	<u>442,102,838</u>
EXPENDITURES					
Current					
Instruction	226,105,939	-	-	7,808,300	233,914,239
Supporting Services	94,041,937	3,550	-	42,467,457	136,512,944
Capital Outlay	-	-	134,210,227	2,136,658	136,346,885
Debt Service					
Principal	-	22,265,000	-	419,533	22,684,533
Interest	-	35,130,212	-	23,873	35,154,085
TOTAL EXPENDITURES	<u>320,147,876</u>	<u>57,398,762</u>	<u>134,210,227</u>	<u>52,855,821</u>	<u>564,612,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,201,309</u>	<u>(3,211,593)</u>	<u>(130,123,112)</u>	<u>(4,376,452)</u>	<u>(122,509,848)</u>
OTHER FINANCING SOURCES (USES)					
Insurance Proceeds	217,309	-	-	-	217,309
Transfers In	-	-	-	9,248,563	9,248,563
Transfers Out	(9,248,563)	-	-	-	(9,248,563)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,031,254)</u>	<u>-</u>	<u>-</u>	<u>9,248,563</u>	<u>217,309</u>
NET CHANGE IN FUND BALANCES	6,170,055	(3,211,593)	(130,123,112)	4,872,111	(122,292,539)
FUND BALANCES, Beginning	<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>
FUND BALANCES, Ending	<u>\$ 47,698,325</u>	<u>\$ 44,961,935</u>	<u>\$ 149,279,877</u>	<u>\$ 8,754,696</u>	<u>\$ 250,694,833</u>

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

Boulder Valley School District RE-2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

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

Net Change in Fund Balances	\$ (122,292,539)
<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 \$124,958,503 exceeded depreciation expense (\$22,236,639) and the net book value of disposed assets (\$4,813) 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, 2018 (\$52,999).</p>	
	102,664,052
<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 (\$277,742) and unavailable other local revenue \$1,944,255.</p>	
	1,666,513
<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>	
	22,684,533
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items: amortization of loss on refunding (\$135,715), and amortization of bond premium \$3,535,535.</p>	
	3,399,820
<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 \$2,094,952 and compensated absences \$42,455.</p>	
	2,137,407
<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>	
	(638,778)
<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 (\$288,059,089) and OPEB expense (\$491,141) not reported in the governmental funds.</p>	
	<u>(288,550,230)</u>
Change in Net Position of Governmental Activities	<u>\$ (278,929,222)</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, 2018

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS	
Current	
Cash and Investments	\$ 8,886,953
TOTAL ASSETS	8,886,953
LIABILITIES	
Current	
Claims Payable	2,273,531
TOTAL LIABILITIES	2,273,531
NET POSITION	
Unrestricted	6,613,422
TOTAL NET POSITION	\$ 6,613,422

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, 2018

	GOVERNMENTAL ACTIVITIES
	INTERNAL SERVICE FUNDS
OPERATING REVENUES	
Premiums and Services	\$ 32,135,734
Other	966,749
TOTAL OPERATING REVENUES	33,102,483
OPERATING EXPENSES	
Personnel	278,578
Insurance Premiums and Claims	30,192,023
Administrative Fees	1,250,330
Other	2,020,330
TOTAL OPERATING EXPENSES	33,741,261
CHANGE IN NET POSITION	(638,778)
NET POSITION, Beginning	7,252,200
NET POSITION, Ending	\$ 6,613,422

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, 2018

**GOVERNMENTAL
ACTIVITIES**

**INTERNAL
SERVICE FUNDS**

Cash Flows From Operating Activities

Premiums Received and Other Receipts	\$ 33,102,483
Cash Payments for Premiums, Claims and Other Expenses	(33,304,979)
Cash Paid to Employees for Salaries and Benefits	(278,578)

Net Cash Provided (Used) by Operating Activities (481,074)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (481,074)

CASH AND CASH EQUIVALENTS, Beginning

9,368,027

CASH AND CASH EQUIVALENTS, Ending

\$ 8,886,953

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

Change in Net Position	\$ (638,778)
Adjustments to Reconcile Change in Net Position to Net Cash Provided (Used) by Operating Activities	
Changes in Assets and Liabilities Related to Operations	
Claims Payable	<u>157,704</u>

Net Cash Provided (Used) by Operating Activities \$ (481,074)

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, 2018

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUND
ASSETS		
Cash and Investments	\$ 1,410,000	\$ 5,215,293
TOTAL ASSETS	1,410,000	5,215,293
LIABILITIES		
Due to Student and School Groups	-	5,215,293
TOTAL LIABILITIES	-	5,215,293
NET POSITION		
Held in Trust for Scholarships	1,410,000	-
TOTAL NET POSITION	\$ 1,410,000	\$ -

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, 2018

	<u>PRIVATE PURPOSE TRUST FUNDS</u>
ADDITIONS	
Contributions	<u>\$ 24,925</u>
DEDUCTIONS	
Scholarships and Awards	<u>30,022</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	(5,097)
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>1,415,097</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,410,000</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, 2018

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, 2018

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, 2018

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, 2018

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. 2014 Building Fund inventories include certain parts inventory that will be returned, rather than consumed.

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

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

Capital Assets - Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at 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, 2018

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 and OPEB plans (see Notes 9 and 10) 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.

Net OPEB Liability - The district reports a net OPEB liability for its proportionate share of PERA's unfunded OPEB liability. See Note 10 for additional information.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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 and other local revenues, which are deferred and recognized as an inflow of resources in the period that the amounts are earned. In the statement of net position, the district reports certain items in this category related to its defined benefit pension and OPEB plans (see Notes 9 and 10).

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

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

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

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

Fund Balance Policy - The district's policy is to have a sufficient balance in the General Fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The district shall strive to maintain a yearly fund balance in the General Operating Fund in which the total fund balance is 3% of the total operating expenditures in addition to any amounts required by statute. At June 30, 2018, 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, 2018

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 2018 are certified to the county in December 2017 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, 2018, the district had the following cash and investments:

Cash on Hand	\$ 96,144
Deposits	24,296,234
Investments	<u>299,446,581</u>
Total	<u>\$ 323,838,959</u>

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

Primary Government Cash and Investments	\$ 85,396,405
Primary Government Restricted Cash and Investments	228,806,395
Fiduciary Funds Cash and Investments	6,625,293
Charter School Cash Held by District	<u>3,010,866</u>
Total	<u>\$ 323,838,959</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2018:

	Less than 1 year	1 to 5 years	Total	S&P Rating
Governmental Activities				
Money Market Mutual Fund	\$ 317,623	\$ -	\$ 317,623	AAAm
Local Government Investment Pool	299,128,958	-	299,128,958	AAAm
	<u>\$ 299,446,581</u>	<u>\$ -</u>	<u>\$ 299,446,581</u>	
Component Units				
Money Market Mutual Fund	\$ 1,032,717	\$ -	\$ 1,032,717	AAAm
Local Government Investment Pool	4,608,899	-	4,608,899	AAAm
	<u>\$ 5,641,616</u>	<u>\$ -</u>	<u>\$ 5,641,616</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, 2018

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, 2018, the district had \$299,128,958 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of each share equal in value to \$1.00. Investments within Colotrust are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments. This district's investment in Colotrust is measured using net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Fair Value of Investments

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

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

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

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

Level 3: Unobservable inputs for an asset or liability.

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, 2018.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Fair Value of Investments (Continued)

Investments by Fair Value Levels	Balance	Fair Value Measurement Using		
	June 30, 2018	Level 1	Level 2	Level 3
Component Units				
Endowment (held with				
Community First Foundation)	\$ 1,356,068	\$ -	\$ -	\$ 1,356,068
Common Stock	18,967	18,967	-	-
Total	<u>\$ 1,375,035</u>	<u>\$ 18,967</u>	<u>\$ -</u>	<u>\$ 1,356,068</u>

Money market mutual funds held by the district and component unit are valued at amortized cost. Component unit investments also include \$137,129 held in a money market fund valued at amortized cost.

Restricted Cash and Investments

Restricted cash and investments include \$44,118,035 in the Bond Redemption Fund restricted for future debt service payments and \$184,688,360 in the 2014 Building Fund for unspent bond proceeds restricted for capital projects.

NOTE 3: INTERFUND BALANCES AND TRANSFERS

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Balance</u>
General Fund	Grants Fund	\$ 448,044
General Fund	Food Services Fund	105,807
		<u>\$ 553,851</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.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Balance</u>
Capital Reserve Fund	General Fund	\$ 4,003,102
Transportation Fund	General Fund	4,387,845
Food Services Fund	General Fund	857,616
Total		<u>\$ 9,248,563</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, 2018

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, is summarized below.

	Balances 6/30/17	Additions	Deletions	Balances 6/30/18
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 5,234,068	\$ 4,512,211	\$ -	\$ 9,746,279
Construction in Progress	135,572,796	123,877,888	(164,094,809)	95,355,875
Total Capital Assets, Not Being Depreciated	<u>140,806,864</u>	<u>128,390,099</u>	<u>(164,094,809)</u>	<u>105,102,154</u>
Capital Assets, Being Depreciated				
Land Improvements	46,107,054	11,815,985	-	57,923,039
Buildings	594,522,570	142,860,297	-	737,382,867
Equipment	11,425,567	5,562,313	-	16,987,880
Vehicles	23,890,919	371,619	(2,157,334)	22,105,204
Total Capital Assets, Being Depreciated	<u>675,946,110</u>	<u>160,610,214</u>	<u>(2,157,334)</u>	<u>834,398,990</u>
Less Accumulated Depreciation For				
Land Improvements	11,109,837	3,660,395	-	14,770,232
Buildings	189,758,401	16,729,658	-	206,488,059
Equipment	9,570,280	640,564	-	10,210,844
Vehicles	18,941,403	1,206,022	(2,152,521)	17,994,904
Total Accumulated Depreciation	<u>229,379,921</u>	<u>22,236,639</u>	<u>(2,152,521)</u>	<u>249,464,039</u>
Total Capital Assets, Being Depreciated, Net	<u>446,566,189</u>	<u>138,373,575</u>	<u>(4,813)</u>	<u>584,934,951</u>
Governmental Activities Capital Assets, Net	<u>\$ 587,373,053</u>	<u>\$ 266,763,674</u>	<u>\$ (164,099,622)</u>	<u>\$ 690,037,105</u>
Component Units				
Capital Assets, Not Being Depreciated				
Land	\$ 2,546,866	\$ 771,228	\$ -	\$ 3,318,094
Construction in Progress	-	52,999	-	52,999
Total Capital Assets, Not Being Depreciated	<u>2,546,866</u>	<u>824,227</u>	<u>-</u>	<u>3,371,093</u>
Capital Assets, Being Depreciated				
Land Improvements	3,688,209	125,152	-	3,813,361
Buildings	29,161,171	351,562	-	29,512,733
Equipment	478,955	81,696	-	560,651
Total Capital Assets, Being Depreciated	<u>33,328,335</u>	<u>558,410</u>	<u>-</u>	<u>33,886,745</u>
Less Accumulated Depreciation For				
Land Improvements	1,410,892	179,837	-	1,590,729
Buildings	5,886,899	591,912	-	6,478,811
Equipment	186,907	45,053	-	231,960
Total Accumulated Depreciation	<u>7,484,698</u>	<u>816,802</u>	<u>-</u>	<u>8,301,500</u>
Total Capital Assets, Being Depreciated, Net	<u>25,843,637</u>	<u>(258,392)</u>	<u>-</u>	<u>25,585,245</u>
Component Units Capital Assets, Net	<u>\$ 28,390,503</u>	<u>\$ 565,835</u>	<u>\$ -</u>	<u>\$ 28,956,338</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities	
Instruction	\$ 19,345,876
Supporting Services	<u>2,890,763</u>
Total	<u>\$ 22,236,639</u>

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2018, the district borrowed \$113,207,217 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, 2018, from property taxes received primarily from February through June. The schedule of changes is summarized below.

	<u>Balances 6/30/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/18</u>
State-sponsored interest-free loan	\$ -	\$ 113,207,217	\$ 113,207,217	\$ -
Total	<u>\$ -</u>	<u>\$ 113,207,217</u>	<u>\$ 113,207,217</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, 2018.

	<u>Balances 6/30/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/18</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 725,835,000	\$ -	\$ 22,265,000	\$ 703,570,000	\$ 18,395,000
Bond Premium	67,130,939	-	3,535,535	63,595,404	-
Capital Lease	2,383,365	-	419,533	1,963,832	413,258
Compensated Absences	<u>9,105,963</u>	<u>6,852,405</u>	<u>6,894,860</u>	<u>9,063,508</u>	<u>6,534,935</u>
Total	<u>\$ 804,455,267</u>	<u>\$ 6,852,405</u>	<u>\$ 33,114,928</u>	<u>\$ 778,192,744</u>	<u>\$ 25,343,193</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, 2018

NOTE 6: LONG-TERM DEBT (Continued)

General Obligation Bonds

General obligation bonds payable at June 30, 2018, 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%.	\$ 235,000,000
\$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%.	\$ 172,475,000
\$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>\$ 12,355,000</u>
Total	<u>\$ 703,570,000</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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>
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	15,525,000	29,937,875	45,462,875
2024 - 2028	87,380,000	138,768,544	226,148,544
2029 - 2033	107,855,000	116,446,181	224,301,181
2034 - 2038	136,695,000	86,446,250	223,141,250
2039 - 2043	174,455,000	47,835,588	222,290,588
2044 - 2048	115,580,000	9,510,950	125,090,950
Total	<u>\$ 703,570,000</u>	<u>\$ 554,734,188</u>	<u>\$ 1,258,304,188</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.

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, 2018, the net book value of buses under capital lease agreements is \$2,336,615 (\$2,973,350 less accumulated depreciation of \$636,735). These lease agreements qualify as capital leases and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2019	\$ 443,406
2020	443,406
2021	443,406
2022	443,406
2023	276,972
Total minimum lease payments	2,050,596
Less: amount representing interest	(86,764)
Present value of minimum lease payments	<u>\$ 1,963,832</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6: LONG-TERM DEBT (Continued)

Operating Lease

The district leases the majority of its non-bus fleet of vehicles. Total costs for the lease was \$364,391 for the year ended June 30, 2018. Future minimum lease payments for the lease are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2019	\$ 374,302
2020	361,437
2021	153,544
2022	95,985
2023	6,835
Total	<u>\$ 992,103</u>

Component Units

Changes in long-term debt of the Component Units for the year ended June 30, 2018, were as follows:

	<u>Balances 6/30/17</u>	<u>Additions</u>	<u>Payments</u>	<u>Balances 6/30/18</u>	<u>Due Within One Year</u>
Loan Payable	\$ 502,756	\$ -	\$ 89,014	\$ 413,742	\$ 90,603
Note Payable	1,166,328	-	44,807	1,121,521	47,572
Bonds Payable	16,790,000	-	640,000	16,150,000	655,000
Bond Premium	1,087,316	-	63,960	1,023,356	-
Compensated Absences	74,195	147,598	146,346	75,447	2,778
Total	<u>\$ 19,620,595</u>	<u>\$ 147,598</u>	<u>\$ 984,127</u>	<u>\$ 18,784,066</u>	<u>\$ 795,953</u>

Component unit loan, note, and bonds payable consist of the following at June 30, 2018:

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6: LONG-TERM DEBT (Continued)

Component Units (Continued)

\$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. \$ 240,000

\$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, 2018, the interest rate was 4.75%. \$ 173,742

\$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%. \$ 1,121,521

\$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. \$ 16,150,000

Total \$ 17,685,263

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>
2019	\$ 90,603	\$ 8,024	\$ 98,627
2020	91,118	7,509	98,627
2021	91,658	6,969	98,627
2022	12,224	6,403	18,627
2023	12,817	5,810	18,627
2024 - 2028	74,048	19,089	93,137
2029 - 2032	41,274	2,424	43,698
Total	<u>\$ 413,742</u>	<u>\$ 56,228</u>	<u>\$ 469,970</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>
2019	\$ 47,572	\$ 65,997	\$ 113,569
2020	50,505	63,063	113,568
2021	1,023,444	60,109	1,083,553
Total	<u>\$ 1,121,521</u>	<u>\$ 189,169</u>	<u>\$ 1,310,690</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6: LONG-TERM DEBT (Continued)

Component Units (Continued)

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	770,000	637,150	1,407,150
2024 - 2028	4,375,000	2,618,125	6,993,125
2029 - 2033	5,580,000	1,384,500	6,964,500
2034 - 2035	2,640,000	133,500	2,773,500
Total	<u>\$ 16,150,000</u>	<u>\$ 7,611,725</u>	<u>\$ 23,761,725</u>

NOTE 7: FUND BALANCES

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

	NONMAJOR				TOTAL
	GENERAL	BOND REDEMPTION	2014 BUILDING	GOVERNMENTAL FUNDS	
FUND BALANCES					
Nonspendable:					
Inventories	\$ 657,483	\$ -	\$ -	\$ 44,218	\$ 701,701
Prepaid Items	1,279,381	-	-	-	1,279,381
Total Nonspendable	1,936,864	-	-	44,218	1,981,082
Restricted For:					
Debt Service	-	44,961,935	-	-	44,961,935
Capital Projects	-	-	149,279,877	-	149,279,877
Operations and Technology	-	-	-	4,090,935	4,090,935
Emergencies	9,396,312	-	-	1,297,750	10,694,062
Medicaid	1,819,136	-	-	-	1,819,136
Total Restricted	11,215,448	44,961,935	149,279,877	5,388,685	210,845,945
Assigned To:					
Transportation	-	-	-	529,249	529,249
Food Service	-	-	-	98,520	98,520
Capital Projects	-	-	-	2,694,024	2,694,024
Total Assigned	-	-	-	3,321,793	3,321,793
Unassigned, Reported In					
General Fund	34,546,013	-	-	-	34,546,013
Total Unassigned	34,546,013	-	-	-	34,546,013
Total Fund Balances	<u>\$ 47,698,325</u>	<u>\$ 44,961,935</u>	<u>\$ 149,279,877</u>	<u>\$ 8,754,696</u>	<u>\$ 250,694,833</u>

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8: RISK MANAGEMENT

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

Joint School District Worker's Compensation Self-Insurance Pool

The district, along with Aurora, Cherry Creek, and Littleton School Districts, combined to form the Joint School District Workers' Compensation Self-Insurance Pool (the JSD Pool) which is a public entity risk pool currently operating as a common risk management and insurance program for the school district members noted above. The JSD Pool is administered by a Board of Directors consisting of one individual from each of the four school districts.

The board exercises control over the Pool and has contracted the management of the Pool operations to third parties. The participating districts make annual contributions to the JSD Pool based on the size of their respective payrolls. The contributions are retroactively adjusted based on 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. Beginning July 1, 2018, the threshold at which losses are reinsured will increase to \$500,000.

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, 2018

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, 2016	\$ 1,066,778	\$ 166,945
Claims Incurred and Adjustments	17,923,422	2,177,713
Payments	<u>(17,057,799)</u>	<u>(2,161,232)</u>
Claims Payable, June 30, 2017	1,932,401	183,426
Claims Incurred and Adjustments	19,555,853	2,220,436
Payments	<u>(19,393,799)</u>	<u>(2,224,786)</u>
Claims Payable, June 30, 2018	<u><u>\$ 2,094,455</u></u>	<u><u>\$ 179,076</u></u>

Claims payable at June 30, 2018 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.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and June 30, 2018*.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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 as of December 31, 2017 - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

As of December 31, 2017, 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, 2018

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 provisions as of June 30, 2018 - 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	
	12/31/2017	12/31/2018
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%	5.50%
Total Employer Contribution Rate to the SCHDTF ¹	18.63%	19.13%

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 \$42,710,516 for the year ended June 30, 2018.

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

At June 30, 2018, the district reported a liability of \$1,546,601,653 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The district's proportion of the net pension liability was based on the district's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2017, the district's proportion was 4.78284365 percent, which was an increase of 0.03601645 percent from its proportion measured as of December 31, 2016. 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, 2018, the district recognized pension expense of \$289,666,809. At June 30, 2018, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 28,435,488	\$ -
Changes of assumptions or other inputs	394,904,860	2,505,971
Net difference between projected and actual earnings on pension plan investments	-	60,736,518
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,500,117	-
Contributions subsequent to the measurement date	21,831,301	-
Total	\$ 452,671,766	\$ 63,242,489

\$21,831,301 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, 2019. 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,

2019	\$ 247,619,434
2020	140,741,119
2021	2,086,742
2022	(22,849,319)
2023	-
Thereafter	-

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	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

A discount rate of 4.78 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2017.

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed 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 most recent adoption of the long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Discount rate - The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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)

- 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 Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher compared to the current measurement date.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78 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 (3.78 percent) or 1-percentage-point higher (5.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$ 1,953,620,930	\$ 1,546,601,653	\$ 1,214,927,421

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.

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2018

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2018
(Continued)

At June 30, 2018, the district reported a liability of \$1,546,601,653 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the district proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$698,741,220

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$721,963,313 of the estimated \$847,860,433 reduction is attributable to the use of a 7.25 percent discount rate.

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

Summary of Significant Accounting Policies

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

General Information about the OPEB Plan (Continued)

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the district is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the district were \$2,307,799 for the year ended June 30, 2018.

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

At June 30, 2018, the district reported a liability of \$35,317,870 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The district's proportion of the net OPEB liability was based on the district's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the district's proportion was 2.71759543 percent, which was an increase of 0.01943949 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the district recognized OPEB expense of \$548,543. At June 30, 2018, the district reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 167,023	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	590,860
Changes in proportion and differences between contributions recognized and proportionate share of contributions	210,654	-
Contributions subsequent to the measurement date	1,195,189	-
Total	\$ 1,572,866	\$ 590,860

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

\$1,195,189 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,

2019	\$ (73,514)
2020	(73,514)
2021	(73,514)
2022	(73,460)
2023	74,214
Thereafter	6,605

Actuarial assumptions - The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

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

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

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

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$34,346,139	\$35,317,870	\$36,488,257

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$39,708,390	\$35,317,870	\$31,570,442

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

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

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The district participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the district may be required to reimburse the grantor government. At June 30, 2018, 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, 2018, the district had construction commitments totaling approximately \$70.9 million, primarily for facility construction contracts to be funded with bond proceeds. Subsequent to June 30, 2018, the district entered into additional construction commitments of approximately \$5.0 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, 2018, \$10,694,062 was restricted to satisfy the reserve requirement.

Boulder Valley School District RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 12: RESTATEMENT OF NET POSITION

For the year ended June 30, 2018, the district adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB No. 75)* effective for financial statements for periods beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the PERA program to record their proportionate share, as defined in GASB No. 75, of PERA's net OPEB liability.

For the district, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard resulted in a restatement of the prior period net position as shown below.

	Governmental Activities
Net Position, June 30, 2017, as Previously Reported	\$ (708,093,969)
Cumulative Effect of Application of GASB No. 75, Net OPEB Liability	(33,844,723)
Net Position, June 30, 2017, as Restated	\$ (741,938,692)

REQUIRED SUPPLEMENTARY INFORMATION



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Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL Positive (Negative)
REVENUES				
Property Taxes	\$ 212,446,177	\$ 235,124,395	\$ 237,887,006	\$ 2,762,611
Specific Ownership Taxes	15,533,297	18,033,297	17,466,367	(566,930)
Tuition and Fees	11,542,295	11,872,925	12,152,706	279,781
Other Local Revenue	5,333,437	5,297,681	5,813,204	515,523
State Equalization	76,180,880	50,873,804	51,061,211	187,407
State Reimbursement Programs	9,076,071	9,143,585	9,140,970	(2,615)
Federal Grants	1,245,816	1,500,000	1,827,721	327,721
TOTAL REVENUES	331,357,973	331,845,687	335,349,185	3,503,498
EXPENDITURES				
Current				
Instruction - Regular Programs	180,305,324	180,233,231	172,490,956	7,742,275
Instruction - Special Programs	54,983,400	55,607,776	53,614,983	1,992,793
Student Support Services	13,603,327	16,199,439	13,765,871	2,433,568
Instructional Staff Services	14,356,561	14,472,397	13,684,382	788,015
General Administration	4,315,233	4,646,289	4,355,610	290,679
School Administration	22,933,392	23,764,460	23,335,162	429,298
Business Services	4,221,510	4,670,338	4,408,871	261,467
Operations and Maintenance	15,546,726	15,964,220	15,443,705	520,515
Central Support Services	13,460,043	13,664,393	12,466,227	1,198,166
Community Services	7,075,889	7,150,343	6,582,109	568,234
Emergency Reserves	9,126,313	9,401,304	-	9,401,304
Reserves	9,402,181	10,400,061	-	10,400,061
TOTAL EXPENDITURES	349,329,899	356,174,251	320,147,876	36,026,375
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,971,926)	(24,328,564)	15,201,309	39,529,873
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	120,000	100,000	217,309	117,309
Transfers Out	(8,469,808)	(9,834,808)	(9,248,563)	586,245
TOTAL OTHER FINANCING SOURCES (USES)	(8,349,808)	(9,734,808)	(9,031,254)	703,554
NET CHANGE IN FUND BALANCE	(26,321,734)	(34,063,372)	6,170,055	40,233,427
FUND BALANCE, Beginning	30,509,450	41,528,269	41,528,270	1
FUND BALANCE, Ending	\$ 4,187,716	\$ 7,464,897	\$ 47,698,325	\$ 40,233,428

Boulder Valley School District RE-2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION AND OTHER POST EMPLOYMENT BENEFIT LIABILITIES
June 30, 2018

As of December 31,	2017	2016	2015
Net Pension Liability			
District's proportion (percentage) of the collective net pension liability (asset)	4.78284365%	4.74682720%	4.71872892%
District's proportionate share of the collective pension liability (asset)	1,546,601,653	1,413,314,018	721,696,274
Covered payroll	220,627,079	213,046,306	205,643,263
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	701.00%	663.38%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.10%	59.20%
Net Other Post Employment Benefit (OPEB) Liability			
District's proportion (percentage) of the collective net OPEB liability (asset)	2.71759543%	2.69815594%	
District's proportionate share of the collective OPEB liability (asset)	35,317,870	34,982,509	
Covered payroll	220,627,079	213,046,306	
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	16.01%	16.42%	
Plan fiduciary net pension as a percentage of the total OPEB liability	17.53%	16.72%	

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

<u>2014</u>	<u>2013</u>
4.67428842%	4.61595307%
633,523,091	588,763,568
195,818,956	186,083,709
323.52%	316.40%
62.80%	64.06%

Boulder Valley School District RE-2
SCHEDULE OF THE CONTRIBUTIONS AND RELATED RATIOS
June 30, 2018

As of June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>
Defined Benefit Pension Plan			
Statutorily required contributions	\$ 42,710,516	\$ 39,564,497	\$ 37,290,415
Contributions in relation to the statutorily required contribution	<u>42,710,516</u>	<u>39,564,497</u>	<u>37,290,415</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	226,254,847	215,258,416	210,323,829
Contribution as a percentage of covered payroll	18.88%	18.38%	17.73%
Defined Benefit Other Post Employment Benefit Plan			
Statutorily required contributions	\$ 2,307,799	\$ 2,195,636	\$ 2,145,303
Contributions in relation to the statutorily required contribution	<u>2,307,799</u>	<u>2,195,636</u>	<u>2,145,303</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	226,254,847	215,258,416	210,323,829
Contribution as a percentage of covered payroll	1.02%	1.02%	1.02%

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

<u>2015</u>	<u>2014</u>
\$ 33,858,535	\$ 30,643,126
<u>33,858,535</u>	<u>30,643,126</u>
<u>\$ -</u>	<u>\$ -</u>
200,583,738	191,759,237
16.88%	15.98%
\$ 2,045,954	\$ 1,955,944
<u>2,045,954</u>	<u>1,955,944</u>
<u>\$ -</u>	<u>\$ -</u>
200,583,738	191,759,237
1.02%	1.02%

Boulder Valley School District RE-2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

- By April, the superintendent submits to the board of education a preliminary proposed budget for the period commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted at regular board of education meetings to obtain taxpayer comments.

- By June, 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, 2018

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
ASSETS			
Cash and Investments	\$ 60,272,143	\$ 515,182	\$ 1,423,864
Accounts Receivable	-	-	90,860
Taxes Receivable, Net	6,655,483	-	-
Grants Receivable	-	124,997	-
Due from Other Funds	553,851	-	-
Inventories	410,992	-	246,491
Prepaid Items	831,524	-	435,960
	<u>\$ 68,723,993</u>	<u>\$ 640,179</u>	<u>\$ 2,197,175</u>
TOTAL ASSETS			
	<u>\$ 68,723,993</u>	<u>\$ 640,179</u>	<u>\$ 2,197,175</u>
LIABILITIES			
Accounts Payable	\$ 2,058,673	\$ -	\$ -
Accrued Liabilities	9,402,193	-	-
Accrued Compensation and Benefits	15,555,527	-	-
Unearned Revenues	42,479	-	-
	<u>27,058,872</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES			
	<u>27,058,872</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	1,475,385	-	-
	<u>1,475,385</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	1,242,516	-	682,451
Restricted	10,474,828	131,000	73,518
Unassigned	28,472,392	509,179	1,441,206
	<u>40,189,736</u>	<u>640,179</u>	<u>2,197,175</u>
TOTAL FUND BALANCES			
	<u>40,189,736</u>	<u>640,179</u>	<u>2,197,175</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
	<u>\$ 68,723,993</u>	<u>\$ 640,179</u>	<u>\$ 2,197,175</u>

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 474,334	\$ 4,196,177	\$ 712,062	\$ 10,562	\$ 67,604,324
-	49,543	-	-	140,403
-	-	-	-	6,655,483
-	-	-	-	124,997
-	-	-	-	553,851
-	-	-	-	657,483
11,897	-	-	-	1,279,381
<u>\$ 486,231</u>	<u>\$ 4,245,720</u>	<u>\$ 712,062</u>	<u>\$ 10,562</u>	<u>\$ 77,015,922</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,058,673
-	-	-	-	9,402,193
982	3,525	23,301	10,562	15,593,897
-	581,542	163,428	-	787,449
<u>982</u>	<u>585,067</u>	<u>186,729</u>	<u>10,562</u>	<u>27,842,212</u>
-	-	-	-	1,475,385
11,897	-	-	-	1,936,864
101,133	205,752	229,217	-	11,215,448
372,219	3,454,901	296,116	-	34,546,013
<u>485,249</u>	<u>3,660,653</u>	<u>525,333</u>	<u>-</u>	<u>47,698,325</u>
<u>\$ 486,231</u>	<u>\$ 4,245,720</u>	<u>\$ 712,062</u>	<u>\$ 10,562</u>	<u>\$ 77,015,922</u>

Boulder Valley School District RE-2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
Year Ended June 30, 2018

	GENERAL OPERATING	RISK MANAGEMENT	TECHNOLOGY
REVENUES			
Local Sources	\$ 261,791,688	\$ 9,987	\$ 192,857
State Sources	60,202,181	-	-
Federal Sources	1,827,721	-	-
TOTAL REVENUES	323,821,590	9,987	192,857
EXPENDITURES			
Current			
Instruction - Regular Programs	167,920,046	-	983,082
Instruction - Special Programs	48,843,028	-	-
Student Support Services	12,830,555	-	-
Instructional Staff Services	12,260,255	-	763,516
General Administration	4,251,696	-	-
School Administration	23,172,222	-	-
Business Services	4,388,263	20,608	-
Operations and Maintenance	14,653,923	722,777	-
Central Support Services	8,511,460	3,467,206	487,561
Community Services	-	-	-
TOTAL EXPENDITURES	296,831,448	4,210,591	2,234,159
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	26,990,142	(4,200,604)	(2,041,302)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	-	217,309	-
Transfers In	1,034,274	4,463,245	1,857,137
Transfers Out	(22,432,311)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(21,398,037)	4,680,554	1,857,137
NET CHANGE IN FUND BALANCES	5,592,105	479,950	(184,165)
FUND BALANCES, Beginning	34,597,631	160,229	2,381,340
FUND BALANCES, Ending	\$ 40,189,736	\$ 640,179	\$ 2,197,175

ATHLETICS	COMMUNITY SCHOOLS	PRESCHOOL	COLORADO PRESCHOOL PROGRAM	TOTAL GENERAL FUND
\$ 1,267,290	\$ 8,622,926	\$ 1,434,535	\$ -	\$ 273,319,283
-	-	-	-	60,202,181
-	-	-	-	1,827,721
<u>1,267,290</u>	<u>8,622,926</u>	<u>1,434,535</u>	<u>-</u>	<u>335,349,185</u>
-	-	3,587,828	-	172,490,956
3,116,592	-	-	1,655,363	53,614,983
-	-	935,316	-	13,765,871
-	-	500,040	160,571	13,684,382
103,914	-	-	-	4,355,610
22	-	153,071	9,847	23,335,162
-	-	-	-	4,408,871
888	-	66,117	-	15,443,705
-	-	-	-	12,466,227
-	6,298,523	173,233	110,353	6,582,109
<u>3,221,416</u>	<u>6,298,523</u>	<u>5,415,605</u>	<u>1,936,134</u>	<u>320,147,876</u>
<u>(1,954,126)</u>	<u>2,324,403</u>	<u>(3,981,070)</u>	<u>(1,936,134)</u>	<u>15,201,309</u>
-	-	-	-	217,309
2,016,328	-	4,129,168	1,764,210	15,264,362
-	(2,034,274)	-	(46,340)	(24,512,925)
<u>2,016,328</u>	<u>(2,034,274)</u>	<u>4,129,168</u>	<u>1,717,870</u>	<u>(9,031,254)</u>
62,202	290,129	148,098	(218,264)	6,170,055
<u>423,047</u>	<u>3,370,524</u>	<u>377,235</u>	<u>218,264</u>	<u>41,528,270</u>
<u>\$ 485,249</u>	<u>\$ 3,660,653</u>	<u>\$ 525,333</u>	<u>\$ -</u>	<u>\$ 47,698,325</u>



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

Boulder Valley School District RE-2

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

June 30, 2018

	SPECIAL REVENUE			
	FOOD SERVICES	GRANTS	TRANSPORTATION	OPERATIONS AND TECHNOLOGY
ASSETS				
Cash and Investments	\$ 5,549	\$ -	\$ 1,723,950	\$ 4,326,478
Accounts Receivable	397,779	-	-	-
Taxes Receivable, Net	-	-	160,753	387,141
Grants Receivable	-	849,141	-	-
Inventories	305,991	-	-	-
	\$ 709,319	\$ 849,141	\$ 1,884,703	\$ 4,713,619
TOTAL ASSETS	\$ 709,319	\$ 849,141	\$ 1,884,703	\$ 4,713,619
LIABILITIES				
Accrued Liabilities	\$ 139,302	\$ -	\$ -	\$ -
Accrued Compensation and Benefits	187,163	42,490	827,321	-
Due to Other Funds	105,807	448,044	-	-
Unearned Revenues	5,810	358,607	-	-
	438,082	849,141	827,321	-
TOTAL LIABILITIES	438,082	849,141	827,321	-
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	-	-	47,191	89,502
	-	-	47,191	89,502
FUND BALANCES				
Nonspendable	44,218	-	-	-
Restricted	128,499	-	480,942	4,624,117
Assigned	98,520	-	529,249	-
	271,237	-	1,010,191	4,624,117
TOTAL FUND BALANCES	271,237	-	1,010,191	4,624,117
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 709,319	\$ 849,141	\$ 1,884,703	\$ 4,713,619

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 2,849,151	\$ 8,905,128
-	397,779
-	547,894
-	849,141
-	305,991
<u>\$ 2,849,151</u>	<u>\$ 11,005,933</u>
\$ -	\$ 139,302
-	1,056,974
-	553,851
-	364,417
<u>-</u>	<u>2,114,544</u>
-	136,693
-	44,218
155,127	5,388,685
<u>2,694,024</u>	<u>3,321,793</u>
<u>2,849,151</u>	<u>8,754,696</u>
<u>\$ 2,849,151</u>	<u>\$ 11,005,933</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	SPECIAL REVENUE			
	FOOD SERVICES	GRANTS	TRANSPORTATION	OPERATIONS AND TECHNOLOGY
REVENUES				
Local Sources	\$ 4,364,337	\$ 532,949	\$ 7,462,926	\$ 17,901,870
State Sources	93,677	2,420,509	3,456,332	-
Federal Sources	3,364,608	8,577,508	-	-
TOTAL REVENUES	7,822,622	11,530,966	10,919,258	17,901,870
EXPENDITURES				
Current				
Instruction - Regular Programs	-	2,078,055	-	-
Instruction - Special Programs	-	4,260,675	1,469,570	-
Student Support Services	-	2,218,431	-	-
Instructional Staff Services	-	1,782,627	-	-
School Administration	-	800,525	-	-
Operations and Maintenance	-	6,121	174,258	14,957,348
Student Transportation	-	3,029	13,536,543	-
Central Support Services	-	-	-	-
Food Services Operations	8,607,072	38,682	-	-
Community Services	-	64,295	-	-
Adult Education	-	278,526	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	8,607,072	11,530,966	15,180,371	14,957,348
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(784,450)	-	(4,261,113)	2,944,522
OTHER FINANCING SOURCES				
Transfers In	857,616	-	4,387,845	-
NET CHANGE IN FUND BALANCE	73,166	-	126,732	2,944,522
FUND BALANCE, Beginning	198,071	-	883,459	1,679,595
FUND BALANCE, Ending	\$ 271,237	\$ -	\$ 1,010,191	\$ 4,624,117

**CAPITAL
PROJECTS**

CAPITAL RESERVE	TOTAL
\$ 304,653	\$ 30,566,735
-	5,970,518
-	11,942,116
304,653	48,479,369
-	2,078,055
-	5,730,245
-	2,218,431
-	1,782,627
-	800,525
-	15,137,727
-	13,539,572
-	-
-	8,645,754
-	64,295
-	278,526
2,136,658	2,136,658
419,533	419,533
23,873	23,873
2,580,064	52,855,821
(2,275,411)	(4,376,452)
4,003,102	9,248,563
1,727,691	4,872,111
1,121,460	3,882,585
\$ 2,849,151	\$ 8,754,696

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Regular School Lunch	\$ 3,178,405	\$ 3,295,072	\$ 3,372,519	\$ 77,447
State Sources	94,011	94,011	93,677	(334)
Federal Reimbursements	3,528,110	3,504,682	3,364,608	(140,074)
Breakfast Revenue	111,645	111,645	125,128	13,483
A La Carte	360,753	360,753	297,710	(63,043)
Other	691,579	574,912	568,980	(5,932)
	<u>7,964,503</u>	<u>7,941,075</u>	<u>7,822,622</u>	<u>(118,453)</u>
TOTAL REVENUES				
	<u>7,964,503</u>	<u>7,941,075</u>	<u>7,822,622</u>	<u>(118,453)</u>
EXPENDITURES				
Current				
Food Services Operations	8,823,141	8,828,264	8,607,072	221,192
Reserves	167,970	168,499	-	168,499
	<u>8,991,111</u>	<u>8,996,763</u>	<u>8,607,072</u>	<u>389,691</u>
TOTAL EXPENDITURES				
	<u>8,991,111</u>	<u>8,996,763</u>	<u>8,607,072</u>	<u>389,691</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,026,608)</u>	<u>(1,055,688)</u>	<u>(784,450)</u>	<u>271,238</u>
OTHER FINANCING SOURCES				
Transfers In	857,616	857,616	857,616	-
	<u>857,616</u>	<u>857,616</u>	<u>857,616</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(168,992)</u>	<u>(198,072)</u>	<u>73,166</u>	<u>271,238</u>
FUND BALANCE, Beginning	<u>168,992</u>	<u>198,072</u>	<u>198,071</u>	<u>(1)</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,237</u>	<u>\$ 271,237</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

GRANTS FUND

Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 9,923,531	\$ 8,540,923	\$ 532,949	\$ (8,007,974)
State Sources	1,069,636	2,215,847	2,420,509	204,662
Federal Sources	8,506,833	8,743,230	8,577,508	(165,722)
TOTAL REVENUES	19,500,000	19,500,000	11,530,966	(7,969,034)
EXPENDITURES				
Current				
Instruction and Supporting Services-Unallocated	19,500,000	6,784,283	-	6,784,283
Instruction - Regular Programs	-	2,286,707	2,078,055	208,652
Instruction - Special Programs	-	5,045,673	4,260,675	784,998
Student Support Services	-	2,237,059	2,218,431	18,628
Instructional Staff Services	-	1,960,177	1,782,627	177,550
School Administration	-	831,096	800,525	30,571
Operations and Maintenance	-	505	6,121	(5,616)
Student Transportation	-	-	3,029	(3,029)
Food Services Operations	-	-	38,682	(38,682)
Community Services	-	72,723	64,295	8,428
Adult Education	-	281,777	278,526	3,251
TOTAL EXPENDITURES	19,500,000	19,500,000	11,530,966	7,969,034
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, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Property Taxes	\$ 7,263,500	\$ 7,263,500	\$ 7,280,492	\$ 16,992
State Transportation Reimbursement	3,589,994	3,589,994	3,456,332	(133,662)
Other Local Revenue	225,000	225,000	182,434	(42,566)
TOTAL REVENUES	11,078,494	11,078,494	10,919,258	(159,236)
EXPENDITURES				
Current				
Instruction - Special Programs	1,695,410	1,695,410	1,469,570	225,840
Operations and Maintenance	172,953	227,008	174,258	52,750
Student Transportation	14,134,576	14,108,993	13,536,543	572,450
Emergency Reserves	480,088	480,942	-	480,942
Reserves	311,671	423,689	-	423,689
TOTAL EXPENDITURES	16,794,698	16,936,042	15,180,371	1,755,671
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,716,204)	(5,857,548)	(4,261,113)	1,596,435
OTHER FINANCING SOURCES				
Transfers In	4,974,089	4,974,089	4,387,845	(586,244)
NET CHANGE IN FUND BALANCE	(742,115)	(883,459)	126,732	1,010,191
FUND BALANCE, Beginning	742,115	883,459	883,459	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 1,010,191	\$ 1,010,191

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

OPERATIONS AND TECHNOLOGY FUND

Year Ended June 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 14,925,000	\$ 17,772,738	\$ 17,901,870	\$ 129,132
TOTAL REVENUES	<u>14,925,000</u>	<u>17,772,738</u>	<u>17,901,870</u>	<u>129,132</u>
EXPENDITURES				
Current				
Operations and Maintenance	14,767,056	14,957,348	14,957,348	-
Central Support Services	1,500,000	3,961,803	-	3,961,803
Emergency Reserves	447,750	533,182	-	533,182
TOTAL EXPENDITURES	<u>16,714,806</u>	<u>19,452,333</u>	<u>14,957,348</u>	<u>4,494,985</u>
NET CHANGE IN FUND BALANCE	(1,789,806)	(1,679,595)	2,944,522	4,624,117
FUND BALANCE, Beginning	<u>1,789,806</u>	<u>1,679,595</u>	<u>1,679,595</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,624,117</u>	<u>\$ 4,624,117</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

BOND REDEMPTION FUND

Year Ended June 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Property Taxes	\$ 54,520,000	\$ 53,772,337	\$ 53,718,949	\$ (53,388)
Investment Earnings	100,000	325,000	468,220	143,220
TOTAL REVENUES	<u>54,620,000</u>	<u>54,097,337</u>	<u>54,187,169</u>	<u>89,832</u>
EXPENDITURES				
Fiscal Charges	10,000	10,000	3,550	6,450
Debt Service				
Principal	22,265,000	22,265,000	22,265,000	-
Interest	35,130,212	35,130,212	35,130,212	-
TOTAL EXPENDITURES	<u>57,405,212</u>	<u>57,405,212</u>	<u>57,398,762</u>	<u>6,450</u>
NET CHANGE IN FUND BALANCE	<u>(2,785,212)</u>	<u>(3,307,875)</u>	<u>(3,211,593)</u>	<u>96,282</u>
FUND BALANCE, Beginning	<u>48,426,351</u>	<u>48,173,528</u>	<u>48,173,528</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 45,641,139</u>	<u>\$ 44,865,653</u>	<u>\$ 44,961,935</u>	<u>\$ 96,282</u>

Boulder Valley School District RE-2
BUDGETARY COMPARISON SCHEDULE
2014 BUILDING FUND
Year Ended June 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources				
Investment Earnings, Net	\$ 1,000,000	\$ 2,250,000	\$ 3,363,362	\$ 1,113,362
Capital Contribution	80,000	80,000	80,000	-
Other	225,000	464,000	542,028	78,028
Federal Sources	-	-	101,725	101,725
	<u>1,305,000</u>	<u>2,794,000</u>	<u>4,087,115</u>	<u>1,293,115</u>
EXPENDITURES				
Capital Outlay	146,428,143	158,383,128	134,210,227	24,172,901
	<u>146,428,143</u>	<u>158,383,128</u>	<u>134,210,227</u>	<u>24,172,901</u>
NET CHANGE IN FUND BALANCE	(145,123,143)	(155,589,128)	(130,123,112)	25,466,016
FUND BALANCE, Beginning	<u>244,078,815</u>	<u>279,402,989</u>	<u>279,402,989</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 98,955,672</u>	<u>\$ 123,813,861</u>	<u>\$ 149,279,877</u>	<u>\$ 25,466,016</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

CAPITAL RESERVE FUND

Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources	\$ 75,000	\$ 201,452	\$ 304,653	\$ 103,201
TOTAL REVENUES	75,000	201,452	304,653	103,201
EXPENDITURES				
Capital Outlay				
Building Improvements	617,000	1,758,266	911,760	846,506
Operating Departments	1,362,442	1,623,482	966,831	656,651
School Projects	1,304,957	1,345,733	258,067	1,087,666
Debt Service				
Principal	-	419,533	419,533	-
Interest	-	23,873	23,873	-
Reserves	98,532	155,127	-	155,127
TOTAL EXPENDITURES	3,382,931	5,326,014	2,580,064	2,745,950
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,307,931)	(5,124,562)	(2,275,411)	2,849,151
OTHER FINANCING SOURCES				
Transfers In	2,638,102	4,003,102	4,003,102	-
NET CHANGE IN FUND BALANCE	(669,829)	(1,121,460)	1,727,691	2,849,151
FUND BALANCE, Beginning	669,829	1,121,460	1,121,460	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 2,849,151	\$ 2,849,151

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, 2018

	<u>HEALTH INSURANCE FUND</u>	<u>DENTAL INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Current			
Cash and Investments	<u>\$ 8,104,734</u>	<u>\$ 782,219</u>	<u>\$ 8,886,953</u>
TOTAL ASSETS	<u>8,104,734</u>	<u>782,219</u>	<u>8,886,953</u>
LIABILITIES			
Current			
Claims Payable	<u>2,094,455</u>	<u>179,076</u>	<u>2,273,531</u>
TOTAL LIABILITIES	<u>2,094,455</u>	<u>179,076</u>	<u>2,273,531</u>
NET POSITION			
Unrestricted	<u>6,010,279</u>	<u>603,143</u>	<u>6,613,422</u>
TOTAL NET POSITION	<u>\$ 6,010,279</u>	<u>\$ 603,143</u>	<u>\$ 6,613,422</u>

Boulder Valley School District RE-2
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2018

	HEALTH INSURANCE FUND	DENTAL INSURANCE FUND	TOTAL
OPERATING REVENUES			
Premiums and Services	\$ 29,750,442	\$ 2,385,292	\$ 32,135,734
Other	956,234	10,515	966,749
TOTAL OPERATING REVENUES	30,706,676	2,395,807	33,102,483
OPERATING EXPENSES			
Personnel	226,856	51,722	278,578
Insurance Premiums and Claims	27,971,587	2,220,436	30,192,023
Administrative Fees	1,085,744	164,586	1,250,330
Other	2,012,290	8,040	2,020,330
TOTAL OPERATING EXPENSES	31,296,477	2,444,784	33,741,261
CHANGE IN NET POSITION	(589,801)	(48,977)	(638,778)
NET POSITION, Beginning	6,600,080	652,120	7,252,200
NET POSITION, Ending	\$ 6,010,279	\$ 603,143	\$ 6,613,422

Boulder Valley School District RE-2

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year Ended June 30, 2018

	<u>HEALTH</u> <u>INSURANCE FUND</u>	<u>DENTAL</u> <u>INSURANCE FUND</u>	<u>TOTAL</u>
Cash Flows From Operating Activities			
Premiums Received and Other Receipts	\$ 30,706,676	\$ 2,395,807	\$ 33,102,483
Cash Payments for Premiums, Claims and Other Expenses	(30,907,567)	(2,397,412)	(33,304,979)
Cash Paid to Employees for Salaries and Benefits	(226,856)	(51,722)	(278,578)
	<u>(427,747)</u>	<u>(53,327)</u>	<u>(481,074)</u>
Net Cash Provided (Used) by Operating Activities			
	(427,747)	(53,327)	(481,074)
Net Change in Cash and Cash Equivalents			
	(427,747)	(53,327)	(481,074)
CASH AND CASH EQUIVALENTS, Beginning	8,532,481	835,546	9,368,027
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 8,104,734</u>	<u>\$ 782,219</u>	<u>\$ 8,886,953</u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Change in Net Position	\$ (589,801)	\$ (48,977)	\$ (638,778)
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	162,054	(4,350)	157,704
	<u>(427,747)</u>	<u>(53,327)</u>	<u>(481,074)</u>
Net Cash Provided (Used) by Operating Activities			
	<u>\$ (427,747)</u>	<u>\$ (53,327)</u>	<u>\$ (481,074)</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

HEALTH INSURANCE FUND

Year Ended June 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 29,050,000	\$ 29,150,000	\$ 29,750,442	\$ 600,442
Other	365,000	385,000	956,234	571,234
TOTAL OPERATING REVENUES	<u>29,415,000</u>	<u>29,535,000</u>	<u>30,706,676</u>	<u>1,171,676</u>
OPERATING EXPENSES				
Personnel	202,000	216,216	226,856	(10,640)
Insurance Premiums and Claims	27,764,830	27,764,830	27,971,587	(206,757)
Administrative Fees	945,000	945,000	1,085,744	(140,744)
Other	2,273,474	2,343,474	2,012,290	331,184
Reserves	5,044,398	4,865,560	-	4,865,560
TOTAL OPERATING EXPENSES	<u>36,229,702</u>	<u>36,135,080</u>	<u>31,296,477</u>	<u>4,838,603</u>
CHANGE IN NET POSITION	<u>(6,814,702)</u>	<u>(6,600,080)</u>	<u>(589,801)</u>	<u>6,010,279</u>
NET POSITION, Beginning	<u>6,814,702</u>	<u>6,600,080</u>	<u>6,600,080</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,010,279</u>	<u>\$ 6,010,279</u>

Boulder Valley School District RE-2

BUDGETARY COMPARISON SCHEDULE

DENTAL INSURANCE FUND

Year Ended June 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
OPERATING REVENUES				
Premiums and Services	\$ 2,350,000	\$ 2,350,000	\$ 2,385,292	\$ 35,292
Other	5,500	7,000	10,515	3,515
TOTAL OPERATING REVENUES	<u>2,355,500</u>	<u>2,357,000</u>	<u>2,395,807</u>	<u>38,807</u>
OPERATING EXPENSES				
Personnel	52,500	51,480	51,722	(242)
Insurance Premiums and Claims	2,250,000	2,350,000	2,220,436	129,564
Administrative Fees	170,000	170,000	164,586	5,414
Other	19,000	19,000	8,040	10,960
Reserves	469,279	418,640	-	418,640
TOTAL OPERATING EXPENSES	<u>2,960,779</u>	<u>3,009,120</u>	<u>2,444,784</u>	<u>564,336</u>
CHANGE IN NET POSITION	<u>(605,279)</u>	<u>(652,120)</u>	<u>(48,977)</u>	<u>603,143</u>
NET POSITION, Beginning	<u>605,279</u>	<u>652,120</u>	<u>652,120</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,143</u>	<u>\$ 603,143</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, 2018

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 1,180,029	\$ 229,971	\$ 1,410,000
TOTAL ASSETS	1,180,029	229,971	1,410,000
NET POSITION			
Held in Trust for Scholarships	\$ 1,180,029	\$ 229,971	\$ 1,410,000

Boulder Valley School District RE-2
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2018

	<u>SCHOLARSHIP</u>	<u>TRUST</u>	<u>TOTAL</u>
ADDITIONS			
Contributions	\$ 18,659	\$ 6,266	\$ 24,925
TOTAL ADDITIONS	<u>18,659</u>	<u>6,266</u>	<u>24,925</u>
DEDUCTIONS			
Scholarships and Awards	<u>28,222</u>	<u>1,800</u>	<u>30,022</u>
CHANGE IN HELD IN TRUST FOR SCHOLARSHIPS	(9,563)	4,466	(5,097)
HELD IN TRUST FOR SCHOLARSHIPS, Beginning	<u>1,189,592</u>	<u>225,505</u>	<u>1,415,097</u>
HELD IN TRUST FOR SCHOLARSHIPS, Ending	<u><u>\$ 1,180,029</u></u>	<u><u>\$ 229,971</u></u>	<u><u>\$ 1,410,000</u></u>

Boulder Valley School District RE-2
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2018

	<u>Balances 6/30/17</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances 6/30/18</u>
ASSETS				
Cash and Investments - Student Groups	\$ 3,675,564	\$ 8,914,942	\$ 9,893,304	\$ 2,697,202
Cash and Investments - School Groups	1,565,530	6,450,931	5,498,370	2,518,091
TOTAL ASSETS	<u>\$ 5,241,094</u>	<u>\$ 15,365,873</u>	<u>\$ 15,391,674</u>	<u>\$ 5,215,293</u>
LIABILITIES				
Due to Student Groups	\$ 3,675,564	\$ 8,914,942	\$ 9,893,304	\$ 2,697,202
Due to School Groups	1,565,530	6,450,931	5,498,370	2,518,091
TOTAL LIABILITIES	<u>\$ 5,241,094</u>	<u>\$ 15,365,873</u>	<u>\$ 15,391,674</u>	<u>\$ 5,215,293</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, 2018

	BOULDER PREP	HORIZONS	PEAK TO PEAK
ASSETS			
Cash and Investments	\$ 420,376	\$ 1,740,108	\$ 5,230,976
Restricted Cash and Investments	-	-	4,081,096
Accounts Receivable	-	-	2,863
Prepaid Items and Other	-	19,238	9,812
Capital Assets, Not Being Depreciated	129,399	-	2,429,194
Capital Assets, Net of Accumulated Depreciation	417,450	215,055	24,360,360
TOTAL ASSETS	967,225	1,974,401	36,114,301
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization	-	-	3,043,045
Pension Related Items	1,249,859	3,845,023	15,934,499
OPEB Related Items	3,825	11,766	71,031
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,253,684	3,856,789	19,048,575
LIABILITIES			
Accounts Payable	3,178	5,746	100,688
Accrued Compensation and Benefits	-	186,688	878,812
Unearned Revenues	-	-	55,598
Accrued Interest Payable	-	-	286,294
Noncurrent Liabilities			
Due Within One Year	10,603	-	657,778
Due in More Than One Year	163,139	-	16,591,025
Net Pension Liability	4,342,225	13,358,259	52,210,331
Net OPEB Liability	99,158	305,046	1,189,758
TOTAL LIABILITIES	4,618,303	13,855,739	71,970,284
DEFERRED INFLOWS OF RESOURCES			
Pension Related Items	253,908	632,944	2,134,946
OPEB Related Items	6,255	7,850	19,904
TOTAL DEFERRED INFLOWS OF RESOURCES	260,163	640,794	2,154,850
NET POSITION			
Net Investment in Capital Assets	373,107	215,055	12,659,243
Restricted for Advanced Placement Testing	-	-	10,128
Restricted for Scholarships	-	-	1,356,068
Restricted for Debt Service	-	-	2,177,181
Restricted for Repair and Maintenance	-	-	230,166
Restricted for Operations and Technology	14,424	-	29,274
Restricted for Special Education	-	-	-
Restricted for Capital Renewal	-	25,000	-
Restricted for Emergencies	35,263	117,164	524,030
Restricted for Donations	-	-	-
Unrestricted	(3,080,351)	(9,022,562)	(35,948,348)
TOTAL NET POSITION	\$ (2,657,557)	\$ (8,665,343)	\$ (18,962,258)

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 1,794,878	\$ 191,284	\$ 9,377,622
-	-	4,081,096
-	-	2,863
800	-	29,850
-	812,500	3,371,093
122,575	469,805	25,585,245
<u>1,918,253</u>	<u>1,473,589</u>	<u>42,447,769</u>
-	-	3,043,045
3,662,970	1,064,665	25,757,016
17,786	7,673	112,081
<u>3,680,756</u>	<u>1,072,338</u>	<u>28,912,142</u>
5,635	1,455	116,702
177,751	-	1,243,251
-	-	55,598
-	-	286,294
80,000	47,572	795,953
160,000	1,073,949	17,988,113
12,154,427	3,116,635	85,181,877
277,556	71,171	1,942,689
<u>12,855,369</u>	<u>4,310,782</u>	<u>107,610,477</u>
497,010	127,443	3,646,251
4,643	1,191	39,843
<u>501,653</u>	<u>128,634</u>	<u>3,686,094</u>
122,575	160,784	13,530,764
-	-	10,128
-	-	1,356,068
-	-	2,177,181
-	-	230,166
40,701	29,539	113,938
60,000	-	60,000
-	-	25,000
118,294	28,513	823,264
27,907	-	27,907
<u>(8,127,490)</u>	<u>(2,112,325)</u>	<u>(58,291,076)</u>
<u>\$ (7,758,013)</u>	<u>\$ (1,893,489)</u>	<u>\$ (39,936,660)</u>

Boulder Valley School District RE-2

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

Year Ended June 30, 2018

	BOULDER PREP	HORIZONS	PEAK TO PEAK
EXPENSES			
Instruction	\$ 1,126,785	\$ 4,338,650	\$ 15,754,022
Supporting Services	790,954	1,959,088	10,604,344
Interest Expense	8,372	-	892,080
Component Unit	-	-	-
	1,926,111	6,297,738	27,250,446
PROGRAM REVENUES			
Charges for Services	-	246,204	1,818,512
Operating Grants and Contributions	241,817	122,982	420,973
Capital Grants and Contributions	74,101	43,836	373,171
	315,918	413,022	2,612,656
NET EXPENSE (REVENUE)	(1,610,193)	(5,884,716)	(24,637,790)
GENERAL REVENUES			
Per Pupil Revenues	659,352	2,522,250	10,712,866
Mill Levy Override	252,389	1,000,831	4,204,481
At-Risk Supplemental Aid	11,926	-	-
Grants and Contributions Not Restricted to Specific Programs	35,519	193,809	-
Investment Earnings	1,392	-	156,160
Other	-	6,837	482,619
	960,578	3,723,727	15,556,126
CHANGE IN NET POSITION	(649,615)	(2,160,989)	(9,081,664)
NET POSITION, Beginning, as Restated	(2,007,942)	(6,504,354)	(9,880,594)
NET POSITION, Ending	\$ (2,657,557)	\$ (8,665,343)	\$ (18,962,258)

<u>SUMMIT</u>	<u>JUSTICE HIGH</u>	<u>TOTAL</u>
\$ 3,493,774	\$ 611,495	\$ 25,324,726
2,516,838	811,534	16,682,758
-	68,761	969,213
<u>36,836</u>	<u>-</u>	<u>36,836</u>
<u>6,047,448</u>	<u>1,491,790</u>	<u>43,013,533</u>
80,771	15,675	2,161,162
40,153	263,909	1,089,834
<u>67,636</u>	<u>18,728</u>	<u>577,472</u>
<u>188,560</u>	<u>298,312</u>	<u>3,828,468</u>
<u>(5,858,888)</u>	<u>(1,193,478)</u>	<u>(39,185,065)</u>
2,717,797	541,758	17,154,023
1,040,062	129,239	6,627,002
-	50,473	62,399
130,799	-	360,127
1,197	-	158,749
<u>-</u>	<u>-</u>	<u>489,456</u>
<u>3,889,855</u>	<u>721,470</u>	<u>24,851,756</u>
(1,969,033)	(472,008)	(14,333,309)
<u>(5,788,980)</u>	<u>(1,421,481)</u>	<u>(25,603,351)</u>
<u>\$ (7,758,013)</u>	<u>\$ (1,893,489)</u>	<u>\$ (39,936,660)</u>



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STATISTICAL SECTION



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

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

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

Boulder Valley School District RE-2

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Unaudited)

	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 69,851,279	\$ 79,862,762	\$ 80,504,664	\$ 85,372,124
Restricted	36,657,498	39,488,349	33,808,972	33,189,140
Unrestricted	10,570,286	13,097,872	32,745,041	29,790,356
Total Governmental Activities	117,079,063	132,448,983	147,058,677	148,351,620
Business-Type Activities				
Net Investment in Capital Assets	300,555	247,954	221,203	175,072
Restricted	182,553	176,491	286,940	175,308
Unrestricted	(148,996)	(788,601)	(322,254)	(175,072)
Total Business-Type Activities	334,112	(364,156)	185,889	175,308
Primary Government				
Net Investment in Capital Assets	70,151,834	80,110,716	80,725,867	85,547,196
Restricted	36,840,051	39,664,840	34,095,912	33,364,448
Unrestricted	10,421,290	12,309,271	32,422,787	31,503,876
Total Primary Government	\$ 117,413,175	\$ 132,084,827	\$ 147,244,566	\$ 150,415,520

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

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

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

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

Table 1

<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
\$ 92,872,518	\$ 90,807,938	\$ 87,284,393	\$ 91,385,753	\$ 82,055,045	\$ 80,455,577
33,197,541	33,435,619	40,973,413	48,249,915	57,188,290	59,406,001
24,175,800	19,764,725	(573,818,207)	(619,368,387)	(847,337,304)	(1,160,729,492)
<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>	<u>(1,020,867,914)</u>
147,140	171,320	-	-	-	-
187,102	195,427	-	-	-	-
(147,140)	(165,560)	-	-	-	-
<u>187,102</u>	<u>201,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
93,019,658	90,979,258	87,284,393	91,385,753	82,055,045	80,455,577
33,384,643	33,631,046	40,973,413	48,249,915	57,188,290	59,406,001
24,028,660	19,599,165	(573,818,207)	(619,368,387)	(847,337,304)	(1,160,729,492)
<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>	<u>\$ (1,020,867,914)</u>

Boulder Valley School District RE-2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Unaudited)

	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012
Primary Government				
Expenses				
Governmental Activities				
Instruction	\$ 184,528,008	\$ 184,537,048	\$ 188,306,226	\$ 200,020,904
Supporting Services	91,944,942	93,260,558	102,051,046	103,678,052
Interest Expense	13,076,805	16,358,947	16,456,075	15,993,118
Total Governmental Activities	<u>289,549,755</u>	<u>294,156,553</u>	<u>306,813,347</u>	<u>319,692,074</u>
Business-Type Activities				
Food Services	5,708,651	6,033,046	5,735,910	5,946,779
Total Business-Type Activities	<u>5,708,651</u>	<u>6,033,046</u>	<u>5,735,910</u>	<u>5,946,779</u>
Total Primary Government Expenses	295,258,406	300,189,599	312,549,257	325,638,853
Program Revenues				
Governmental Activities				
Charges for Services				
Instruction	850,255	885,640	1,049,174	1,253,365
Supporting Services	10,908,725	10,934,983	10,931,866	11,245,296
Operating Grants and Contributions	20,861,065	24,748,470	25,719,981	23,819,210
Capital Grants and Contributions	-	3,747,258	386,381	6,531,809
Total Governmental Activities	<u>32,620,045</u>	<u>40,316,351</u>	<u>38,087,402</u>	<u>42,849,680</u>
Business-Type Activities				
Charges for Services				
Food Services	3,124,504	2,696,927	2,545,086	2,823,846
Operating Grants and Contributions	2,185,169	2,412,851	2,486,869	2,713,851
Total Business-Type Activities	<u>5,309,673</u>	<u>5,109,778</u>	<u>5,031,955</u>	<u>5,537,697</u>
Total Primary Government Program Revenues	37,929,718	45,426,129	43,119,357	48,387,377
Net (Expense) Revenue				
Governmental Activities	(256,929,710)	(253,840,202)	(268,725,945)	(276,842,394)
Business-Type Activities	<u>(398,978)</u>	<u>(923,268)</u>	<u>(703,955)</u>	<u>(409,082)</u>
Total Primary Government Net (Expense)	(257,328,688)	(254,763,470)	(269,429,900)	(277,251,476)
General Revenues and Transfers				
Governmental Activities				
Local Property Taxes	182,808,375	193,973,616	212,383,487	211,385,970
Specific Ownership Taxes	9,995,765	9,251,558	9,404,630	9,836,876
State Equalization	61,973,644	64,227,060	53,462,090	56,488,225
State Fiscal Stabilization Fund	-	-	7,628,224	180,742
Investment Earnings	2,288,518	716,554	444,720	126,883
Insurance Proceeds	-	-	-	-
Other Revenues	3,989,195	1,266,334	1,266,488	1,989,913
Transfers	-	(225,000)	(1,254,000)	(398,501)
Total Governmental Activities	<u>261,055,497</u>	<u>269,210,122</u>	<u>283,335,639</u>	<u>279,610,108</u>
Business-Type Activities				
Transfers	<u>-</u>	<u>225,000</u>	<u>1,254,000</u>	<u>398,501</u>
Total Primary Government Revenues and Transfers	261,055,497	269,435,122	284,589,639	280,008,609
Change in Net Position				
Governmental Activities	4,125,787	15,369,920	14,609,694	2,767,714
Business-type Activities	<u>(398,978)</u>	<u>(698,268)</u>	<u>550,045</u>	<u>(10,581)</u>
Total Primary Government	<u>\$ 3,726,809</u>	<u>\$ 14,671,652</u>	<u>\$ 15,159,739</u>	<u>\$ 2,757,133</u>

Table 2

June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
\$ 205,026,722	\$ 214,083,289	\$ 240,165,692	\$ 254,328,181	\$ 399,988,960	\$ 438,306,597
98,720,151	114,982,286	131,540,473	150,229,150	218,805,843	254,949,972
15,258,134	14,685,794	16,003,560	24,306,236	24,858,328	29,659,313
319,005,007	343,751,369	387,709,725	428,863,567	643,653,131	722,915,882
6,350,628	6,939,928	-	-	-	-
6,350,628	6,939,928	-	-	-	-
325,355,635	350,691,297	387,709,725	428,863,567	643,653,131	722,915,882
1,262,543	7,229,664	7,938,683	8,770,592	9,659,350	9,814,764
11,851,986	6,857,643	10,918,529	10,133,111	10,396,622	10,848,347
22,481,256	22,613,126	28,672,251	29,408,532	30,155,120	29,388,223
2,708,752	-	110,791	1,600,806	506,287	2,948,183
38,304,537	36,700,433	47,640,254	49,913,041	50,717,379	52,999,517
3,062,748	3,352,443	-	-	-	-
2,846,872	3,049,864	-	-	-	-
5,909,620	6,402,307	-	-	-	-
44,214,157	43,102,740	47,640,254	49,913,041	50,717,379	52,999,517
(280,700,470)	(307,050,936)	(340,069,471)	(378,950,526)	(592,935,752)	(669,916,365)
(441,008)	(537,621)	-	-	-	-
(281,141,478)	(307,588,557)	(340,069,471)	(378,950,526)	(592,935,752)	(669,916,365)
214,017,080	221,192,341	232,169,602	266,761,506	282,063,169	316,510,576
10,466,659	11,583,505	12,575,734	13,604,213	14,797,314	17,466,367
57,695,380	61,203,456	73,935,111	61,227,625	63,768,538	51,061,211
-	33,500	209,216	85,070	46,781	61,089
85,715	38,554	68,996	1,556,533	1,876,868	4,203,604
-	4,920,401	336,130	222,511	-	-
782,677	2,393,308	1,332,941	1,320,750	2,021,832	1,684,296
(452,802)	(405,017)	-	-	-	-
282,594,709	300,960,048	320,627,730	344,778,208	364,574,502	390,987,143
452,802	405,017	-	-	-	-
283,047,511	301,365,065	320,627,730	344,778,208	364,574,502	390,987,143
1,894,239	(6,237,577)	(19,441,741)	(34,172,318)	(228,361,250)	(278,929,222)
11,794	14,085	-	-	-	-
\$ 1,906,033	\$ (6,223,492)	\$ (19,441,741)	\$ (34,172,318)	\$ (228,361,250)	\$ (278,929,222)

Boulder Valley School District RE-2

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Unaudited)

	2009	2010	2011	2012
General Fund				
Reserved	\$ 7,543,322	\$ 7,441,515	\$ -	\$ -
Unreserved	12,092,348	12,203,848	-	-
Subtotal	19,635,670	19,645,363	-	-
Other Governmental Funds				
Reserved	1,135,289	1,246,044	-	-
Unreserved, reported in				
Grants Fund	-	(1,422,177)	-	-
Debt Service Fund	20,663,878	24,032,073	-	-
Capital Projects Fund	169,505,386	101,209,140	-	-
Special Revenue Fund	-	-	-	-
Subtotal	191,304,553	125,065,080	-	-
Total Governmental Funds	\$ 210,940,223	\$ 144,710,443	\$ -	\$ -
General Fund				
Nonspendable	\$ -	\$ -	\$ 373,499	\$ 375,768
Restricted	-	-	8,446,994	8,837,606
Committed	-	-	3,579,393	2,471,900
Assigned	-	-	10,785,148	-
Unassigned	-	-	7,440,288	16,123,842
Subtotal	-	-	30,625,322	27,809,116
Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	-	-	24,974,541	30,816,441
Assigned	-	-	46,778,607	6,702,180
Unassigned	-	-	(100,540)	-
Subtotal	-	-	71,652,608	37,518,621
Total Governmental Funds	\$ -	\$ -	\$ 102,277,930	\$ 65,327,737

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

Table 3

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 679,078	\$ 956,496	\$ 882,881	\$ 1,920,756	\$ 2,042,985	\$ 1,936,864
8,835,965	9,041,519	9,655,786	10,682,635	10,892,320	11,215,448
2,636,718	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>34,546,013</u>
28,332,616	27,571,003	30,969,775	34,280,650	41,528,270	47,698,325
-	-	306,280	43,681	47,131	44,218
27,945,863	26,592,260	311,325,855	253,033,408	329,987,244	199,630,497
2,123,646	1,038,977	1,480,990	817,791	1,424,727	3,321,793
-	-	(306,280)	-	-	-
<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>202,996,508</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>	<u>\$ 250,694,833</u>

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

	(Unaudited)			
	2009	2010	2011	2012
Revenues				
Local Sources				
Current Property Taxes	\$ 181,266,109	\$ 193,946,500	\$ 212,537,152	\$ 211,543,619
Specific Ownership Taxes	9,995,765	9,251,558	9,404,630	9,836,876
Grants	739,098	570,743	643,019	523,146
Tuition and Fees	5,868,843	5,856,442	6,068,801	6,543,035
Interest	2,288,518	716,554	444,720	126,883
Food Service Revenue	-	-	-	-
Miscellaneous	9,879,333	10,977,773	7,565,108	10,457,358
State Sources				
Equalization	61,973,644	64,227,060	53,462,090	56,488,225
Special Education	4,449,466	4,525,751	4,300,112	4,695,420
State Fiscal Stabilization Fund	-	-	2,116,382	-
Transportation	2,244,747	2,506,921	2,730,405	2,915,419
Career and Technical Education	1,098,195	1,391,921	1,059,030	907,589
Grants	198,448	649,220	830,508	574,109
Miscellaneous	400,302	733,858	776,173	766,433
Federal Sources				
Grants	11,730,809	12,947,879	22,314,753	13,617,836
Food Service Reimbursements	-	-	-	-
Total Revenues	292,133,277	308,302,180	324,252,883	318,995,948
Expenditures				
Regular Instruction	124,512,216	129,345,449	129,694,776	134,540,220
Special Instruction	48,462,119	48,778,916	48,672,908	48,722,631
Instructional Support				
Student Services	7,726,360	8,338,184	7,821,093	10,695,514
Instructional Staff Support	11,489,131	12,228,132	11,839,653	11,754,232
School Administration and Operations				
School Administration	17,865,922	18,299,706	18,178,756	19,037,915
Operations and Maintenance	18,855,666	20,526,501	20,406,434	20,261,982
Student Transportation	9,218,669	10,146,947	10,954,306	11,874,817
District Wide/Community Services				
General Administration	2,757,510	2,678,408	2,783,571	2,916,898
Business Services	2,693,872	2,803,873	2,593,077	2,742,194
Central Services	10,956,736	10,173,778	10,299,898	12,044,255
Food Services Operations	-	-	90,810	52,735
Community Services	5,097,238	5,131,753	5,215,466	5,056,489
Debt Service				
Principal	10,105,000	9,870,000	11,570,000	14,890,000
Interest and Fiscal Charges	12,477,695	17,036,074	17,075,900	16,615,268
Issuance Costs	1,330,325	453,110	-	-
Capital Outlay	112,036,962	76,734,547	66,234,748	45,481,450
Total Expenditures	395,585,421	372,545,378	363,431,396	356,686,600
Other Financing Sources (Uses)				
Proceeds from Disposal of Capital Assets	-	-	-	1,138,960
Insurance Proceeds	-	-	-	-
Capital Lease Issuance	-	-	-	-
Transfers In	4,754,381	5,281,112	12,051,538	8,098,037
Transfers Out	(4,979,381)	(5,506,112)	(15,305,538)	(8,496,538)
Bonds Issued	176,800,000	53,645,000	-	-
Bond Premium	3,904,069	2,385,564	-	-
Payment to Escrow Agent	-	(57,792,146)	-	-
Total Other Financing Sources (Uses)	180,479,069	(1,986,582)	(3,254,000)	740,459
Net Change in Fund Balances	77,026,925	(66,229,780)	(42,432,513)	(36,950,193)
Fund Balance, Beginning	133,913,298	210,940,223	144,710,443	102,277,930
Fund Balance, Ending	\$ 210,940,223	\$ 144,710,443	\$ 102,277,930	\$ 65,327,737
Debt Service as a Percentage of Noncapital Expenditures	7.87%	9.03%	9.30%	9.97%

Table 4

2013	2014	2015	2016	2017	2018
\$ 213,298,330	\$ 222,469,147	\$ 232,737,396	\$ 265,538,822	\$ 282,661,800	\$ 316,788,318
10,466,659	11,583,505	12,575,734	13,604,213	14,797,314	17,466,367
554,519	639,331	760,001	906,614	475,839	532,949
8,390,490	9,649,790	10,393,455	11,203,532	12,244,933	12,463,420
85,715	38,554	68,996	1,556,533	1,876,868	4,203,604
-	-	3,902,609	3,916,335	4,078,093	4,303,249
5,581,447	6,830,825	6,020,558	6,891,706	6,312,380	6,300,670
57,695,380	61,203,456	73,935,111	61,227,625	63,768,538	51,061,211
4,835,600	5,397,619	5,402,497	5,635,253	5,637,318	5,954,555
-	-	-	-	-	-
3,172,498	3,205,307	3,261,096	3,373,313	3,435,924	3,456,332
1,185,965	1,014,120	1,193,205	1,036,753	1,318,335	1,218,600
314,708	474,378	1,193,149	1,350,313	2,094,887	2,420,509
798,632	874,855	2,124,898	2,682,316	2,480,955	2,061,492
11,618,553	11,041,016	11,462,839	10,923,247	11,148,542	10,506,954
-	-	3,308,404	3,399,479	3,449,718	3,364,608
317,998,496	334,421,903	368,339,948	393,246,054	415,781,444	442,102,838
138,803,749	147,962,035	153,657,447	161,240,464	165,136,756	174,569,011
48,355,374	51,208,372	54,275,508	55,598,390	56,177,077	59,345,228
11,059,003	12,240,626	12,726,343	12,988,596	13,641,261	15,984,302
11,261,483	12,512,844	13,551,009	13,673,608	15,052,235	15,467,009
19,527,725	20,442,615	21,750,812	22,490,479	23,395,287	24,135,687
21,315,547	22,312,345	22,950,430	23,362,058	24,429,867	30,581,432
11,255,337	12,030,563	12,210,790	13,076,272	13,064,692	13,539,572
3,014,889	3,030,421	3,562,599	3,830,105	4,537,316	4,355,610
3,098,198	3,773,977	3,892,155	4,063,248	4,179,456	4,412,421
11,505,688	17,696,836	13,467,695	14,377,750	15,952,518	12,466,227
141,375	3,053	7,821,082	8,324,680	8,353,744	8,645,754
5,019,007	5,478,236	5,969,646	6,388,203	6,466,584	6,924,930
12,250,000	12,790,000	13,370,000	14,001,432	19,648,553	22,684,533
15,882,292	15,312,930	14,709,074	26,949,772	23,265,293	35,154,085
-	-	913,732	-	988,286	-
12,291,962	5,195,630	6,275,843	69,822,398	158,383,576	136,346,885
324,781,629	341,990,483	361,104,165	450,187,455	552,672,501	564,612,686
-	-	-	-	-	-
310,323	4,773,712	495,830	222,511	109,068	217,309
-	-	-	1,117,800	1,855,550	-
6,072,727	5,038,558	6,086,810	6,334,746	6,849,695	9,248,563
(6,525,529)	(5,443,575)	(6,086,810)	(6,334,746)	(6,849,695)	(9,248,563)
-	-	250,000,000	-	283,740,000	-
-	-	30,812,900	-	36,995,651	-
-	-	-	-	(100,997,370)	-
(142,479)	4,368,695	281,308,730	1,340,311	221,702,899	217,309
(6,925,612)	(3,199,885)	288,544,513	(55,601,090)	84,811,842	(122,292,539)
65,327,737	58,402,125	55,232,107	343,776,620	288,175,530	372,987,372
\$ 58,402,125	\$ 55,202,240	\$ 343,776,620	\$ 288,175,530	\$ 372,987,372	\$ 250,694,833
9.11%	8.27%	7.84%	10.69%	11.00%	13.16%

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		
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
2018	3,463,362,884	2,339,997,347	853,748,209	6,657,108,440	47.780

* 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
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%
60,525,069,082	9.0918	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
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%
2017	2018*	318,076,641	312,944,753	98.39%	183,882	313,128,635	98.44%

* Collections through July 31, 2018

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)

	2009	2010	2011	2012
Boulder Valley School District RE-2				
General Fund				
School Finance Act (*)	25.023	25.023	25.023	25.023
Budget Election	6.977	6.695	11.338	12.096
Abatements and Refunds	0.125	0.220	0.186	0.181
Subtotal General Fund	32.125	31.938	36.547	37.300
Operations and Technology Fund (**)	-	-	-	-
Transportation Fund	1.559	1.496	1.500	1.544
Bond Redemption Fund	5.429	6.565	5.791	5.999
Total Boulder Valley School District RE-2	39.113	39.999	43.838	44.843
Boulder County	23.067	23.667	24.645	24.645
Cities and Towns				
Boulder	9.841	10.295	10.818	11.981
Broomfield	28.968	28.968	28.968	28.968
Lafayette	15.515	15.009	14.334	14.387
Louisville	6.710	6.710	6.710	6.710
Jamestown	21.000	21.000	21.000	21.000
Nederland	15.051	14.883	15.156	16.527
Superior	8.050	8.050	9.480	9.480
Ward	2.792	3.480	3.399	3.700
	107.927	108.395	109.865	112.753
Special Districts (Ranges)	.528 to 74.771	.508 to 79.366	.523 to 80.420	.566 to 78.265
Fire Districts (Ranges)	2.500 to 15.256	2.500 to 15.192	2.500 to 15.130	2.500 to 15.454
Water/Sanitation Districts (Ranges)	.194 to 22.755	.184 to 22.283	.184 to 17.545	.184 to 17.746

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

2013	2014	2015	2016	2017	2018
25.023	25.023	25.023	25.023	25.023	25.023
12.620	12.576	13.012	11.348	11.473	10.416
0.354	0.492	0.526	0.311	0.513	0.440
<u>37.997</u>	<u>38.091</u>	<u>38.561</u>	<u>36.682</u>	<u>37.009</u>	<u>35.879</u>
-	-	-	-	1.709	2.709
1.543	1.489	1.482	1.247	1.248	1.097
<u>6.007</u>	<u>5.792</u>	<u>7.526</u>	<u>7.885</u>	<u>8.995</u>	<u>8.095</u>
45.547	45.372	47.569	45.814	48.961	47.780
24.645	25.120	24.794	22.624	24.064	22.726
11.981	11.981	11.981	11.981	11.981	11.981
28.968	28.968	28.968	28.968	28.968	28.968
14.379	14.368	16.331	16.039	17.228	16.879
6.710	6.710	6.710	6.710	6.710	8.869
18.500	18.500	18.500	25.200	25.200	25.200
16.917	17.274	17.274	17.274	17.274	17.274
9.430	9.430	9.430	9.430	9.430	9.430
3.800	3.800	4.325	3.700	3.855	3.866
<u>110.685</u>	<u>111.031</u>	<u>113.519</u>	<u>119.302</u>	<u>120.646</u>	<u>122.467</u>
.599 to 80.965	.608 to 76.663	.632 to 73.479	.553 to 39.196	.559 to 39.196	.500 to 47.695
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	2.500 to 20.445
.184 to 17.743	.184 to 18.506	.184 to 25.374	.156 to 22.446	.156 to 23.429	.156 to 18.029



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Boulder Valley School District RE-2

Table 8

PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago

(Unaudited)

Taxpayer	2018			2009		
	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
Public Service Co of Colorado	1	103,572,127	1.56%	1	56,900,230	1.22%
Oracle America Inc	2	51,737,030	0.78%			
Flatiron Property Holding LLC	3	49,648,070	0.75%			
Level 3 Communications, LLC	4	44,387,030	0.67%	4	32,674,170	0.70%
IBM Corporation	5	38,197,096	0.61%			
GPIF Flatiron Business Park LLC	6	38,093,192	0.57%			
Ball Corporation	7	33,181,936	0.50%	8	18,131,840	0.39%
Qwest Corporation	8	30,986,255	0.47%	3	35,179,440	0.75%
Charlotte Ball Seymour Childrens Trust	9	29,506,311	0.44%			
Ten Eleven Pearl LLC	10	23,322,517	0.35%			
Flatiron Holding LLC				2	49,158,960	1.05%
Macerich Twenty ninth Street LLC				5	25,046,570	0.53%
Roche Colorado Corporation				6	21,401,190	0.46%
Sun Microsystems Inc				7	18,365,170	0.39%
Sun Microsystems				9	17,545,000	0.37%
DDR Flatirons LLC				10	15,407,220	0.33%
Subtotal		<u>442,631,564</u>	<u>6.69%</u>		<u>289,809,790</u>	<u>6.19%</u>
Remaining Assessed Valuation		<u>6,214,476,876</u>	<u>93.35%</u>		<u>4,391,797,846</u>	<u>93.80%</u>
Total Assessed Valuation		<u>\$ 6,657,108,440</u>	<u>100.00%</u>		<u>\$ 4,681,607,636</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**
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%	1,206
2013	356,354,757	-	-	356,354,757	2.06%	1,150
2014	342,645,466	-	-	342,645,466	1.85%	1,094
2015	609,200,710	-	-	609,200,710	3.17%	1,912
2016	593,639,485	-	951,368	594,590,853	2.90%	1,847
2017	792,965,939	-	2,383,365	795,349,304	3.67%	2,443
2018	767,165,404	-	1,963,832	769,129,236	3.35%	2,336

* 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**
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	1,073
2014	342,645,466	23,855,100	318,790,366	0.775817538	1,018
2015	609,200,710	30,679,879	578,520,831	1.397002231	1,816
2016	593,639,485	36,914,447	556,725,038	1.130484683	1,729
2017	792,965,939	43,885,243	749,080,696	1.510003600	2,301
2018	767,165,404	42,712,366	724,453,038	1.196947065	2,201

* 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 936,321,527	\$ 975,733,037	\$ 973,092,819	\$ 945,587,693	\$ 946,419,725
Debt Applicable To Limit	<u>397,400,000</u>	<u>385,285,000</u>	<u>374,280,000</u>	<u>362,535,000</u>	<u>350,285,000</u>
Legal Debt Margin	<u>\$ 538,921,527</u>	<u>\$ 590,448,037</u>	<u>\$ 598,812,819</u>	<u>\$ 583,052,693</u>	<u>\$ 596,134,725</u>
Total Debt Applicable As A Percentage Of Debt Limit	42.44%	39.49%	38.46%	38.34%	37.01%

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

Table 11

\$ 6,657,108,440

20.00%

1,331,421,688

703,570,000\$ 627,851,688

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 980,614,194	\$ 985,403,508	\$ 1,170,473,434	\$ 1,169,950,304	\$ 1,331,421,688
<u>337,495,000</u>	<u>574,125,000</u>	<u>560,290,000</u>	<u>725,835,000</u>	<u>703,570,000</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>	<u><u>\$ 627,851,688</u></u>
34.42%	58.26%	47.87%	62.04%	52.84%

Boulder Valley School District RE-2
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
June 30, 2018

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	150,000	100.00%	150,000
Boulder Central Area General Improvement District	5,540,000	100.00%	5,540,000
City of Boulder	23,805,000	100.00%	23,805,000
City of Lafayette	24,135,000	100.00%	24,135,000
City of Louisville	30,301,712	100.00%	30,301,712
Colorado Tech Center Metropolitan District	6,870,000	100.00%	6,870,000
East Boulder County Water District	525,000	100.00%	525,000
Interlocken Consolidated Metropolitan District	84,843,000	100.00%	84,843,000
Lafayette City Center General Improvement District	70,000	100.00%	70,000
Lafayette Corp Campus General Improvement District	2,030,000	100.00%	2,030,000
Lafayette Tech Center General Improvement District	1,720,000	100.00%	1,720,000
Nederland Community Library District	1,557,400	100.00%	1,557,400
North Metro Fire Rescue District	17,565,000	20.88%	3,667,572
Pine Brook Water District	3,656,220	100.00%	3,656,220
Rocky Mountain Fire	6,585,000	100.00%	6,585,000
Sugar Loaf Fire Protection District	188,514	100.00%	188,514
Superior/McCaslin Interchange District	2,205,000	100.00%	2,205,000
Superior Metropolitan District #2	622,000	100.00%	622,000
Superior Metropolitan District #3	296,000	100.00%	296,000
Town of Erie	16,240,000	1.96%	318,304
Town of Nederland	430,000	100.00%	430,000
Subtotal Overlapping Debt			199,515,722
School District Direct Debt (1)			769,129,236
Total Direct and Overlapping Debt			\$ 968,644,958

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, 2018
- (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)
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	300,171	15,564	51,764	28,148.8	6.500%
2012	305,016	16,604	54,341	28,317.5	6.200%
2013	309,971	17,308	55,705	28,538.3	6.100%
2014	313,190	18,492	58,917	28,959.2	5.200%
2015	318,570	19,233	60,220	29,398.3	3.500%
2016	321,989	20,528	63,707	29,702.0	2.900%
2017	325,607	21,698	66,415	29,673.2	2.000%
2018	329,211	22,935	69,239	29,822.3	2.700%

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

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

*** Boulder Valley School District RE-2

Note: (1) Amounts are for Boulder County



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Boulder Valley School District RE-2

Table 14

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

(Unaudited)

Employer	2018			2009		
	Rank	Number of Employees	Percentage of Total County Employment	Rank	Number of Employees	Percentage of Total County Employment
University of Colorado	1	7,531	3.36%	1	6,902	3.87%
St. Vrain Valley School District	2	4,661	2.08%	3	3,600	2.02%
Boulder Valley School District	3	4,381	1.95%	2	4,042	2.26%
Ball Corporation (including Ball Aerospace)	4	3,730	1.66%	6	3,100	1.74%
SCL Health System	5	2,980	1.33%			
Level 3 Communications, Inc.	6	2,440	1.09%	9	2,100	1.18%
Boulder County	7	2,008	0.89%			
Oracle	8	2,000	0.89%			
International Business Machines	9	1,800	0.80%	4	3,400	1.90%
Good Samaritan Medical Center	10	1,600	0.71%			
Sun Microsystems, Inc.				5	3,400	1.90%
State of Colorado				7	2,881	1.61%
Boulder Community Hospital				8	2,374	1.33%
Medtronic Surgical Technologies (formerly Covidien)				10	1,750	0.98%
Subtotal		33,131	14.76%		33,549	18.79%
Other Employers		191,261	85.24%		144,956	81.21%
Total		224,392	100.00%		178,505	100.00%

Source: BizWest 2018 Book of Lists and Colorado Department of Labor

Boulder Valley School District RE-2

DISTRICT EMPLOYEES - FULL TIME EQUIVALENTS

Last Ten Fiscal Years

(Unaudited)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Administrators					
Superintendent	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	13.80	12.30	10.50	10.60	11.80
Non-Instructional Director	18.90	17.50	17.30	16.60	16.80
Instructional Director	14.04	15.57	15.02	13.00	11.61
Principal	54.40	54.80	54.80	52.50	52.50
Assistant Principal	40.70	38.70	37.60	41.10	41.10
Instructional Program Coord.	2.00	2.00	2.48	5.60	5.83
Non-Instructional Program Coord.	-	-	-	3.77	2.90
Subtotal	<u>144.84</u>	<u>141.87</u>	<u>138.70</u>	<u>144.17</u>	<u>143.54</u>
Professional-Instructional					
Teacher, Regular	1,549.50	1,517.40	1,490.20	1,493.00	1,503.90
Teacher, Special Education	178.60	180.16	172.87	191.57	188.68
Teacher, Title I	15.70	18.90	21.80	22.70	18.50
Counselor	68.20	61.80	54.80	66.00	64.20
Curriculum Specialist Consultant	9.60	4.70	4.10	3.50	3.90
Dean	4.70	3.00	2.10	2.00	2.40
Education Diagnostician	4.60	2.76	-	-	-
Instructional Program Consultant	1.00	1.25	-	2.00	2.00
Librarian/Media Consultant	42.60	41.60	40.30	39.00	37.80
Teacher Mentor	49.20	48.90	45.77	45.98	33.90
Behavioral Specialist	-	-	-	-	-
Interventionist	-	-	-	-	-
Audiologist	2.06	1.98	1.50	1.29	1.50
Licensed Practical Nurse	-	-	-	-	-
Registered Nurse	14.91	14.73	12.60	14.86	15.11
Occupational Therapist	15.03	15.13	14.30	15.43	15.57
Physical Therapist	1.76	2.06	2.00	2.30	2.30
Psychologist	46.66	25.81	26.04	28.80	24.32
Social Worker	24.47	21.63	18.60	18.71	16.90
Speech-Language Pathologist	34.62	29.73	36.26	37.99	44.36
Subtotal	<u>2,063.21</u>	<u>1,991.54</u>	<u>1,943.24</u>	<u>1,985.13</u>	<u>1,975.34</u>
Professional-Other	132.75	132.36	130.46	134.56	138.18
Paraprofessionals	757.90	727.88	686.77	708.69	668.55
Office/Administrative Support	268.70	254.77	241.58	238.32	253.92
Crafts, Trades, and Services					
Bus Driver	198.00	196.10	190.60	176.90	178.90
Food Service Workers	84.50	100.60	91.80	81.70	89.20
Custodian	155.70	160.30	150.70	145.70	150.90
Maintenance Workers	95.90	92.10	88.60	88.60	84.10
Subtotal	<u>534.10</u>	<u>549.10</u>	<u>521.70</u>	<u>492.90</u>	<u>503.10</u>
Total	<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>	<u><u>3,682.63</u></u>

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

Table 15

2014	2015	2016	2017	2018
1.00	1.00	1.00	1.00	1.00
10.80	11.80	15.40	15.66	14.62
15.90	16.30	23.30	24.36	25.11
12.90	15.90	16.80	13.21	17.50
54.20	54.70	55.30	56.44	56.35
41.40	41.00	40.40	43.06	43.97
3.90	3.90	2.90	2.92	3.48
3.10	2.10	2.10	2.13	2.13
<u>143.20</u>	<u>146.70</u>	<u>157.20</u>	<u>158.78</u>	<u>164.16</u>
1,484.60	1,479.10	1,483.50	1,504.04	1,514.33
187.53	185.97	183.60	182.86	189.54
18.80	14.70	13.30	12.87	13.02
57.30	63.10	61.00	62.87	73.56
8.60	7.80	9.80	8.61	8.33
2.20	3.00	3.10	1.50	1.00
-	-	-	7.80	5.00
-	-	-	1.00	-
40.10	41.00	40.80	41.04	42.45
34.20	42.20	46.20	46.80	41.90
-	2.55	2.16	3.63	5.00
-	-	-	-	2.60
1.50	1.50	1.60	1.61	1.99
0.46	0.73	0.81	-	-
13.90	12.18	14.76	16.67	21.53
14.81	14.64	14.78	14.25	16.28
2.30	2.30	2.40	2.40	2.54
21.01	20.78	20.30	20.28	23.48
18.50	15.87	14.90	12.27	13.97
42.02	45.00	44.14	45.43	47.97
<u>1,947.83</u>	<u>1,952.42</u>	<u>1,957.15</u>	<u>1,985.93</u>	<u>2,024.49</u>
135.10	140.60	145.60	148.76	155.26
634.46	651.48	644.93	586.80	583.02
250.88	255.50	248.80	251.72	269.33
165.90	165.80	193.00	153.30	145.24
91.00	98.00	101.40	83.14	89.56
149.20	149.80	145.10	151.91	160.04
87.30	86.80	81.10	81.60	86.39
<u>493.40</u>	<u>500.40</u>	<u>520.60</u>	<u>469.95</u>	<u>481.23</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>	<u><u>3,677.49</u></u>

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2009	2010	2011	2012	2013	2014	2015
<u>Elementary Schools</u>							
Bear Creek							
Square Feet	39,549	39,549	54,579	54,579	54,579	54,579	54,579
Capacity	350	350	355	475	478	478	478
Enrollment	362	352	367	378	391	414	417
Birch							
Square Feet	44,714	44,714	51,192	51,192	51,192	51,192	51,192
Capacity	463	440	405	436	453	453	453
Enrollment	448	426	443	401	352	359	383
BCSIS							
Square Feet	25,922	31,745	31,745	31,745	31,745	31,745	31,745
Capacity	230	280	280	312	301	301	301
Enrollment	290	284	300	295	294	294	307
Coal Creek							
Square Feet	53,916	53,916	52,476	57,305	57,305	57,305	57,305
Capacity	465	485	490	496	555	555	555
Enrollment	470	448	464	467	453	431	427
Columbine							
Square Feet	48,078	50,938	68,294	68,787	68,787	68,787	68,787
Capacity	431	431	455	579	603	603	603
Enrollment	379	398	410	453	462	480	496
Community Montessori							
Square Feet	42,583	42,588	42,588	42,588	42,588	42,588	42,588
Capacity	200	280	280	287	367	367	367
Enrollment	225	237	251	258	250	255	270
Creekside							
Square Feet	46,976	46,976	50,661	50,661	50,661	50,661	50,843
Capacity	316	334	441	484	505	505	505
Enrollment	344	345	348	353	335	340	333
Crest View							
Square Feet	67,266	66,884	66,884	66,884	66,884	66,884	66,884
Capacity	530	595	670	685	674	674	674
Enrollment	532	594	627	625	617	607	586
Douglass							
Square Feet	54,772	54,901	54,901	59,705	57,966	57,966	59,836
Capacity	435	480	480	491	504	504	504
Enrollment	409	423	430	433	461	478	463
Eisenhower							
Square Feet	53,601	53,601	59,525	59,525	59,525	59,525	59,525
Capacity	525	555	580	613	653	653	653
Enrollment	453	445	474	453	411	404	405
Emerald							
Square Feet	56,300	56,300	62,542	62,573	62,573	62,573	62,573
Capacity	377	413	473	454	484	484	484
Enrollment	386	370	345	341	327	335	376
Fireside							
Square Feet	60,307	60,307	60,307	61,486	61,486	61,486	61,486
Capacity	440	465	515	475	576	576	576
Enrollment	418	437	445	464	470	456	458
Flatirons							
Square Feet	33,469	43,857	43,857	43,857	43,857	43,857	43,857
Capacity	320	305	325	337	339	339	339
Enrollment	288	272	279	306	295	307	290
Foothill							
Square Feet	57,819	75,951	76,021	76,021	76,021	76,021	76,021
Capacity	510	610	610	644	648	648	648
Enrollment	528	572	564	583	569	574	545

Table 16

2016	2017	2018
54,579	54,579	54,579
478	492	492
441	438	448
51,192	52619	52619
453	418	418
407	408	415
31,745	31,745	31,745
301	295	295
301	309	304
57,305	57,305	57,305
555	565	565
426	417	416
68,787	68,787	68,787
603	615	615
531	536	531
42,588	42,588	42,588
367	417	392
262	251	248
50,843	50,843	52,690
505	492	369
332	319	311
66,884	66,884	66,884
674	664	664
580	606	582
59,836	56333	58985
504	492	467
473	448	426
59,525	59,525	59,525
653	590	590
398	418	385
62,573	62,573	62,264
484	541	393
380	388	402
61,486	61,486	61,486
576	492	516
453	469	453
43,857	43,857	43,857
339	320	320
274	254	245
76,021	76,021	76,021
648	615	664
547	541	493

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2009	2010	2011	2012	2013	2014	2015
<u>Elementary Schools (continued)</u>							
Gold Hill							
Square Feet	3,316	3,316	3,316	3,316	3,293	3,293	3,293
Capacity	41	41	36	37	41	41	41
Enrollment	25	21	29	26	29	23	27
Heatherwood							
Square Feet	52,016	51,975	60,797	60,797	60,797	60,797	60,797
Capacity	321	440	540	552	555	555	555
Enrollment	382	363	385	381	378	390	384
High Peaks							
Square Feet	24,521	32,983	32,983	32,983	32,983	32,983	32,983
Capacity	240	280	280	312	301	301	301
Enrollment	301	311	306	303	299	297	297
Jamestown							
Square Feet	5,030	5,030	5,030	5,030	5,032	5,032	5,032
Capacity	18	18	18	19	21	21	21
Enrollment	21	27	25	21	20	21	15
Kohl							
Square Feet	54,113	54,113	57,417	57,417	57,417	57,417	57,417
Capacity	480	490	490	521	525	525	525
Enrollment	488	478	498	473	506	485	487
Lafayette							
Square Feet	67,638	62,208	62,203	62,203	62,203	62,203	62,203
Capacity	350	492	555	623	628	628	628
Enrollment	534	603	636	606	619	583	590
Louisville							
Square Feet	57,018	57,018	63,034	63,034	63,034	63,034	63,034
Capacity	460	485	535	572	628	628	651
Enrollment	440	459	502	540	572	600	584
Mapleton Early Childhood Center							
Square Feet	na	na	na	na	na	21,387	21,387
Capacity	na	na	na	na	na	na	na
Enrollment	na	na	na	na	na	41	70
Mesa							
Square Feet	45,670	45,670	54,963	55,195	55,195	55,195	55,195
Capacity	315	375	385	485	494	494	494
Enrollment	384	365	378	371	352	341	330
Nederland							
Square Feet	61,470	61,470	61,470	61,470	61,470	61,470	61,470
Capacity	355	375	405	432	468	468	468
Enrollment	307	278	287	280	280	282	285
Pioneer							
Square Feet	72,398	72,398	74,874	74,864	74,864	74,864	74,864
Capacity	348	419	391	477	525	525	525
Enrollment	429	433	423	422	419	448	473
Ryan							
Square Feet	49,398	49,398	55,075	55,075	55,075	55,075	55,075
Capacity	357	377	460	512	530	530	530
Enrollment	406	422	419	443	454	408	410
Sanchez							
Square Feet	49,887	49,900	55,320	55,320	55,320	55,320	55,320
Capacity	334	266	294	301	330	330	330
Enrollment	278	286	295	330	320	321	359
Superior							
Square Feet	69,765	69,725	69,673	71,480	71,480	71,480	71,480
Capacity	500	505	505	521	525	525	525
Enrollment	664	635	591	573	553	556	505
University Hill							
Square Feet	68,696	67,276	69,701	69,701	69,701	69,701	69,701
Capacity	375	402	427	426	474	474	474
Enrollment	321	338	358	385	366	419	427

Table 16
(continued)

2016	2017	2018
3,293	3,293	3,293
41	49	49
26	26	19
60,797	60,797	60,797
555	516	516
385	379	346
32,983	32,983	32,983
301	295	295
314	305	307
5,032	5,032	5,032
21	25	25
18	19	17
57,417	57,417	57,417
525	565	565
481	479	446
62,203	62,203	62,203
628	639	639
592	655	485
63,034	63,034	63,034
651	639	639
582	569	551
21,387	21,387	21,387
na	na	na
70	75	79
55,195	55,195	55,195
494	467	467
320	287	271
61,470	61,470	61,470
468	467	467
276	278	273
74,864	74,864	74,864
525	541	541
480	469	477
55,075	55,075	55,075
530	516	492
417	458	482
55,320	55,320	55,320
330	369	393
379	405	401
71,480	71,480	71,480
525	516	516
486	465	457
69,701	69,701	69,701
474	565	565
436	449	443

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2009	2010	2011	2012	2013	2014	2015
<u>Elementary Schools (continued)</u>							
Whittier							
Square Feet	35,122	35,123	46,517	46,517	46,517	46,517	46,517
Capacity	325	325	380	371	412	412	412
Enrollment	347	334	369	394	401	389	396
<u>Middle Schools</u>							
Angevine							
Square Feet	121,676	121,676	121,676	121,961	121,961	121,961	121,953
Capacity	906	902	946	968	962	962	962
Enrollment	546	581	545	587	573	611	662
Broomfield Heights							
Square Feet	107,385	107,239	107,239	111,379	111,379	111,379	111,379
Capacity	914	932	932	935	935	935	935
Enrollment	536	530	526	561	531	552	550
Casey							
Square Feet	84,007	44,923	109,072	109,072	109,072	109,072	109,072
Capacity	535	521	743	743	743	743	743
Enrollment	292	349	440	546	582	608	607
Centennial							
Square Feet	99,556	99,515	99,515	117,772	117,772	117,772	117,772
Capacity	772	750	750	750	750	750	750
Enrollment	596	627	562	554	548	581	595
Louisville							
Square Feet	74,206	101,483	101,483	101,483	101,483	101,483	101,483
Capacity	651	669	669	673	691	691	691
Enrollment	548	569	603	623	632	631	633
Manhattan							
Square Feet	83,572	93,632	93,542	93,542	93,551	93,551	93,551
Capacity	618	638	642	642	642	642	642
Enrollment	455	498	468	466	487	547	543
Platt							
Square Feet	117,573	81,495	117,552	123,958	123,958	123,958	123,958
Capacity	707	888	827	860	860	860	860
Enrollment	540	546	533	502	510	510	557
Southern Hills							
Square Feet	70,194	98,342	98,340	98,340	98,340	98,340	98,340
Capacity	503	701	701	701	683	683	683
Enrollment	496	539	545	535	542	550	560
<u>High Schools</u>							
Boulder							
Square Feet	218,717	245,772	245,971	245,971	245,971	245,971	245,971
Capacity	1900	1900	1900	1900	1900	1900	1900
Enrollment	1808	1786	1775	1790	1846	1938	1978
Broomfield							
Square Feet	218,163	240,535	240,535	240,535	240,535	240,535	240,535
Capacity	1606	1805	1805	1805	1762	1762	1762
Enrollment	1388	1401	1437	1329	1401	1429	1498
Centaurus							
Square Feet	198,329	194,687	194,687	194,687	194,687	194,687	194,687
Capacity	1581	1874	1874	1874	1874	1874	1874
Enrollment	1135	1092	1029	1008	999	1013	1020
Fairview							
Square Feet	256,392	262,019	264,007	264,007	264,007	264,007	264,007
Capacity	1840	1958	1990	1990	1996	1996	1996
Enrollment	1903	1913	1971	2065	2132	2118	2169
Monarch							
Square Feet	230,134	233,909	233,909	241,819	241,823	241,823	241,823
Capacity	1728	1728	1728	1728	1833	1833	1833
Enrollment	1508	1511	1527	1514	1576	1626	1653

Table 16
(continued)

2016	2017	2018
46,518	47613	47613
412	418	418
415	424	381
121,953	121,953	121,953
962	950	950
725	709	670
111,379	111,379	111,379
935	906	888
547	520	545
109,072	109,072	109,072
743	725	725
632	652	669
117,772	117,772	117,772
750	732	732
630	628	646
101,483	101,483	101,483
691	710	710
621	642	659
93,551	93,551	103,646
642	690	690
493	458	488
123,958	123,958	123,958
860	875	962
602	638	627
98,340	98,340	98,340
683	671	671
555	559	554
245,971	245,971	245,971
1900	1987	1987
1979	1981	2050
240,535	240,535	240,535
1762	1778	1778
1548	1595	1574
194,687	194,687	194,687
1874	1833	1790
1079	1127	1220
264,007	264,007	264,007
1996	2052	2052
2183	2165	2223
241,823	241,823	241,823
1833	1861	1861
1749	1708	1717

Boulder Valley School District RE-2

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	2009	2010	2011	2012	2013	2014	2015
<u>High Schools (continued)</u>							
New Vista							
Square Feet	76,668	76,668	76,668	77,966	77,966	77,966	77,966
Capacity	659	659	659	654	654	654	654
Enrollment	324	317	299	309	301	280	294
<u>Combination Schools</u>							
Aspen Creek K-8							
Square Feet	115,919	115,919	115,919	122,127	122,127	122,127	122,127
Capacity	969	892	919	990	1015	1015	1015
Enrollment	913	921	916	929	917	942	961
Eldorado K-8							
Square Feet	117,336	120,210	120,207	123,343	123,343	123,343	123,343
Capacity	876	926	926	1003	1006	1006	1006
Enrollment	967	983	987	972	991	958	987
Halcyon							
Square Feet	8,736	10,163	10,163	10,163	10,163	10,163	10,163
Capacity	na	na	na	na	na	na	na
Enrollment	6	27	24	21	21	18	19
Meadowlark							
Square Feet	na	na	na	na	na	na	na
Capacity	na	na	na	na	na	na	na
Enrollment	na	na	na	na	na	na	na
Monarch K-8							
Square Feet	108,802	108,802	108,802	114,491	114,491	114,491	114,491
Capacity	766	856	904	926	933	933	933
Enrollment	769	748	790	814	844	858	888
Nederland Middle/Senior							
Square Feet	97,080	97,080	97,080	97,080	102,168	102,168	102,168
Capacity	650	674	630	718	718	718	718
Enrollment	457	340	333	299	270	284	290
<u>Vocational/Technical Schools</u>							
Arapahoe Ridge High School							
Square Feet	129,579	130,707	152,954	152,954	152,146	152,146	152,146
Capacity	925	981	1099	1099	1062	1062	1062
Enrollment	199	175	204	200	147	130	132
<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	117	117	117
Enrollment	131	158	142	122	117	107	94
Horizons K-8 School							
Square Feet	30,814	30,810	30,814	43,426	52,009	52,009	52,009
Capacity	342	404	404	440	414	414	414
Enrollment	324	325	332	332	340	348	347
Peak To Peak K-12 School							
Square Feet	116,679	134,284	139,990	139,990	139,990	139,990	139,990
Capacity	na	na	na	na	1444	1444	1444
Enrollment	1405	1425	1443	1446	1444	1445	1444
Summit Middle School							
Square Feet	52,434	49,934	49,935	49,935	49,944	49,944	49,936
Capacity	337	480	493	493	493	493	493
Enrollment	319	324	336	334	339	342	349
Justice High 6-12 School							
Square Feet	2,409	2,409	6,590	6,590	6,590	6,590	6,590
Capacity	na	na	na	na	91	91	91
Enrollment	97	129	111	96	91	115	76

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

Source: Boulder Valley School District RE-2

Table 16
(continued)

2016	2017	2018
77,966	77,966	77,966
654	680	680
296	292	304
122,127	122,127	123,275
1015	949	949
933	927	932
123,343	123,343	129,318
1006	937	937
957	916	880
10,163	10,163	10,163
na	na	na
18	17	12
na	na	105,173
na	na	746
na	na	454
114,491	114,491	114,491
933	951	903
880	881	821
102,168	102,168	102,168
718	701	654
273	261	242
152,146	152,797	152,797
1062	602	602
139	90	100
48408	48408	48408
117	160	160
109	104	80
52,009	52,009	52,009
414	348	373
348	347	348
179,258	179,258	179,258
1444	1444	1444
1446	1444	1445
45,609	58,750	58,750
493	360	325
353	354	357
6,590	9,680	9,680
91	95	95
80	82	79

Boulder Valley School District RE-2

TEACHER STATISTICS

Last Ten School Years

(Unaudited)

	2009	2010	2011	2012	2013
Number of Teachers by Education Level					
Bachelor's Degree	151	141	144	137	132
Bachelor's Degree + 12 Hours	72	66	63	70	63
Bachelor's Degree + 24 Hours	62	58	56	53	55
Bachelor's Degree + 36 Hours	72	64	52	44	47
Bachelor's Degree + 48 Hours	247	233	217	216	201
Master's Degree	453	450	450	467	459
Master's Degree + 12 Hours	190	204	198	207	202
Master's Degree + 24 Hours	159	152	142	151	152
Master's Degree + 36 Hours	142	126	132	154	152
Master's Degree + 48 Hours	395	387	413	411	409
Master's Degree + 60 Hours	-	-	-	-	-
Doctorate	43	40	42	45	38
Other	5	4	4	3	15
Total	1,991	1,925	1,913	1,958	1,925
Average Teacher Pay by Education Level					
Bachelor's Degree	35,858	36,587	37,280	38,096	42,338
Bachelor's Degree + 12 Hours	38,946	44,281	42,411	42,170	47,234
Bachelor's Degree + 24 Hours	43,058	44,500	44,701	47,842	49,315
Bachelor's Degree + 36 Hours	44,033	48,101	46,883	46,682	51,771
Bachelor's Degree + 48 Hours	52,484	55,448	56,109	56,472	60,979
Master's Degree	47,307	51,033	51,143	50,470	55,473
Master's Degree + 12 Hours	50,784	54,896	54,988	56,963	63,676
Master's Degree + 24 Hours	55,917	59,145	61,192	60,165	65,841
Master's Degree + 36 Hours	56,713	62,768	61,602	61,704	66,512
Master's Degree + 48 Hours	65,072	70,096	69,845	69,924	73,997
Master's Degree + 60 Hours	-	-	-	-	-
Doctorate	63,710	65,547	68,594	68,211	74,199
Other*	64,609	63,248	63,248	62,089	43,269

*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

2014	2015	2016	2017	2018
118	108	105	104	96
52	50	46	47	51
48	46	41	39	38
46	61	64	64	59
155	132	112	82	66
383	404	405	392	377
201	181	196	196	211
170	166	152	165	170
161	155	150	142	146
190	175	175	166	158
345	425	465	505	544
40	50	55	54	58
2	1	1	1	1
1,911	1,954	1,967	1,957	1,975
44,511	43,397	43,225	40,480	48,237
49,219	47,171	49,655	47,934	50,887
52,454	53,521	51,034	54,100	55,882
52,806	53,285	54,118	53,090	57,764
64,829	68,002	70,065	69,513	73,268
59,475	61,211	61,408	60,397	65,017
65,249	67,137	67,727	66,384	70,453
69,071	71,331	71,670	70,662	74,809
70,632	74,261	75,938	75,435	78,784
77,767	81,922	83,933	82,535	87,397
81,869	85,999	88,800	89,400	93,573
82,048	83,184	85,868	85,493	92,910
65,745	61,899	63,632	64,396	66,199

Boulder Valley School District RE-2

MISCELLANEOUS STATISTICAL DATA

Last Ten School Years

(Unaudited)

	2009	2010	2011	2012
Student Teacher Ratio*				
Elementary	15.45	15.60	16.37	16.27
Combination	17.23	16.72	17.43	17.49
Middle	15.90	16.97	17.18	17.43
Senior	18.45	18.71	19.28	19.33
Governmental Activities Expenses	\$ 289,549,755	\$ 294,156,553	\$ 306,813,347	\$ 319,692,074
Cost Per Student	\$ 10,118	\$ 10,200	\$ 10,464	\$ 10,821
Enrollment Data**				
Student Full Time Equivalent				
Elementary	11,658.2	11,716.8	12,029.8	12,055.5
Middle	6,356.0	6,576.0	6,536.0	6,671.0
Senior	9,142.0	9,128.0	9,324.5	9,305.0
Other	299.0	252.5	258.5	286.0
Total	27,455.2	27,673.3	28,148.8	28,317.5
Total Enrollment				
K-12 Enrollment	28,171.0	28,344.0	28,815.0	28,986.0
Pre-K Enrollment	445.0	494.0	505.0	558.0
Total	28,616.0	28,838.0	29,320.0	29,544.0
Number of Students Eligible to Receive School Lunches Free Or At Reduced Cost				
Elementary	2,529	2,473	2,646	2,714
Combination	207	256	317	342
Middle	864	893	946	1,033
Senior	1,101	1,025	1,177	1,223
Total	4,701	4,647	5,086	5,312
Percent of Students Receiving Free or Reduced Cost Meals	16.43%	16.11%	17.35%	17.98%

* 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

2013	2014	2015	2016	2017	2018
16.44	16.76	17.22	17.37	17.55	17.06
18.61	18.54	19.42	18.97	18.07	17.83
17.01	17.77	17.86	18.29	18.10	18.14
19.48	19.79	20.24	20.46	19.76	20.03
\$ 319,005,007	\$ 343,751,369	\$ 387,709,725	\$ 428,863,567	\$ 643,653,131	\$ 722,915,882
\$ 10,734	\$ 11,403	\$ 12,684	\$ 13,890	\$ 20,873	\$ 23,331
12,097.3	12,154.2	12,228.8	12,222.0	12,210.7	12,050.3
6,681.5	6,913.5	7,106.5	7,183.5	7,186.5	7,302.5
9,480.0	9,610.0	9,731.5	9,958.5	9,925.0	10,116.5
279.5	281.5	331.5	338.0	351.0	353.0
28,538.3	28,959.2	29,398.3	29,702.0	29,673.2	29,822.3
29,181.0	29,595.0	29,941.0	30,231.0	30,168.0	30,317.0
537.0	550.0	625.0	644.0	669.0	668.0
29,718.0	30,145.0	30,566.0	30,875.0	30,837.0	30,985.0
2,740	2,709	2,988	3,171	3,018	2,707
336	379	364	443	406	405
1,033	1,103	1,157	1,282	1,190	1,119
1,247	1,240	1,457	1,688	1,617	1,492
5,356	5,431	5,966	6,584	6,231	5,723
18.02%	18.02%	19.52%	21.32%	20.21%	18.47%



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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, 2018, 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, 2018.

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, 2018



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

Board of Education
Boulder Valley School District
Boulder, Colorado

Report on Compliance for Each Major Federal Program

We have audited Boulder Valley School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Boulder Valley School District's major federal program for the year ended June 30, 2018. Boulder Valley School District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Boulder Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Broomfield, Colorado
November 15, 2018

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

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)

10.553, 10.555, 10.559

Name of Federal Program or Cluster

Child Nutrition Cluster

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

\$ \$750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**BOULDER VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

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, 2018**

Boulder Valley School District respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2018.

Audit period: July 1, 2017 - June 30, 2018

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, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>		<u>Pass- Through Entity Grant Code</u>	<u>6/30/2018 Expenditures</u>
U.S. Department of Education				
Direct Programs				
Indian Education	84.060			\$ 18,744
Passed Through State Department of Education				
Adult Education	84.002		5002	109,633
Title I	84.010		4010/92XX	2,170,949
Special Education	84.027	(1)	4027/5027	5,054,709
Special Education Preschool	84.173	(1)	4173	114,809
21st Century Community Learning Centers	84.287		5287	188,875
English Language Acquisition	84.365		4365	231,978
Improving Teacher Quality	84.367		4367	490,169
ESSA - Title IV	84.424		4424	11,453
Passed Through State Community College System				
Career and Technical Education	84.048		5048	<u>139,150</u>
TOTAL U.S. DEPARTMENT OF EDUCATION				<u><u>8,530,469</u></u>
U.S. Department of Agriculture				
Direct Programs				
Local Food Promotion and Farm to School	10.172			46,740
Passed Through State Department of Human Services				
Donated Commodities	10.555	(2)	4555	483,341
Passed Through State Department of Public Health and Environment				
Child and Adult Care Food Program	10.558		4558	19,427
Passed Through State Department of Education				
Fresh Fruit and Vegetable Program	10.582		4582	1,612
National School Lunch Program	10.555	(2)	4555	2,102,611
School Breakfast Program	10.553	(2)	4553	680,756
Summer Food Service Program for Children	10.559	(2)	4559	78,471
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u><u>3,412,958</u></u>
U.S. Department of Transportation				
Passed Through State Department of Transportation				
Highway Planning and Construction	20.205	(3)	6205	<u>68,860</u>
U.S. Department of Homeland Security				
Passed Through State Department of Public Safety				
Disaster Grants - Public Assistance	97.036		9384*	<u>112,661</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>\$ 12,124,948</u></u>

(1) Special Education Cluster (IDEA): \$5,169,518

(2) Child Nutrition Cluster: \$3,345,179

(3) Highway Planning and Construction Cluster: \$68,860

* Expenditures incurred in prior years

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

Boulder Valley School District RE-2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

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 \$483,341 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch Program (CFDA 10.555).

NOTE 3: INDIRECT COSTS

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

NOTE 4: SUBRECIPIENTS

The district provided no federal awards to subrecipients.



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STATE COMPLIANCE



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Colorado Department of Education
Auditors Integrity Report
 District: 0480 - BOULDER VALLEY RE 2
 Fiscal Year 2017-18
 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	41,149,777		297,002,425		291,094,056		47,058,146
18 Risk Mgmt Sub-Fund of General Fund	160,229		4,690,541		4,210,591		640,179
19 Colorado Preschool Program Fund	218,264		1,717,870		1,936,134		0
Sub- Total	41,528,270		303,410,836		297,240,781		47,698,325
11 Charter School Fund	11,045,605		26,615,050		26,057,513		11,603,142
20,26-29 Special Revenue Fund	0		113,568		113,568		0
06 Supplemental Cap Const, Tech, Main, Fund	1,973,650		19,242,804		16,463,327		4,753,127
21 Food Service Spec Revenue Fund	223,270		9,232,915		9,159,750		296,435
22 Govt Designated-Purpose Grants Fund	0		11,530,966		11,530,966		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	883,459		15,307,103		15,180,371		1,010,191
31 Bond Redemption Fund	48,173,528		54,187,169		57,398,762		44,961,935
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	279,402,989		4,087,115		134,210,227		149,279,877
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	1,121,460		4,307,755		2,580,064		2,849,151
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	384,352,231		448,035,281		569,935,329		262,452,183
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	7,252,200		7,689,728		8,328,506		6,613,422
Totals	7,252,200		7,689,728		8,328,506		6,613,422
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	1,415,097		24,925		30,022		1,410,000
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	5,241,094		15,365,873		15,391,674		5,215,293
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	236,802		118,564		36,836		318,530
Totals	6,892,993		15,509,362		15,458,532		6,943,823

FINAL

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



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