

Comprehensive Annual Financial Report

**St. Vrain Valley School District RE-1J**

Year Ended June 30, 2003

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St. Vrain Valley School District RE-1J

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## **INTRODUCTORY SECTION**



December 17, 2003

Board of Education  
Dr. Randy Zila, Superintendent of Schools  
St. Vrain Valley School District RE-1J  
395 South Pratt Parkway  
Longmont, CO 80501

The comprehensive annual financial report of the St. Vrain Valley School District RE-1J for the year ended June 30, 2003 is hereby submitted as mandated by both local policy and state statutes. These policies and statutes require that the St. Vrain Valley School District RE-1J issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The June 30, 2003, financial statements of St. Vrain Valley School District RE-1J were audited by Grant Thornton LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds of the St. Vrain Valley School District RE-1J. All disclosures necessary to enable the reader to gain an understanding of the St. Vrain Valley School District RE-1J's activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal and a list of the St. Vrain Valley School District RE-1J's elected and principal appointed officials. The financial section includes the basic financial statements and the combining financial statements and schedules, as well as the independent auditors' report on these financial statements and schedules and management's discussion and analysis. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The St. Vrain Valley School District RE-1J is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of federal awards, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs may be obtained from the District.

St. Vrain Valley School District RE-1J is governed by an elected seven-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present St. Vrain Valley School District RE-1J (the primary government) and its component units. There are two component units (Charter Schools). The District is not included in any other governmental "reporting entity" as defined in the Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. The inclusion or exclusion of component units is based on a determination of the elected official's accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.



The District Board of Education previously approved two charter schools (Twin Peaks Charter Academy and Ute Creek Secondary Academy). The respective members of the Charter School Governing Boards are appointed separately from the District Board of Education. The Charter Schools are deemed to be fiscally dependent upon the District since the District provides the majority of support to the Charters in the form of per pupil operating revenue. The Charter Schools financial information has been presented as discrete component units.

Sincerely,

A handwritten signature in black ink, reading "Mark E. Pillmore". The signature is written in a cursive style with a large, prominent initial "M".

Mark E. Pillmore, CPA  
Chief Financial Officer

**ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J**

**BOARD OF EDUCATION  
(As of June 2003)**

<b><u>Board Member</u></b>	<b><u>Term of Office</u></b>
<b>Director District A</b> Tammy Pilkington Member	11/99 - 11/03
<b>Director District B</b> Sandi Searls Member	11/01 - 11/05
<b>Director District C</b> Brenda Everett Secretary	11/99 - 06/03
<b>Director District D</b> Kathy Hall President	11/01 - 11/05
<b>Director District E</b> Richard Samson Vice-President	11/99 - 11/03
<b>Director District F</b> Mike Rademacher Assistant Secretary/Treasurer	11/01 - 11/05
<b>Director District G</b> Larry Silver Treasurer	11/99 - 11/03

**ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J**

**BOARD OF EDUCATION  
(As of November 2003)**

<b><u>Board Member</u></b>	<b><u>Term of Office</u></b>
<b>Director District A</b> Robert Auman Member	11/03 - 11/07
<b>Director District B</b> Sandi Searls President	11/01 - 11/05
<b>Director District C</b> Ed Smith Treasurer	07/03 - 11/03 (appointed) 11/03 - 11/05
<b>Director District D</b> Kathy Hall Vice-President	11/01 - 11/05
<b>Director District E</b> John Caldwell Member	11/03 - 11/07
<b>Director District F</b> Mike Rademacher Secretary	11/01 - 11/05
<b>Director District G</b> Merrill Bohaning Assistant Secretary/Treasurer	11/03 - 11/07

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## **FINANCIAL SECTION**

REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Education  
St. Vrain Valley School District RE-1J  
Longmont, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J, Longmont, Colorado, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J, Longmont, Colorado, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the St. Vrain Valley School District RE-1J will continue as a going concern. As discussed in Note 16 to the financial statements, the St. Vrain Valley School District RE-1J has suffered recurring losses from operations and has an unrestricted net assets deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 16. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2003 on our consideration of St. Vrain Valley School District RE-1J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 4 through 13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information included in the statistical section listed in the accompanying table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

Denver, Colorado  
October 23, 2003

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St. Vrain Valley School District RE-1J  
Management's Discussion and Analysis  
As of and for the Fiscal Year Ended June 30, 2003

As management of the St. Vrain Valley School District RE-1J, Boulder County, Colorado (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, 2003. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal and the financial statements of the District.

**Financial Highlights**

- In November 2002, it was discovered that the District was facing a substantial financial shortfall in General Fund for the year ending June 30, 2003. The District reacted immediately and since that time, the financial operations of the District have been stabilized by taking the following actions:
  - District-wide pay reduction of 7.125% (13.8% for administrators) and salary freeze.
  - Pass-through of increased health insurance costs to employees effective October 2003.
  - Restructuring the Department of Learning Services and Department of Human Resources, reducing the 2004 budget by more than \$2.3 million dollars.
  - Entering into Forward Debt Service and Forward Supply agreements, producing nearly \$4 million dollars of advance interest.
  - Re-establishing TABOR reserve as of June 30, 2003.
  - Establishing a 2% contingency reserve of approximately \$2.2 million dollars as of June 30, 2003.
  - Establishing a Finance and Audit Committee consisting of 3 community members and 2 members from the Board of Education.
  - Establishing a Community Budget Advisory Committee with broad based community representation.
  - Hiring a local CPA to fill the newly defined position of Chief Financial Officer.
  - Hiring the national accounting firm of Grant Thornton LLP to conduct the audit for the year ended June 30, 2003.
  - Hiring a CPA to fill the vacant District Accountant position.
  - Pursuing plans to engage an internal auditor in January 2004.
  
- Total net assets of the primary government increased \$6,765,510 for the year ended June 30, 2003, from \$19,349,543 to \$26,115,053 as follows:

	Years Ended June 30,		Increase (Decrease)
	2003	2002	
Invested in Capital Assets, net of Related Debt	\$ 19,024,626	\$ 10,452,999	\$ 8,571,627
Restricted for:			
TABOR	3,853,355	-	3,853,355
Capital Projects	-	4,221,305	(4,221,305)
Debt Service	19,625,088	11,415,777	8,209,311
Unrestricted (deficit)	(16,388,016)	(6,740,538)	(9,647,478)
Total Net Assets	<u>\$ 26,115,053</u>	<u>\$ 19,349,543</u>	<u>\$ 6,765,510</u>

Note: The 2002 financial information has been restated as described in Note 17.

The amount "invested in capital assets, net of related debt" increased as a result of activity in the Building Fund. Construction began on multiple projects, including 2 new elementary schools and 2 new middle schools. Colorado Revised Statute Article X, Section 20 (Taxpayer Bill of Rights (TABOR) requires the District to establish reserves. As a result of cash deficits at June 30, 2002, there was no TABOR reserve. This was established as of June 30, 2003 and net assets restricted for TABOR increased \$3,853,355. Net assets restricted for Capital Projects decreased because of capital outlay during the year and because of the requirement to net unspent bond proceeds against this reserve.

- Total assets of governmental activities increased by \$109,426,590 attributed to the following elements:

	Years Ended June 30,		Increase (Decrease)
	2003	2002	
Cash and Investments	\$ 129,909,863	\$ 19,857,396	\$ 110,052,467
Accounts Receivable	1,464,966	2,009,839	(544,873)
Taxes Receivable	2,020,285	2,905,831	(885,546)
Deposits	78,000	78,000	-
Inventories	360,682	409,975	(49,293)
Capital Assets, Net of Accumulated Depreciation	167,171,209	166,317,374	853,835
<b>Total Assets</b>	<b>\$ 301,005,005</b>	<b>\$ 191,578,415</b>	<b>\$ 109,426,590</b>

The increase in cash and investments (which includes unrestricted and restricted cash and investments) was caused primarily by the issuance of bonds in April 2003. Additional cash and investments were also provided from advanced interest paid on investment agreements as well as large dividends paid from the Northern Colorado School Districts Liability Self-Insurance Pool. The decrease in both accounts receivable and taxes receivable reflect a higher percentage of collection of taxes as of June 30, 2003 as compared to June 30, 2002. The increase in capital assets is the result of current year investment in capital assets exceeding current year depreciation expense.

- Total assets of business-type activities decreased by \$122,370 as follows:

	Years Ended June 30,		Increase (Decrease)
	2003	2002	
Cash and Investments	\$ 811,502	\$ 782,473	\$ 29,029
Accounts Receivable	35,544	171,137	(135,593)
Deposits	-	4,250	(4,250)
Inventories	173,498	145,681	27,817
Capital Assets, Net of Accumulated Depreciation	821,843	861,216	(39,373)
<b>Total Assets</b>	<b>\$ 1,842,387</b>	<b>\$ 1,964,757</b>	<b>\$ (122,370)</b>

The most significant decrease is in accounts receivable and shows that collections through June 30, 2003 were improved over the prior year. Net capital assets have decreased solely because current year depreciation expense exceeded current year investment in capital assets. Other changes in assets are due to the normal operations of the Food Service Fund.

- Total liabilities of governmental activities increased by \$102,511,253 as follows:

	Years Ended June 30,		Increase (Decrease)
	2003	2002	
Accounts Payable	\$ 4,687,191	\$ 1,791,059	\$ 2,896,132
Retainage Payable	345,705	72,720	272,985
Arbitrage Payable	137,278	1,589,491	(1,452,213)
Accrued Salaries & Benefits	12,362,486	11,712,272	650,214
Claims Payable	1,910,962	1,893,259	17,703
Short-term Capital Lease	4,800,000	-	4,800,000
Deferred Revenues	4,259,276	135,190	4,124,086
Deferred Bond Premium	5,644,666	-	5,644,666
Debt Due Within One Year	9,553,087	6,881,493	2,671,594
Debt Due in More Than One Year	232,960,710	150,074,624	82,886,086
Total Liabilities	<u>\$ 276,661,361</u>	<u>\$ 174,150,108</u>	<u>\$ 102,511,253</u>

Note: The 2002 financial information has been restated as described in Note 17.

The primary increase to liabilities is due to the bonds issued in April 2003. Accounts payable increased primarily due to the construction projects that began following the bond issue. The increase in retainage payable is also related to the construction projects. As a result of completion of the 1997 building projects, arbitrage payable decreased. The short-term capital lease is for District real property sold to and leased back from the State of Colorado in June 2003. Deferred revenues increased as a result of the advanced interest received from the forward investment agreements entered into in June 2003. The increase in accrued salaries and benefits is the result of several items, including recording vested sick leave benefit payable, increased PERA pension contribution rate, increase in personnel (primarily teachers), and changes in pay scale resulting from education, professional development, and longevity.

- Total liabilities for business-type activities increased by \$27,457, primarily due to an increase in deferred revenue.
- General revenues accounted for \$140 million in revenue or 90% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$16 million or 10% of total revenues of \$156 million.
- The District had \$145 million in expenses related to governmental activities. Program specific charges for services and sales, grants, and contributions offset \$12 million for these expenses. General revenues (primarily state equalization and property taxes) of \$140 million were adequate to provide for these programs.
- Among major funds, the General Fund had \$112.9 million in revenues and \$115.9 million in expenditures. The General Fund's fund balance decreased by \$3.1 million to a deficit of \$13.9 million. The Fair Contributions Fund's fund balance decreased by \$0.6 million due to the purchase of school sites during the year. The fund balance of all other governmental funds of the District increased during the year.

## **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 basic financial statements presented beginning on page 16 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 themselves.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader of the District's Comprehensive Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net assets and the statement of activities.

The statement of net assets presents information about all of the District's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net assets of the District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

The government-wide financial statements consolidate governmental and internal service activities that are supported from taxes and intergovernmental revenues, and business-type activities that are intended to recover all or most of their costs from user fees and charges. Governmental activities consolidate governmental funds including the general fund, debt service fund, capital projects funds, and special revenue funds with internal services funds including the risk management fund and the minimum health insurance liability fund. Business-type activities include the enterprise fund.

Also presented on the government-wide financial statements are component units, representing the District's two charter schools. The charter schools have independent governing boards, but are financially dependent on the District for most of their funding. Accounting principles prescribe a *discrete* presentation of the component units, meaning separate presentation from the primary government.

The government-wide financial statements can be found beginning on page 16.

### **Fund Financial Statements**

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. 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. Fund financial statements for the District include three fund types. The fund types presented here are governmental, proprietary, and fiduciary.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The District maintains eight different governmental funds. The major funds are the General Fund, Fair Contributions for Public School Sites Fund, the Bond Redemption Debt Service Fund, and the Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled other governmental funds. Individual fund information for the nonmajor funds is presented as other supplemental information elsewhere in this document.

The District adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison schedules for the major funds are included in the basic financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information.

The basic governmental fund financial statements can be found beginning on page 18 of this report.

The District maintains two types of proprietary funds. The Enterprise Fund is used to present the same function as the business-type activities presented in the government-wide financial statements. The Enterprise Fund financial statements provide the same information as the government-wide financial statements only in more detail. Internal Service Funds are used to accumulate and allocate costs internally among the governmental functions.

The Enterprise Fund (food service fund) is listed individually and is considered to be a major fund. Individual internal service fund information is presented as other supplemental information elsewhere in this document. The District's internal service funds are the risk management fund and the minimum health insurance liability fund.

The basic proprietary fund financial statements are presented beginning on page 23 of this report.

The District is the fiduciary for assets that belong to student groups. The District is responsible for ensuring that the assets reported in this fund are used only for intended purposes and used by those to whom the asset belongs. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The basic fiduciary fund financial statements are presented beginning on page 26 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 basic financial statements. The notes can be found beginning on page 29 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains other supplemental information concerning the District's nonmajor governmental and internal service funds. Combining and individual fund statements and schedules can be found beginning on page 52 of this report.

### **Financial Analysis of the District as a Whole**

The assets of the District are composed of current assets and capital assets. Cash, receivables, deposits inventories and prepaid expenditures are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of unspent bond proceeds and the property tax collection process; the District receives almost 38% of the annual property tax assessment in May and June.

Capital assets are used in the operations of the District. These assets are land, buildings, and equipment. Capital assets are discussed in greater detail in the section titled, *Capital Assets and Debt Administration*, later in this analysis.

Current and non-current liabilities are determined based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, deferred revenue, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal 2004. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal 2004.

The assets of the primary government's governmental activities exceed liabilities by \$24,343,644 with an unrestricted deficit of \$17,198,783. Total net assets of the primary government do not include internal balances.

A net investment of \$18,202,783 in land, buildings, and equipment to provide the services to the District's 20,855 public school students represents 75% of the District's net assets. Net assets of \$19,625,088 accumulated due to voter-approved bonded debt mill levy assessments have been restricted to provide resources for related principal and interest payments.

Table 1 provides a summary of the District's net assets for 2003 compared to 2002:

**Table 1**  
**Condensed Statement of Net Assets**  
**June 30**  
**(in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2002 - 2003
	2003	2002	2003	2002	2003	2002	
<b>Assets</b>							
Current assets	\$ 133,834	\$ 25,261	\$ 1,020	\$ 1,104	\$ 134,854	\$ 26,365	411.49%
Capital assets	167,171	166,317	822	861	167,993	167,178	0.49%
<b>Total Assets</b>	<b>301,005</b>	<b>191,578</b>	<b>1,842</b>	<b>1,965</b>	<b>302,847</b>	<b>193,543</b>	<b>56.48%</b>
<b>Liabilities</b>							
Current liabilities	43,700	24,075	71	44	43,771	24,119	81.48%
Long-term liabilities	232,961	150,075	-	-	232,961	150,075	55.23%
<b>Total Liabilities</b>	<b>276,661</b>	<b>174,150</b>	<b>71</b>	<b>44</b>	<b>276,732</b>	<b>174,194</b>	<b>58.86%</b>
<b>Net Assets</b>							
Invested in capital - net of related debt	18,203	9,592	822	861	19,025	10,453	82.01%
Restricted							
TABOR	3,715	-	139	-	3,854	-	N/A
Capital Projects	-	4,221	-	-	-	4,221	-100.00%
Debt Service	19,625	11,416	-	-	19,625	11,416	71.91%
Unrestricted (Deficit)	(17,199)	(7,801)	810	1,060	(16,389)	(6,741)	-143.12%
<b>Total Net Assets</b>	<b>\$ 24,344</b>	<b>\$ 17,428</b>	<b>\$ 1,771</b>	<b>\$ 1,921</b>	<b>\$ 26,115</b>	<b>\$ 19,349</b>	<b>34.97%</b>

Note: The 2002 financial information has been restated as described in Note 17.

Table 2 provides a summary of the District's change in net assets for 2003 compared to 2002:

**Table 2**  
**Changes in Net Assets**  
**Year Ending June 30**  
**(in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District	
	2003	2002	2003	2002	2003	2002
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 2,122	\$ 1,923	\$ 2,735	\$ 2,820	\$ 4,857	\$ 4,743
Operating grants & contributions	8,069	8,241	1,504	1,420	9,573	9,661
Capital grants & contributions	1,651	978	-	187	1,651	1,165
General Revenues						
Property taxes	70,287	59,552	-	-	70,287	59,552
State revenue	64,988	57,636	-	-	64,988	57,636
Other	5,012	2,438	(134)	(126)	4,878	2,312
<b>Total Revenues</b>	<b>152,129</b>	<b>130,768</b>	<b>4,105</b>	<b>4,301</b>	<b>156,234</b>	<b>135,069</b>
<b>Expenses</b>						
Instruction	93,572	87,521	-	-	93,572	87,521
Supporting services	42,042	43,800	4,255	4,222	46,297	48,022
Interest expense	9,600	7,267	-	-	9,600	7,267
<b>Total Expenses</b>	<b>145,214</b>	<b>138,588</b>	<b>4,255</b>	<b>4,222</b>	<b>149,469</b>	<b>142,810</b>
<b>Increase (decrease)</b>						
<b>in net assets</b>	<b>\$ 6,915</b>	<b>\$ (7,820)</b>	<b>\$ (150)</b>	<b>\$ 79</b>	<b>\$ 6,765</b>	<b>\$ (7,741)</b>

Note: The 2002 financial information has been restated as described in Note 17.

### Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$5,677 per funded pupil. For the fiscal year ended June 30, 2003, the funded pupil count was 19,777. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The District receives approximately 58% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

The statement of activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services for governmental activities.

**Table 3**  
**Governmental Activities**  
**Year Ending June 30**  
**(in Thousands)**

	Total Cost of Services		Net Cost of Services	
	2003	2002	2003	2002
Instruction	\$ 93,572	\$ 87,521	\$ 85,897	\$ 79,645
Supporting Services	42,042	43,800	37,875	40,533
Interest Expense	9,600	7,267	9,600	7,267
	<u>\$ 145,214</u>	<u>\$ 138,588</u>	<u>\$ 133,372</u>	<u>\$ 127,445</u>

Note: The 2002 financial information has been restated as described in Note 17.

The cost of all governmental activities this year was \$145,214,249.

- \$2,121,666 of the cost was financed by the users of the District's programs.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$9,720,218.
- The majority of the District's costs, \$133,372,365, were financed by State and District taxpayers.

### **Business-type Activities**

Business-type activities consist of the Food Services Fund. This program had revenues of \$4,244,716 and expenses of \$4,254,543. Business-type activities receive no support from tax revenue.

### **Financial Analysis of the District's Governmental 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$98,077,757, an increase of \$92,249,468 in comparison with the prior year. This increase is primarily the result of the issuance of bonds in April 2003 and the resulting increase in the Bond Redemption Fund to provide debt service to the increased bond debt.

The General Fund fund balance decreased by \$3,096,610. The General Fund is the chief operating fund of the District.

The Bond Redemption Debt Service Fund has adequate resources accumulated to make the December 2003 principal and interest payments. The mill levy to accumulate resources for the June 2004 interest payment was certified on December 10, 2003.



The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. Fund balance increased by \$86,905,228 due to the issuance of additional bonds in April 2003 for new capital projects.

### Capital Assets and Debt Administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2003 is \$167,993,052 (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, construction in progress, and equipment.

Major capital events during the year include the following:

- Reconstructed the track at Everly Montgomery Field
- Replaced the roof at Northridge Elementary School
- Lease and set up of 7 portable buildings for 14 additional classrooms throughout the District
- Hired architects and began the design on 2 new high schools, 2 middle schools, and 2 elementary schools

Table 4 shows fiscal 2003 compared to 2002.

**Table 4**  
**Capital Assets at June 30**  
**(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2002 - 2003
	2003	2002	2003	2002	2003	2002	
Land	\$ 11,700	\$ 10,963	\$ -	\$ -	\$ 11,700	\$ 10,963	6.72%
Water Rights	2,613	2,613	-	-	2,613	2,613	0.00%
Construction in Progress	3,701	-	-	-	3,701	-	N/A
Land Improvements	8,077	8,155	-	-	8,077	8,155	-0.96%
Buildings	75,119	76,159	-	-	75,119	76,159	-1.37%
Building Improvements	60,295	62,096	-	-	60,295	62,096	-2.90%
Equipment	5,666	6,331	822	861	6,488	7,192	-9.79%
Totals	<u>\$ 167,171</u>	<u>\$ 166,317</u>	<u>\$ 822</u>	<u>\$ 861</u>	<u>\$ 167,993</u>	<u>\$ 167,178</u>	0.49%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 39 of this report.

During the year ended June 30, 2003, the District issued \$39,090,000 of General Obligation Refunding Bonds in order to retire Bonds issued in 1992. The District also issued \$92,000,000 of General Obligation Building Bonds for the primary purpose of constructing additional schools. Total long-term debt outstanding as of June 30, 2003 as compared to June 30, 2002 is shown in Table 5.

**Table 5**  
**Outstanding Debt at June 30**  
**(in Thousands)**

	2003	2002	Increase (Decrease)
General Obligation Bonds	\$ 228,035	\$ 139,368	\$ 88,667
Accrued Interest	8,760	11,756	(2,996)
Capital Leases	4,157	5,328	(1,171)
Benefits Payable	1,562	1,314	248
Option to Purchase	-	274	(274)
<b>Total Debt</b>	<b>\$ 242,514</b>	<b>\$ 158,040</b>	<b>\$ 84,474</b>

Note: The 2002 financial information has been restated as described in Note 17.

Additional information in the District's total bonded debt can be found in Note 9 beginning on page 42 of this report.

### **Factors Bearing on the District's Future**

In October 2003, the District began a process to develop a consensus-based three-to-five-year strategic plan. The plan will provide direction and be used as a foundation for meeting statutory requirements, including "No Child Left Behind", State Accreditation, and School Accountability Reporting. The resulting plan will serve as a guide for planning, decision-making, and resource allocation.

After discovery of the general fund deficit last November, the District cut spending in a number of ways, including salary reductions to all employees, elimination of scheduled salary increases, reduction of health benefits provided to administrators, and pass-through of increased health insurance premiums to employees, as well as other cost saving measures. As the financial health of the District returns, the District will begin to restore lost compensation and benefits. At this time, although reduced below desired levels, average teacher pay remains competitive with neighboring districts. However, the compensation package offered to administrators has dropped significantly below comparable positions in other districts. This may greatly affect the District's ability to attract, hire, and retain the most qualified administrators.

The reductions made within the Department of Learning Services (DLS) eliminated a number of positions dedicated to school curriculum and professional development of teachers. In addition, significant allocations for curricular program renewal and textbook replacement have been eliminated. As a result, a major portion of these activities have been put on hold for lack of personnel to perform the functions necessary for continued development and the resources to support these activities. The District is reviewing the structure of the DLS and believes that restoring positions identified as essential and identification of support resources are critical to the continued growth and performance of the District.

The State of Colorado has been experiencing a slow economy which has impacted the State's budget. Current statutes require the State to increase school funding by inflation plus one percent over the next ten years. However, the condition of the State's budget could affect school funding.

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives and spends. If you have questions about this report or need additional information, please contact the Financial Services Department, St. Vrain Valley School District, 395 South Pratt Parkway, Longmont, Colorado 80501. Additional information is available at [www.stvrain.k12.co.us](http://www.stvrain.k12.co.us).

## **BASIC FINANCIAL STATEMENTS**

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**St. Vrain Valley School District RE-1J**

**Statement of Net Assets  
June 30, 2003**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
<b>Assets</b>				
Cash and Investments	\$ 38,448,774	\$ 811,502	\$ 39,260,276	\$ 734,845
Accounts Receivable	1,464,966	35,544	1,500,510	250,257
Taxes Receivable	2,020,285	-	2,020,285	-
Deposits	78,000	-	78,000	12,907
Inventories	360,682	173,498	534,180	-
Restricted Assets -				
Cash and Investments	91,461,089	-	91,461,089	-
Capital Assets,				
Net of Accumulated Depreciation	167,171,209	821,843	167,993,052	-
<b>Total Assets</b>	<b>301,005,005</b>	<b>1,842,387</b>	<b>302,847,392</b>	<b>998,009</b>
<b>Liabilities</b>				
Accounts Payable	4,687,191	2,916	4,690,107	310,776
Retainage Payable	345,705	-	345,705	-
Arbitrage Payable	137,278	-	137,278	-
Accrued Salaries and Benefits	12,362,486	-	12,362,486	264,253
Claims Payable	1,910,962	-	1,910,962	-
Short-term Capital Lease Payable	4,800,000	-	4,800,000	-
Deferred Revenues	4,259,276	68,062	4,327,338	3,367
Deferred Bond Premium	5,644,666	-	5,644,666	-
Non-Current Liabilities				
Due Within One Year	9,553,087	-	9,553,087	-
Due in More Than One Year	232,960,710	-	232,960,710	-
<b>Total Liabilities</b>	<b>276,661,361</b>	<b>70,978</b>	<b>276,732,339</b>	<b>578,396</b>
<b>Net Assets</b>				
Invested in Capital Assets,				
Net of Related Debt	18,202,783	821,843	19,024,626	-
Restricted for				
TABOR	3,714,556	138,799	3,853,355	104,592
Debt Service	19,625,088	-	19,625,088	-
Unrestricted (deficit)	(17,198,783)	810,767	(16,388,016)	315,021
<b>Total Net Assets</b>	<b>\$ 24,343,644</b>	<b>\$ 1,771,409</b>	<b>\$ 26,115,053</b>	<b>\$ 419,613</b>

The accompanying notes are an integral part of this financial statement.

**St. Vrain Valley School District RE-1J**

**Statement of Activities  
For the Year Ended June 30, 2003**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
Instruction	\$ 93,572,030	\$ 1,972,391	\$ 5,702,180	\$ -
Supporting Services	42,042,464	149,275	2,367,403	1,650,635
Interest Expense	9,599,755	-	-	-
Total Governmental Activities	<u>145,214,249</u>	<u>2,121,666</u>	<u>8,069,583</u>	<u>1,650,635</u>
<b>Business-type Activities</b>				
Food Services	<u>4,254,543</u>	<u>2,734,550</u>	<u>1,504,411</u>	<u>-</u>
Total Business-type Activities	<u>4,254,543</u>	<u>2,734,550</u>	<u>1,504,411</u>	<u>-</u>
Total Primary Government	<u>\$ 149,468,792</u>	<u>\$ 4,856,216</u>	<u>\$ 9,573,994</u>	<u>\$ 1,650,635</u>
<b>COMPONENT UNITS</b>				
Charter Schools	<u>\$ 4,795,647</u>	<u>\$ 129,717</u>	<u>\$ 1,088,550</u>	<u>\$ 64,289</u>

**General Revenues**

Property Taxes  
Specific Ownership Taxes  
State Equalization  
Investment Income  
Other

**Transfers**

Total General Revenues and Transfers

Changes in Net Assets

Net Assets, Beginning  
Restatement for correction of error  
Adjusted Net Assets, Beginning

Net Assets, Ending

The accompanying notes are an integral part of this financial statement.

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Charter Schools
\$ (85,897,459)	\$ -	\$ (85,897,459)	\$ -
(37,875,151)	-	(37,875,151)	-
(9,599,755)	-	(9,599,755)	-
(133,372,365)	-	(133,372,365)	-
-	(15,582)	(15,582)	-
-	(15,582)	(15,582)	-
(133,372,365)	(15,582)	(133,387,947)	-
-	-	-	(3,513,091)
64,849,791	-	64,849,791	-
5,437,653	-	5,437,653	-
64,987,668	-	64,987,668	3,384,909
451,322	5,755	457,077	9,853
4,534,822	-	4,534,822	86,554
26,446	(140,000)	(113,554)	-
140,287,702	(134,245)	140,153,457	3,481,316
6,915,337	(149,827)	6,765,510	(31,775)
18,998,919	1,921,236	20,920,155	402,355
(1,570,612)	-	(1,570,612)	49,033
17,428,307	1,921,236	19,349,543	451,388
\$ 24,343,644	\$ 1,771,409	\$ 26,115,053	\$ 419,613

**St. Vrain Valley School District RE-1J**

**Balance Sheet  
Governmental Funds  
June 30, 2003**

	<u>General</u>	<u>Fair Contributions</u>	<u>Bond Redemption</u>	<u>Building</u>
<b>Assets</b>				
Cash and Investments - Unrestricted	\$ 6,463,691	\$ 3,759,177	\$ 19,625,089	\$ -
Cash and Investments - Restricted	-	-	-	91,461,089
Accounts Receivable	179,858	-	-	265,280
Taxes Receivable	1,318,297	-	701,989	-
Due From Other Funds	103,776	-	-	-
Deposits	-	50,000	-	-
Inventories	360,682	-	-	-
<b>Total Assets</b>	<b><u>\$ 8,426,304</u></b>	<b><u>\$ 3,809,177</u></b>	<b><u>\$ 20,327,078</u></b>	<b><u>\$ 91,726,369</u></b>
<b>Liabilities</b>				
Accounts Payable	\$ 932,634	\$ 3,572	\$ -	\$ 3,166,285
Due to Other Funds	429,103	-	-	103,776
Retainage Payable	-	-	-	345,705
Arbitrage Payable	-	-	-	137,278
Accrued Salaries and Benefits	12,152,915	-	-	3,373
Short-term Capital Lease Payable	4,800,000	-	-	-
Deferred Revenues	4,040,330	811,465	701,990	396,422
<b>Total Liabilities</b>	<b><u>22,354,982</u></b>	<b><u>815,037</u></b>	<b><u>701,990</u></b>	<b><u>4,152,839</u></b>
<b>Fund Balances</b>				
Reserved for Deposits and Inventories	360,682	50,000	-	-
Reserved for TABOR	6,173	-	-	-
Reserved for Debt Service	-	-	10,172,634	-
Reserved for Capital Projects	-	-	-	27,495,862
Reserved for Contingencies	-	-	-	-
Unreserved, Designated for Subsequent Year Expenditures Reported in				
Building Fund	-	-	-	60,077,668
Special Revenue Funds	-	-	-	-
Unreserved, Reported in				
General Fund	(14,295,533)	-	-	-
Special Revenue Funds	-	2,944,140	-	-
Debt Service Fund	-	-	9,452,454	-
<b>Total Fund Balances (deficit)</b>	<b><u>(13,928,678)</u></b>	<b><u>2,994,140</u></b>	<b><u>19,625,088</u></b>	<b><u>87,573,530</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 8,426,304</u></b>	<b><u>\$ 3,809,177</u></b>	<b><u>\$ 20,327,078</u></b>	<b><u>\$ 91,726,369</u></b>

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Accounts receivable in governmental activities that do not meet requirements to be included in the funds.

Other long-term assets are not available to pay for current expenditures and, therefore, are deferred in the funds.

Premium received on issuance of bonds is recognized as income in the governmental funds, but it is deferred revenue in the statement of net assets.

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.

The internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Net Assets of Governmental Activities

The accompanying notes are an integral part of this financial statement.



Other Governmental Funds	Total Governmental Funds
\$ 2,003,905	\$ 31,851,862
-	91,461,089
379,084	824,222
-	2,020,286
429,103	532,879
28,000	78,000
-	360,682
<u>\$ 2,840,092</u>	<u>\$ 127,129,020</u>

\$ 490,862	\$ 4,593,353
-	532,879
-	345,705
-	137,278
206,198	12,362,486
-	4,800,000
329,355	6,279,562
<u>1,026,415</u>	<u>29,051,263</u>

-	410,682
67,455	73,628
-	10,172,634
-	27,495,862
37,653	37,653
-	60,077,668
618,111	618,111
-	(14,295,533)
1,090,458	4,034,598
-	9,452,454
<u>1,813,677</u>	<u>98,077,757</u>
<u>\$ 2,840,092</u>	

167,171,209

615,187

2,020,285

(5,644,666)

(242,513,797)

4,617,669

\$ 24,343,644

**St. Vrain Valley School District RE-1J**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2003**

	<u>General</u>	<u>Fair Contributions</u>	<u>Bond Redemption</u>	<u>Building</u>
<b>Revenues</b>				
Property Taxes	\$ 42,393,835	\$ -	\$ 22,308,608	\$ -
Specific Ownership Taxes	5,437,653	-	-	-
Investment Income	132,023	36,981	355,266	167,519
Charges for Services	39,031	-	-	-
Miscellaneous	637,200	1,390,405	29,738	253,674
Local Intergovernmental	-	-	-	-
State Intergovernmental	64,125,849	-	-	-
Federal Intergovernmental	108,280	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	112,873,871	1,427,386	22,693,612	421,193
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>				
Current				
Instruction	77,687,306	-	-	117,337
Supporting Services	38,177,622	10,574	-	332,721
Capital Outlay	67,029	2,025,675	-	9,265,910
Debt Service				
Principal	-	-	2,123,000	-
Interest and Fiscal Charges	-	-	12,764,301	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	115,931,957	2,036,249	14,887,301	9,715,968
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,058,086)	(608,863)	7,806,311	(9,294,775)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	39,090,000	92,000,000
Premium Received on Issuance of Bonds	-	-	1,613,000	4,200,003
Payment to Refunded Bond Escrow Agent	-	-	(40,300,000)	-
Transfers In	324,870	-	-	-
Transfers Out	(363,394)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(38,524)	-	403,000	96,200,003
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(3,096,610)	(608,863)	8,209,311	86,905,228
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances (Deficit), Beginning	(10,344,958)	3,603,003	11,415,777	668,302
Restatement for correction of error	(487,110)	-	-	-
Adjusted Fund Balances (Deficit), Beginning	(10,832,068)	3,603,003	11,415,777	668,302
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances (Deficit), Ending	\$ (13,928,678)	\$ 2,994,140	\$ 19,625,088	\$ 87,573,530
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this financial statement.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 64,702,443
-	5,437,653
1,262	693,051
2,082,635	2,121,666
76,340	2,387,357
68,884	68,884
4,586,681	68,712,530
4,236,441	4,344,721
<u>11,052,243</u>	<u>148,468,305</u>
4,890,657	82,695,300
1,749,950	40,270,867
3,636,204	14,994,818
-	2,123,000
-	12,764,301
<u>10,276,811</u>	<u>152,848,286</u>
<u>775,432</u>	<u>(4,379,981)</u>
-	131,090,000
-	5,813,003
-	(40,300,000)
204,840	529,710
(139,870)	(503,264)
<u>64,970</u>	<u>96,629,449</u>
<u>840,402</u>	<u>92,249,468</u>
973,275	6,315,399
-	(487,110)
<u>973,275</u>	<u>5,828,289</u>
<u>\$ 1,813,677</u>	<u>\$ 98,077,757</u>

## St. Vrain Valley School District RE-1J

### Reconciliation of the Statement of Revenues Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Year Ended June 30, 2003

**Net Change in Fund Balances of Governmental Funds** \$ 92,249,468

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Depreciation Expense	\$ (5,645,005)	
	Capital Outlays	6,661,418	
	Net Effect of Deleted Assets	(162,578)	853,835

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

		615,187	
	Current year amortization of premium on bond issue	168,337	
	Change in deferred property tax accrual	147,348	930,872

In the statement of activities, certain accrued sick leave and vacation benefits are measured by the amounts earned during the year. However, in the governmental funds expenditures for this item are measured by the amount actually paid. This year, the amount of accrued sick leave increased as follows:

		(529,631)	
	Accrued vacation earned during the year	(16,717)	
	Amount paid during the year	298,288	(248,060)

Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Following are the net effect of these differences.

		(131,090,000)	
	Premium Received on Issuance of Bonds	(5,813,003)	
	Bond principal payments	42,423,000	
	Accrued interest paid on bonds	2,996,209	
	Lease proceeds	(230,703)	
	Exercise option to purchase property	273,500	
	Long-term lease payments	1,401,876	(90,039,121)

Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the statement of activities. The net income of the internal service funds is reported with governmental activities.

3,168,343

**Change in Net Assets of Governmental Activities** \$ 6,915,337

The accompanying notes are an integral part of this financial statement.

## St. Vrain Valley School District RE-1J

### General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2003

	Original and Final Budget	Actual Amounts - Budget Basis	Variance to Budget Positive (Negative)
<b>Revenues</b>			
Local			
Property Taxes	\$ 43,720,800	\$ 42,393,835	\$ (1,326,965)
Specific Ownership Taxes	5,721,184	5,437,653	(283,531)
Investment Income	367,500	132,023	(235,477)
Charges for Services	30,000	39,031	9,031
Miscellaneous	38,295	637,200	598,905
Total Local Revenues	<u>49,877,779</u>	<u>48,639,742</u>	<u>(1,238,037)</u>
State			
Equalization	60,887,890	60,740,008	(147,882)
Special Education	1,676,082	1,719,087	43,005
Vocational Education	1,002,464	672,151	(330,313)
Transportation	797,535	775,344	(22,191)
Gifted and Talented	135,543	128,955	(6,588)
English Language Proficiency Act	96,314	90,304	(6,010)
Total State Revenues	<u>64,595,828</u>	<u>64,125,849</u>	<u>(469,979)</u>
Federal			
Adult Education	73,994	108,280	34,286
Total Federal Revenues	<u>73,994</u>	<u>108,280</u>	<u>34,286</u>
Total Revenues	<u>114,547,601</u>	<u>112,873,871</u>	<u>(1,673,730)</u>
<b>Expenditures</b>			
Current			
Salaries	83,915,197	84,882,027	(966,830)
Benefits	15,943,887	16,568,495	(624,608)
Purchased Services	6,500,000	5,930,554	569,446
Supplies and Materials	6,000,000	4,886,998	1,113,002
Other	30,000	211,944	(181,944)
Charter Schools	3,264,008	3,384,910	(120,902)
Capital Outlay	500,000	67,029	432,971
Total Expenditures	<u>116,153,092</u>	<u>115,931,957</u>	<u>221,135</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,605,491)</u>	<u>(3,058,086)</u>	<u>(1,452,595)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	530,000	324,870	(205,130)
Transfers Out	(175,000)	(363,394)	(188,394)
Total Other Financing Sources (Uses)	<u>355,000</u>	<u>(38,524)</u>	<u>(393,524)</u>
Net Change in Fund Balance	<u>\$ (1,250,491)</u>	<u>(3,096,610)</u>	<u>\$ (1,846,119)</u>
Fund Balance, Beginning		(10,344,958)	
Restatement for correction of error		(487,110)	
Adjusted Fund Balance, Beginning		<u>(10,832,068)</u>	
Fund Balance, Ending		<u>\$ (13,928,678)</u>	

The accompanying notes are an integral part of this financial statement.

## St. Vrain Valley School District RE-1J

### Fair Contributions for Public School Sites Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment Income	\$ 100,000	\$ 36,981	\$ (63,019)
Miscellaneous	<u>1,509,665</u>	<u>1,390,405</u>	<u>(119,260)</u>
Total Revenues	<u>1,609,665</u>	<u>1,427,386</u>	<u>(182,279)</u>
<b>Expenditures</b>			
Purchased Services	-	10,574	(10,574)
Capital Outlay	<u>600,000</u>	<u>2,025,675</u>	<u>(1,425,675)</u>
Total Expenditures	<u>600,000</u>	<u>2,036,249</u>	<u>(1,436,249)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,009,665</u>	(608,863)	<u>\$ (1,618,528)</u>
Fund Balance, Beginning		<u>3,603,003</u>	
Fund Balance, Ending		<u>\$ 2,994,140</u>	

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

## St. Vrain Valley School District RE-1J

### Statement of Net Assets Proprietary Funds June 30, 2003

	Business-type Activities	Governmental Activities	Total
	Enterprise Fund	Internal Service Funds	
<b>Assets</b>			
Current Assets			
Cash and Investments	\$ 811,502	\$ 6,596,912	\$ 7,408,414
Accounts Receivable	35,544	25,555	61,099
Inventories	173,498	-	173,498
Total Current Assets	<u>1,020,544</u>	<u>6,622,467</u>	<u>7,643,011</u>
Capital Assets			
Machinery and Equipment	1,559,536	-	1,559,536
Accumulated Depreciation	(737,693)	-	(737,693)
Total Capital Assets	<u>821,843</u>	<u>-</u>	<u>821,843</u>
Total Assets	<u>1,842,387</u>	<u>6,622,467</u>	<u>8,464,854</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	2,916	93,836	96,752
Claims Payable	-	1,910,962	1,910,962
Deferred Revenues	68,062	-	68,062
Total Liabilities	<u>70,978</u>	<u>2,004,798</u>	<u>2,075,776</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	821,843	-	821,843
Reserved for TABOR	138,799	2,205,420	2,344,219
Unreserved, Designated for Subsequent Year Expenditures	25,025	825,887	850,912
Unrestricted	785,742	1,586,362	2,372,104
Total Net Assets	<u>\$ 1,771,409</u>	<u>\$ 4,617,669</u>	<u>\$ 6,389,078</u>

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

## St. Vrain Valley School District RE-1J

### Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2003

	Business-type Activities	Governmental Activities	
	Enterprise Fund	Internal Service Funds	Total
<b>Operating Revenues</b>			
Charges for Services	\$ 2,705,077	\$ 10,920,326	\$ 13,625,403
Miscellaneous	29,473	-	29,473
<b>Total Operating Revenues</b>	<b>2,734,550</b>	<b>10,920,326</b>	<b>13,654,876</b>
<b>Operating Expenses</b>			
Salaries and Benefits	1,937,019	274,840	2,211,859
Purchased Services	209,594	963,507	1,173,101
Supplies and Materials	1,952,370	179,472	2,131,842
Capital Outlay	29,294	-	29,294
Other	495	3,372	3,867
Depreciation	125,771	-	125,771
Claims Paid	-	9,818,279	9,818,279
<b>Total Operating Expenses</b>	<b>4,254,543</b>	<b>11,239,470</b>	<b>15,494,013</b>
<b>Operating Loss</b>	<b>(1,519,993)</b>	<b>(319,144)</b>	<b>(1,839,137)</b>
<b>Non-Operating Revenues</b>			
Investment Income	5,755	18,501	24,256
State Match	63,180	-	63,180
National School Lunch Program	1,280,554	-	1,280,554
Commodities	160,677	-	160,677
Other	-	3,468,986	3,468,986
<b>Total Non-Operating Revenues</b>	<b>1,510,166</b>	<b>3,487,487</b>	<b>4,997,653</b>
<b>Net Income (Loss) Before Transfers</b>	<b>(9,827)</b>	<b>3,168,343</b>	<b>3,158,516</b>
Transfers Out	(140,000)	-	(140,000)
<b>Change in Net Assets</b>	<b>(149,827)</b>	<b>3,168,343</b>	<b>3,018,516</b>
Net Assets, Beginning	1,921,236	1,449,326	3,370,562
<b>Net Assets, Ending</b>	<b>\$ 1,771,409</b>	<b>\$ 4,617,669</b>	<b>\$ 6,389,078</b>

The accompanying notes are an integral part of this financial statement.



## St. Vrain Valley School District RE-1J

### Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2003

	Business-type Activities	Governmental Activities	
	Enterprise Fund	Internal Service Funds	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Students and Other Funds	\$ 2,901,950	\$ 10,973,782	\$ 13,875,732
Cash Paid to Suppliers	(2,056,379)	(10,872,830)	(12,929,209)
Cash Paid to Employees	(1,939,139)	(274,840)	(2,213,979)
Net Cash Used in Operating Activities	<u>(1,093,568)</u>	<u>(173,888)</u>	<u>(1,267,456)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State of Colorado	63,180	-	63,180
Cash Received from Federal Government	1,280,554	-	1,280,554
Cash Received from Insurance Companies	-	3,468,987	3,468,987
Transfers to Other Funds	(140,000)	-	(140,000)
Net Cash Provided by Noncapital Financing Activities	<u>1,203,734</u>	<u>3,468,987</u>	<u>4,672,721</u>
<b>Cash Flows from Capital Financing Activities</b>			
Purchases of Equipment	<u>(86,892)</u>	-	<u>(86,892)</u>
<b>Cash Flows from Investing Activities</b>			
Investment Income	<u>5,755</u>	<u>18,501</u>	<u>24,256</u>
Increase in Cash and Cash Equivalents	29,029	3,313,600	3,342,629
Cash and Cash Equivalents, Beginning	<u>782,473</u>	<u>3,283,312</u>	<u>4,065,785</u>
Cash and Cash Equivalents, Ending	<u>\$ 811,502</u>	<u>\$ 6,596,912</u>	<u>\$ 7,408,414</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>			
Operating Loss	\$ (1,519,993)	\$ (319,144)	\$ (1,839,137)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities			
Depreciation	125,771	-	125,771
Loss on Sale of Assets	494	-	494
Commodities	160,677	-	160,677
Changes in Assets and Liabilities			
Accounts Receivable	135,593	53,456	189,049
Deposits	4,250	-	4,250
Inventories	(27,817)	-	(27,817)
Accounts Payable	(2,231)	74,097	71,866
Accrued Salaries and Benefits	(2,120)	-	(2,120)
Claims Payable	-	17,703	17,703
Deferred Revenues	31,808	-	31,808
Net Cash Used in Operating Activities	<u>\$ (1,093,568)</u>	<u>\$ (173,888)</u>	<u>\$ (1,267,456)</u>
<b>Non-Cash Transactions</b>			
Commodities Received	<u>\$ 160,677</u>	<u>\$ -</u>	<u>160,677</u>

The accompanying notes are an integral part of this financial statement.

# St. Vrain Valley School District RE-1J

## Statement of Fiduciary Net Assets Fiduciary Funds June 30, 2003

	Private Purpose Trust	Student Activity Agency
<b>Assets</b>		
Cash and Investments	\$ 151,490	\$ 2,162,047
Accounts Receivable	9,448	12,336
Notes Receivable	10,000	-
	<hr/>	<hr/>
Total Assets	170,938	\$ 2,174,383
	<hr/>	<hr/>
<b>Liabilities</b>		
Accounts Payable	28,150	\$ 148,434
Accrued Salaries and Benefits	-	-
Deferred Revenues	10,000	-
Undistributed to Outside Organizations	-	2,025,949
	<hr/>	<hr/>
Total Liabilities	38,150	\$ 2,174,383
	<hr/>	<hr/>
<b>Net Assets</b>		
Held in Trust	\$ 132,788	
	<hr/>	

The accompanying notes are an integral part of this financial statement.

# St. Vrain Valley School District RE-1J

## Statement of Changes in Fiduciary Net Assets Fiduciary Funds For the Year Ended June 30, 2003

	Private Purpose Trust
<b>Additions</b>	
Investment Income	\$ 803
Student Activity Sources from Schools	-
Athletic/Activity Participation Fees	-
General Fund Support	-
Contributions	100,637
	<hr/>
Total Additions	101,440
	<hr/>
<b>Deductions</b>	
Scholarships	108,251
Student Activities	-
Athletic/Activity Programs	-
Transfers to General Fund	-
	<hr/>
Total Deductions	108,251
	<hr/>
Change in Net Assets	(6,811)
Net Assets, Beginning	139,599
	<hr/>
Net Assets, Ending	\$ 132,788
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The accompanying notes are an integral part of this financial statement.

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**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of St. Vrain Valley School District RE-1J (the "District") in the Counties of Boulder, Broomfield, Larimer, and Weld have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental units. The more significant of the District's accounting policies are described below.

**Reporting Entity**

The financial reporting entity consists of the District and organizations for which the District is financially accountable. 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 and is able to impose its will on the organization, or if the organization provided benefits to or imposes financial burdens on the District.

The District Board of Education has approved two charter school applications, the Twin Peaks Charter Academy, grades K-8, and the Ute Creek Charter Academy, grades 9-12. The respective members of the Charter School Governing Boards are appointed separately from the District Board of Education. The charter schools are deemed to be fiscally dependent upon the District since the District provides the majority of support to the charters in the form of per pupil operating revenue. The charter schools are presented discretely and are considered nonmajor.

**Fund Accounting**

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of long-term debt (debt service funds). The following are the District's major governmental funds:

*General Fund* – The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for programs funded by grants from federal and state governments, school construction, certain capital outlay expenditures, debt service, food service operations, extracurricular athletic and other pupil activities, and insurance transactions.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fund Accounting** (Continued)

*Fair Contributions for Public School Sites Fund* – This is a special revenue fund established to account for the collection of monies from development of dwellings within the District. These funds are to be used for the acquisition, development, or expansion of public school sites. Fees collected are based on the impact created by residential subdivisions.

*Debt Service Fund* – The District has one debt service fund, the *Bond Redemption Fund*. This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs. The fund's primary revenue source is local property taxes levied specifically for debt service.

*Capital Projects Fund* – The District has one capital projects fund, the *Building Fund*. This fund accounts for the proceeds of bond sales and expenditures for capital outlay for land, buildings, improvements of grounds, construction of buildings, additions or remodeling of buildings or initial, additional and replacement equipment.

The other governmental funds of the District are Special Revenue Funds – These funds account for revenues derived from earmarked revenue sources, including transfers from the General Fund, charges for supporting educational services, and tuition. Special Revenue Funds consist of *Capital Reserve Fund*, *Government Designated-Purpose Grants Fund*, *Community Education Fund*, and *Vance Brand Civic Auditorium Fund*.

Proprietary Funds focus on the determination of the changes in net assets, financial position, and cash flows and are classified as either enterprise or internal service.

Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District's only enterprise fund is the following:

*Food Service Fund* – This fund accounts for the financial transactions related to the food service operations of the District.

Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The District has two internal service funds as follows:

*Risk Management Fund* – This fund is used to account for the payment of loss or damage to the property of the District, workers' compensation, property and liability claims, and the payment of related administration expenses.

*Minimum Liability Fund* – This fund accounts for the collection of health and dental insurance from employees and the District from which the insurance company's retention and pooling fees, as well as claims, are paid.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Accounting** (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The *Student Scholarship Fund* is the District's only trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only agency fund is the *Student Activity Fund*.

**Government-wide and Fund Financial Statements**

The District financial statements (i.e., the statement of net assets and the statement of activities) report information on all the non-fiduciary activities of the District and its component units. For the most part, the effect of interfund activity has been removed from these statements. *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.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments 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 fiduciary funds are excluded from the District's government-wide financial statements. Major individual governmental funds and major individual enterprise 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 fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Under Colorado law, all property taxes become due and payable on January 1 in the year following that in which they are levied. Property taxes are levied on December 15 based on the assessed value of the property as certified by the county assessor. Payments are due in full on April 30, or in two installments on February 28 and June 15. When taxes become delinquent, the property is sold at the tax sale on September 30.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for the business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's food service fund and internal service funds are charges to customers or other funds for sales and services. Operating expenses 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources designated for such purpose, then unrestricted resources as they are needed.



St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Equity**

*Cash and Cash Equivalents* – For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents.

*Investments* – Investments are recorded at fair value.

*Receivables* – All receivables are reported at their gross value, since all amounts are considered collectable. Transactions between funds that are outstanding at the end of the fiscal year are identified as interfund receivables and payables.

*Inventories* – Inventories are valued at average cost. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The federal government donates surplus commodities to supplement the National School Lunch Program. Such commodities are recorded as non-operating revenues when expended.

*Capital Assets* – Capital assets, which include property and equipment, are reported in applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or greater, 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 fair market value at the date of donation. Interest accrued during construction is not capitalized in governmental funds.

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

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

Land Improvements	20 years
Buildings	50 years
Equipment	12 years

*Compensated Absences* – Classified employees earn vacation leave and the District requires that all vacation leave earned be taken by the end of the six month period following the benefit year, which is December 31. District policy does not allow employees to accumulate unused vacation leave. All outstanding vacation leave for classified employees is payable upon resignation, termination, retirement or death. The unpaid liability for earned vacation days is recorded in the government-wide financial statements.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Liabilities and Equity** (Continued)

Employees may also accumulate sick leave. Accumulated sick leave is payable upon leaving the District if certain criteria are met. Classified employees with 10 or more years of service with the District will receive 50% of the employee's current daily rate for unused sick leave above 30 days, up to a maximum of 150 paid days. Any certified employee retiring from the District with 10 years of continuous service with the District will be paid \$35 per day for all unused sick leave over 30 days, up to a maximum of 125 paid days. The unpaid liability for vested sick leave is recorded in the government-wide financial statements, and in the individual proprietary funds in the fund financial statements.

*Deferred Revenues* – Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenues is removed and revenue is recognized. Deferred revenues include grants that have been collected, but corresponding expenditures have not been incurred. Property taxes earned but not available are also recorded as deferred revenue in the fund financial statements.

*Long-Term Debt* – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources or uses. Issuance costs are reported as current expenditures.

*Net Assets/Fund Equity* – In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with US GAAP for all funds, except that the budget for the Food Service Fund includes capital expenditures as expenditures, and the related revenues and expenses of commodities are not budgeted, nor is depreciation. All annual appropriations lapse at fiscal year end.

Budgets are required by state law for all funds. Prior to June 1, the Superintendent of Schools submits to the Board of Education a proposed budget for all funds for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution.

Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department within any fund rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

**Legal Compliance**

For the year ended June 30, 2003, actual expenditures exceeded budgeted amounts in the Fair Contributions (\$1,436,249), Bond Redemption (\$1,194,429), Building (\$9,142,267), Community Education (\$639,240), and Minimum Liability Funds (\$4,002,531). These may be violations of State statutes.

**Accountability**

At June 30, 2003, the General Fund had a negative fund balance of \$13,928,678.

In addition, the Ute Creek Charter School had a negative fund balance of \$128,021. Ute Creek Charter School raised cash to cover operating deficits for the year ended June 30, 2003. Prior cash deficits have been subsidized by the District.

**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 3: CASH AND INVESTMENTS**

At June 30, 2003, the District and its component units had the following cash and investments:

	<u>District</u>	<u>Component Units</u>
Cash on Hand	\$ 20,549	\$ -
Cash with County Treasurers	2,036,397	-
Deposits	2,719,262	45,592
Investments	<u>128,258,694</u>	<u>689,253</u>
 Total	 <u><b>\$ 133,034,902</b></u>	 <u><b>\$ 734,845</b></u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government 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. 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the District or by its agent in the District's name, (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

At June 30, 2003, the District's deposits had a carrying balance of \$2,719,262 and a corresponding bank balance as follows:

	<u>Bank Balance</u>
Insured (Category 1)	\$ 100,000
PDPA (Category 2)	<u>3,757,014</u>
Total	<u><u>\$ 3,857,014</u></u>

At June 30, 2003, component unit deposits had a carrying balance of \$45,592 and a corresponding bank balance as follows:

	<u>Bank Balance</u>
Insured (Category 1)	\$ 100,000
PDPA (Category 2)	<u>35,237</u>
Total	<u><u>\$ 135,237</u></u>

**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 3: CASH AND INVESTMENTS (Continued)**

**Investments**

Colorado statutes specify instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. Agency securities.
- Certain international agency securities.
- Bankers' acceptances of certain banks.
- Commercial paper of a certain grade.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The District's investments are categorized below to give an indication of the level of credit risk assumed by the District at year-end. Category (1) includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category (2) includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category (3) includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the District's name. Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

The District and component units had the following investments as of June 30, 2003:

	Carrying Amount	Component Units
Escrow Account (Category 2)	\$ 53,154	\$ -
U.S. Agency Securities (Category 2)	12,334	-
U.S. Agency Securities (Category 3)	103,816,136	-
Local Government Investment Pools (not requiring categorization)	24,377,070	689,253
<b>Total Investments</b>	<b>\$ 128,258,694</b>	<b>\$ 689,253</b>

**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 3: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

At June 30, 2003, the District had invested in the Colorado Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool.

**NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2003, is as follows:

Due to/from other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Building Fund	\$ 103,776
Nonmajor Governmental Funds	General Fund	429,103
Total		<u>\$ 532,879</u>

Interfund Transfers:

	<u>General Fund</u>	<u>Transfer in Other Governmental Funds</u>	<u>Agency Fund</u>	<u>Total</u>
Transfer out:				
Other Governmental Funds	\$ 139,870	\$ -	\$ -	\$ 139,870
General Fund	-	204,840	158,554	363,394
Enterprise Fund	140,000	-	-	140,000
Agency Fund	45,000	-	-	45,000
	<u>\$ 324,870</u>	<u>\$ 204,840</u>	<u>\$ 158,554</u>	<u>\$ 688,264</u>

**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes in the Capital Assets for the Year ended June 30, 2003:

	<u>Balance 7/1/02</u>	<u>Additions</u>	<u>Deletions and Adjustments</u>	<u>Balance 6/30/03</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$ 10,963,016	\$ 737,090	\$ -	\$ 11,700,106
Construction in Progress	-	3,701,002	-	3,701,002
Water Rights	<u>2,612,516</u>	-	-	<u>2,612,516</u>
Total Capital Assets, Not Being Depreciated	<u>13,575,532</u>	<u>4,438,092</u>	-	<u>18,013,624</u>
Capital Assets, Being Depreciated				
Land Improvements	11,205,967	437,601	-	11,643,568
Buildings	103,752,158	811,464	-	104,563,622
Building Improvements	75,795,663	246,858	-	76,042,521
Equipment	<u>14,839,302</u>	<u>727,403</u>	<u>(169,619)</u>	<u>15,397,086</u>
Total Capital Assets, Being Depreciated	<u>205,593,090</u>	<u>2,223,326</u>	<u>(169,619)</u>	<u>207,646,797</u>
Less Accumulated Depreciation for				
Land Improvements	3,050,927	515,599	-	3,566,526
Buildings	27,592,543	1,852,289	-	29,444,832
Building Improvements	13,700,056	2,046,412	-	15,746,468
Equipment	<u>8,507,722</u>	<u>1,230,705</u>	<u>(7,041)</u>	<u>9,731,386</u>
Total Accumulated Depreciation	<u>52,851,248</u>	<u>5,645,005</u>	<u>(7,041)</u>	<u>58,489,212</u>
Total Capital Assets, Being Depreciated, Net	<u>152,741,842</u>	<u>(3,421,679)</u>	<u>(162,578)</u>	<u>149,157,585</u>
Governmental Activities Capital Assets, Net	<u><b>\$ 166,317,374</b></u>	<u><b>\$ 1,016,413</b></u>	<u><b>\$ (162,578)</b></u>	<u><b>\$ 167,171,209</b></u>
	<u>Balance 7/1/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/03</u>
<b>Business-type Activities</b>				
Capital Assets, Being Depreciated				
Equipment	\$ 1,477,203	\$ 86,892	\$ (4,559)	\$ 1,559,536
Less Accumulated Depreciation for Equipment	<u>615,987</u>	<u>125,771</u>	<u>(4,065)</u>	<u>\$ 737,693</u>
Business-type Activities Capital Assets, Net	<u><b>\$ 861,216</b></u>	<u><b>\$ (38,879)</b></u>	<u><b>\$ (494)</b></u>	<u><b>\$ 821,843</b></u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 5: CAPITAL ASSETS** (Continued)

Depreciation expense was charged to functions/programs of the District, as follows:

<b>Governmental Activities</b>	
Instruction	\$ 4,597,969
Supporting Services	<u>1,047,036</u>
Total	<u><b>\$ 5,645,005</b></u>
 <b>Business-Type Activities</b>	
Food Service	<u><b>\$ 125,771</b></u>

**NOTE 6: ACCRUED SALARIES AND BENEFITS**

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2003 are estimated to be as follows:

General Fund	\$ 12,152,915
Other Funds	<u>209,571</u>
Total Governmental Funds	12,362,486
Component Units	<u>264,253</u>
Total	<u><b>\$ 12,626,739</b></u>

**NOTE 7: SHORT-TERM CAPITAL LEASE PAYABLE**

**Sale and Lease Purchase of School Property**

During fiscal year 2002-2003, the District obtained certain loans from the State of Colorado that are administered by the State Treasurer under the Colorado Interest Free Loan Program. The District determined that it would not be able to fully repay such loans within the same fiscal year. Recently enacted amendments to Section 22-54-110, C.R.S., authorize the District to sell, and the State Treasurer to purchase, real estate owned by the District provided that the State Treasurer contemporaneously leases back such real estate to the District.

On June 27, 2003, the District entered into a sale and lease purchase agreement with the Treasurer of the State of Colorado for the property known as the Educational Support Center located at 2929 Clover Basin Drive, Longmont, CO 80501 in the amount of \$4,800,000. The District is making monthly lease payments of \$423,419 with a final payment of \$142,391 due on or before June 30, 2004. As of June 30, 2004, ownership of the property will be transferred back to the District.



St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 7: SHORT-TERM CAPITAL LEASE PAYABLE** (Continued)

**Sale and Lease Purchase of School Property** (Continued)

The proceeds of \$4,800,000 were utilized to repay the outstanding Colorado Interest Free Loan prior to June 30, 2003. As a result of the immediate capital lease purchase of the building, the transaction was recorded as a short-term lease payable, rather than as a sale of property.

**NOTE 8: DEFERRED REVENUES**

**Investment Agreements**

In June 2003, the District's General Fund received a net payment of \$950,000 pursuant to a forward supply agreement. In exchange for this amount, the District agreed to purchase qualified securities provided by Wachovia Bank, N.A., the investor. The securities mature at such times as are required for meeting the District's building construction needs, through June 15, 2005. Should the District terminate the agreement for any reason, it would be obligated to repay a portion of the \$950,000 received and other possible financial damages sustained by the investor as a result of the default.

Also in June 2003, the District's General Fund received a net payment of \$3,026,000 from Citigroup Financial Products, Inc. for a twelve-year debt service forward delivery agreement. In exchange for this amount, the District agreed to make payments into a bank trust account (Wells Fargo) from its debt service property tax revenues for subsequent purchases of qualified securities provided by Citigroup. The securities mature at such times as are required for meeting the District's debt service payment obligations over the contract period. Should the District terminate the agreement for any reason, it would be obligated to repay a portion of the \$3,026,000 received and other possible financial damages sustained by the investor as a result of the default.

The amount received under each agreement is being amortized over the term of the agreement for US GAAP purposes, rather than being recognized in full, when received, for budgetary purposes. At June 30, 2003, no revenue has been recognized for US GAAP purposes since both amounts were received in the late part of June. Therefore, the full combined amount of \$3,976,000 has been treated as deferred revenue.

**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**  
**June 30, 2003**

**NOTE 9: LONG-TERM DEBT**

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2003.

	Balance 7/1/02 (as restated)	Additions	Payments	Balance 6/30/03	Due Within One Year
General Obligation Bonds	\$ 139,368,000	\$ 131,090,000	\$ (42,423,000)	\$ 228,035,000	\$ 4,200,000
Accrued Interest	11,756,209	-	(2,996,209)	8,760,000	4,380,000
Capital Leases	5,327,882	230,703	(1,401,876)	4,156,709	725,844
Vacation Payable	230,526	16,717	-	247,243	247,243
Sick Leave Payable	1,083,502	529,631	(298,288)	1,314,845	-
Option to Purchase	273,500	-	(273,500)	-	-
Totals	<b>\$ 158,039,619</b>	<b>\$ 131,867,051</b>	<b>\$ (47,392,873)</b>	<b>\$ 242,513,797</b>	<b>\$ 9,553,087</b>

**General Obligation Bonds**

\$55,731,000 General Obligation Refunding and Improvement Bonds were issued on February 15, 1990. Interest accrues at 7% and is payable each June 15<sup>th</sup> and December 15<sup>th</sup>. Principal is due on December 15<sup>th</sup> of each year through 2005. Deferred Interest Bonds with face values totaling \$16,438,000 and compounded interest at rates ranging from 6.7% to 7.2% are payable semi-annual on December 15<sup>th</sup>, through 2005. As of June 30, 2003, the District had accrued interest deferral as principal of \$2,190,000 on these bonds.

\$98,675,000 General Obligation Building Bonds were issued on December 17, 1997. Interest accrues at rates ranging from 3.95% to 4.20% and is payable each June 15<sup>th</sup> and December 15<sup>th</sup>. Principal is due annually on December 15<sup>th</sup> through 2022.

\$39,090,000 General Obligation Refunding Bonds were issued on December 6, 2002. Interest accrues at rates ranging from 2.0% to 5.0% and is payable each June 15<sup>th</sup> and December 15<sup>th</sup>. Principal is due annually on December 15<sup>th</sup> through 2010. The premium of \$1,613,000 that was received upon the issuance of the bonds is being amortized over the term of the bonds. \$42,233,832 was required to retire the outstanding General Obligation Refunding Bonds issued on August 26, 1992.

\$92,000,000 General Obligation Building Bonds were issued in April 2003. Interest accrues at rates ranging from 2.0% to 5.25% and is payable each June 15<sup>th</sup> and December 15<sup>th</sup>. Principal is due annually on December 15<sup>th</sup> through 2022. The premium of \$4,200,003 that was received upon the issuance of the bonds is being amortized over the term of the bonds.

**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 9: LONG-TERM DEBT (Continued)**

**General Obligation Bonds (Continued)**

Bond payments to maturity are as follows:

Year ending June 30	GO Bonds		Accrued		Total
	Principal	Interest	Principal	Interest	
2004	\$ 3,105,000	\$ 11,384,196	\$ 1,095,000	\$ 4,380,000	\$ 19,964,196
2005	1,755,000	11,400,490	1,095,000	4,380,000	18,630,490
2006	7,460,000	15,424,753	-	-	22,884,753
2007	8,530,000	16,589,003	-	-	25,119,003
2008	8,760,000	16,486,971	-	-	25,246,971
2009	9,715,000	16,361,565	-	-	26,076,565
2010	10,730,000	16,196,444	-	-	26,926,444
2011	11,885,000	16,003,895	-	-	27,888,895
2012	10,440,000	7,996,711	-	-	18,436,711
2013	10,945,000	7,458,268	-	-	18,403,268
2014	11,440,000	6,884,355	-	-	18,324,355
2015	11,965,000	6,281,411	-	-	18,246,411
2016	12,530,000	5,655,400	-	-	18,185,400
2017	13,135,000	5,005,773	-	-	18,140,773
2018	13,770,000	4,328,250	-	-	18,098,250
2019	14,440,000	3,623,000	-	-	18,063,000
2020	15,140,000	2,883,500	-	-	18,023,500
2021	15,890,000	2,107,750	-	-	17,997,750
2022	16,690,000	1,293,250	-	-	17,983,250
2023	17,520,000	438,000	-	-	17,958,000
	<u>\$ 225,845,000</u>	<u>\$ 173,802,985</u>	<u>\$ 2,190,000</u>	<u>\$ 8,760,000</u>	<u>\$ 410,597,985</u>

**Capital Lease Agreements**

The District entered into capital lease agreements for energy performance contracts, telephone systems, computer systems, and land. The assets, valued at approximately \$6,000,000, have been recorded as capital assets in the statement of net assets. Payments are made from the General and Capital Reserve Funds.

**Option to Purchase**

The District entered into an option-to-purchase agreement in March of 1998 to purchase land for \$408,500. The final payment of \$273,500 was made on March 1, 2003.

**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 9: LONG-TERM DEBT** (Continued)

**Future Debt Service Requirements**

Debt service requirements for the leases are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 725,844	\$ 209,894	\$ 935,738
2005	550,157	173,325	723,482
2006	579,909	143,814	723,723
2007	613,402	112,635	726,037
2008	645,705	79,658	725,363
2009	418,424	46,864	465,288
2010	275,854	28,508	304,362
2011	244,914	13,762	258,676
2012	102,500	2,501	105,001
Totals	<u>\$ 4,156,709</u>	<u>\$ 810,961</u>	<u>\$ 4,967,670</u>

**NOTE 10: SHORT-TERM DEBT**

To meet short-term General Fund cash flow needs the District participates in the State of Colorado Interest-Free Loan Program.

Short-term debt activity relating to this program for the year ended June 30, 2003, was as follows:

<u>Balance</u>	<u>Draws</u>	<u>Payments</u>	<u>Ending Balance</u>
\$ -	\$ 27,108,507	\$(27,108,507)	\$ -

**NOTE 11: 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; natural disasters; and health and dental claims of its employees. The District plans to provide for or restore the economic damages of those losses through risk retention and risk transfer.

**Self Insurance Pool**

The Risk Management Fund is used to account for the payment of loss or damage to the property of the school district, liability claims, workers' compensation claims, and related administrative expenses. The main source of revenue is defined by the School Finance Act and is a transfer from the General Fund. Some of the risk is retained, and insurance is purchased to transfer part of the risk.

The District is a member of four public entity risk pools. The District's share of each pool varies based on exposures, the contribution paid to each pool, the District's claims experience, each pool's claims experience, and each pool's surplus and dividend policy. The District may be assessed to fund any pool surplus deficit.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 11: RISK MANAGEMENT** (Continued)

**Self Insurance Pool** (Continued)

Effective July 1, 2002, two of the pools (the Northern Colorado School Districts Property Self Insurance Pool and the Northern Colorado School Districts Liability Self Insurance Pool) discontinued insurance operations, because the member districts (Park, Thompson, and St. Vrain) opted to purchase property and liability insurance from the Colorado School Districts Self-Insurance Pool. These two pools have sufficient assets to meet the run-off obligations of the pools, according to the actuarial report dated June 11, 2003.

The Northern Colorado School Districts Workers' Compensation Self Insurance Pool remained inactive in FY03. This pool discontinued insurance operations effective July 1, 1998, and resumed insurance operations on July 1, 2003. The member districts are Park, Windsor, and St. Vrain. For FY03 the District purchased workers' compensation insurance from Pinnacol Assurance, and implemented a new \$5,000 per claim deductible.

There is no current or long-term debt associated with the Northern Colorado School Districts Workers' Compensation Self Insurance 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.

**Employee Medical Insurance Plan**

The District entered into a limited liability contract with CIGNA HealthCare, which is an insured contract, not a self-insured or administrative service only agreement. This agreement limits the District's maximum liability to the total of their premium and deposit rates. This contract is subject to Colorado State Insurance Regulations whereas self-funded plans are considered exempt under the guidance of ERISA which pre-empts State regulations.

The District did not increase its liability under the limited liability contract, but simply changed the methodology in which it funds its Plan. The District pays a premium to CIGNA HealthCare that is determined at renewal to appropriately reflect the administrative, risk and profit charges required to provide coverage to District employees. Activity relating to the Plan is accounted for in the Minimum Health Insurance Liability Internal Service Fund.

The District recognizes incurred but not reported claims for the Plan in the financial statements. Claims payable as of and for the years ending June 30, 2002 and 2003 are presented below:

Claims Payable, June 30, 2001	\$ 1,205,796
Claims Incurred and Adjustments	9,026,425
Claims Paid	<u>(8,338,962)</u>
Claims Payable, June 30, 2002	1,893,259
Claims Incurred and Adjustments	9,835,982
Claims Paid	<u>(9,818,279)</u>
Claims Payable, June 30, 2003	<u><u>\$ 1,910,962</u></u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 12: DEFINED BENEFITS PENSION PLAN**

**Plan Description** – The District contributes to the Combined State and School Division Trust Fund (CSSDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA).

CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the CSSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for CSSDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Funding Policy** – Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of Plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members was 8.0% and for the District was 10.04% of covered salary. Beginning with payroll periods ending after July 1, 2002, the employee contributions paid to the CSSDTF were reduced by an employer match on members' voluntary contributions to a defined contribution plan. The match, set by the Board of Trustees of PERA, is 100% of a member's eligible tax-deferred retirement program contributions limited by a per payroll whole percentage of PERA includable salary limit (percentage set for 2002 was 3.0%, and for 2003 was 2%). Any unused match money is forwarded to the CSSDTF. Also, a portion of the District's contribution (1.64% of covered salary January 1, 2002 through June 30, 2003) is allocated for the Health Care Trust Fund (See Note 11). The District's contributions to CSSDTF for the years ending June 30, 2003, 2002, and 2001 were \$7,386,311, \$6,535,428, and \$6,810,069 respectively, equal to the required contributions for each year.

**NOTE 13: POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description** – The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post employment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Funding Policy** – The District was required to contribute at a rate of 1.64% of covered salary from January 1, 2002 through June 30, 2003 for all PERA members as set by statute. No member contributions are required.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 13: POSTEMPLOYMENT HEALTHCARE BENEFITS** (Continued)

The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCF for the years ending June 30, 2003, 2002 and 2001 were \$1,442,098, \$1,288,878, and \$916,073, respectively.

**NOTE 14: JOINTLY GOVERNED ORGANIZATION**

**Centennial Board of Cooperative Educational Services**

The District, in conjunction with other surrounding districts, created the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational and computer services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The District paid BOCES \$972,937 for services provided during the year ended June 30, 2003. The BOCES financial statements can be obtained at their administrative office located at 830 S. Lincoln Street, Longmont, Colorado 80501.

**NOTE 15: 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. As of June 30, 2003, significant amounts of grant expenditures have not been audited, 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.

**Construction Contracts**

The District has entered into a number of separate construction projects as of June 30, 2003. Contract commitments at June 30, 2003, as a result of these projects, totaled approximately \$7,700,000.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2003

**NOTE 15: COMMITMENTS AND CONTINGENCIES** (Continued)

**Operating Lease Agreements**

The District has entered into an operating lease agreement for administrative facilities. Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Payments</u>
2004	\$ 119,010
2005	122,499
2006	<u>93,837</u>
Total	<u><u>\$ 335,346</u></u>

**TABOR Amendment**

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. In November 1998, electors within the District authorized the District to collect, retain and/or expend all revenues lawfully received by the District from any source during fiscal year 1998-99 and each year thereafter without regard to the limitations and conditions under the TABOR Amendment of the Colorado Constitution or any other law. The Amendment is complex and subject to judicial interpretation.

The TABOR Amendment requires the District to establish a reserve for emergencies. At June 30, 2003, the District has complied with the requirements to include emergency reserves in its fund balance and net assets.

**NOTE 16: GOING CONCERN**

The District has suffered recurring losses from operations, has an unrestricted net assets deficiency, and a General Fund fund balance deficiency that raises substantial doubt about its ability to continue to meet its obligations as they become due without external assistance, significant revisions to its operations, or other similar actions.

On December 20, 2002 the District entered into an agreement with the Colorado State Treasurer in which the State Treasurer agreed to continue issuing loans to the District under the interest free school loan program and extend the due date of the prior loans to June 30, 2004. The District agreed to terms and conditions under the District's Financial Recovery Plan, which includes the following actions: 1) restore student activity funds; 2) adjust salaries and freeze salaries; 3) hiring freeze; 4) freeze employee health insurance costs; 5) freeze professional development; 6) reduce current administrative personnel costs; and 7) reduce non-salary items.

Management believes that with the operating revisions listed above, the District will be able to continue to operate as a going concern.



**St. Vrain Valley School District RE-1J**

**Notes to Financial Statements**

**June 30, 2003**

**NOTE 17: RESTATEMENT FOR CORRECTION OF ERROR**

The District's General Fund fund balance as of July 1, 2002 has been restated for the understatement of accrued salaries and benefits of \$487,110.

The District's Governmental Activities net assets have been restated as of July 1, 2002, for the understatement of sick leave payable of \$1,083,502.

The District's Component Unit, Twin Peaks Charter School, has restated its fund balance as of July 11, 2002, to increase it by \$49,033 for errors in various accounts.

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**COMBINING NONMAJOR FUND FINANCIAL STATEMENTS**

**St. Vrain Valley School District RE-1J**

**Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2003**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Capital Reserve	Grants	Community Education	Vance Brand Civic Auditorium	
<b>Assets</b>					
Cash and Investments	\$ 892,270	\$ (127,468)	\$ 1,188,889	\$ 50,214	\$ 2,003,905
Accounts Receivable	-	366,360	7,163	5,561	379,084
Due From Other Funds	-	352,821	76,282	-	429,103
Deposits	28,000	-	-	-	28,000
<b>Total Assets</b>	<b>\$ 920,270</b>	<b>\$ 591,713</b>	<b>\$ 1,272,334</b>	<b>\$ 55,775</b>	<b>\$ 2,840,092</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 290,899	\$ 102,240	\$ 94,734	\$ 2,989	\$ 490,862
Accrued Salaries and Benefits	-	206,198	-	-	206,198
Deferred Revenues	46,080	283,275	-	-	329,355
<b>Total Liabilities</b>	<b>336,979</b>	<b>591,713</b>	<b>94,734</b>	<b>2,989</b>	<b>1,026,415</b>
<b>Fund Balances</b>					
Reserved for TABOR	-	-	63,592	3,863	67,455
Reserved for Contingencies	-	-	-	37,653	37,653
Unreserved, Designated for Subsequent Year Expenditures	-	-	618,111	-	618,111
Unreserved	583,291	-	495,897	11,270	1,090,458
<b>Total Fund Balances</b>	<b>583,291</b>	<b>-</b>	<b>1,177,600</b>	<b>52,786</b>	<b>1,813,677</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 920,270</b>	<b>\$ 591,713</b>	<b>\$ 1,272,334</b>	<b>\$ 55,775</b>	<b>\$ 2,840,092</b>

**St. Vrain Valley School District RE-1J**

**Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended June 30, 2003**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Capital Reserve	Grants	Community Education	Vance Brand Civic Auditorium	
<b>Revenues</b>					
Intergovernmental	\$ 4,247,660	\$ 4,644,346	\$ -	\$ -	\$ 8,892,006
Investment Income	1,120	-	-	142	1,262
Charges for Services	124,456	-	1,933,360	24,819	2,082,635
Miscellaneous	-	-	-	76,340	76,340
<b>Total Revenues</b>	<b>4,373,236</b>	<b>4,644,346</b>	<b>1,933,360</b>	<b>101,301</b>	<b>11,052,243</b>
<b>Expenditures</b>					
Instruction	-	3,052,287	1,838,370	-	4,890,657
Supporting Services	-	1,592,059	-	157,891	1,749,950
Capital Outlay	3,636,204	-	-	-	3,636,204
<b>Total Expenditures</b>	<b>3,636,204</b>	<b>4,644,346</b>	<b>1,838,370</b>	<b>157,891</b>	<b>10,276,811</b>
Excess of Revenues Over (Under) Expenditures	737,032	-	94,990	(56,590)	775,432
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	-	150,000	54,840	204,840
Transfers Out	-	-	(139,870)	-	(139,870)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>10,130</b>	<b>54,840</b>	<b>64,970</b>
<b>Net Change in Fund Balances</b>	<b>737,032</b>	<b>-</b>	<b>105,120</b>	<b>(1,750)</b>	<b>840,402</b>
Fund Balances (Deficit), Beginning	(153,741)	-	1,072,480	54,536	973,275
<b>Fund Balances, Ending</b>	<b>\$ 583,291</b>	<b>\$ -</b>	<b>\$ 1,177,600</b>	<b>\$ 52,786</b>	<b>\$ 1,813,677</b>

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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL**

**St. Vrain Valley School District RE-1J**

**Capital Reserve Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Equalization	\$ 3,497,660	\$ 4,247,660	\$ 4,247,660	\$ -
Investment Income	35,000	35,000	1,120	(33,880)
Miscellaneous	<u>89,846</u>	<u>339,846</u>	<u>124,456</u>	<u>(215,390)</u>
Total Revenues	<u>3,622,506</u>	<u>4,622,506</u>	<u>4,373,236</u>	<u>(249,270)</u>
 <b>Expenditures</b>				
Capital Outlay	<u>3,859,824</u>	<u>4,859,824</u>	<u>3,636,204</u>	<u>1,223,620</u>
Total Expenditures	<u>3,859,824</u>	<u>4,859,824</u>	<u>3,636,204</u>	<u>1,223,620</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (237,318)</u>	<u>\$ (237,318)</u>	737,032	<u>\$ 974,350</u>
Fund Balance (Deficit), Beginning			<u>(153,741)</u>	
Fund Balance, Ending			<u>\$ 583,291</u>	



**St. Vrain Valley School District RE-1J**

**Governmental Designated-Purpose Grants Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenues</b>			
Local Grants	\$ 200,000	\$ 68,884	\$ (131,116)
State Grants	427,500	339,021	(88,479)
Federal Grants	<u>4,449,314</u>	<u>4,236,441</u>	<u>(212,873)</u>
 Total Revenues	 <u>5,076,814</u>	 <u>4,644,346</u>	 <u>(432,468)</u>
 <b>Expenditures</b>			
Salaries	3,403,458	3,113,535	289,923
Benefits	628,648	575,097	53,551
Purchased Services	525,185	480,447	44,738
Supplies and Materials	289,786	265,101	24,685
Capital Outlay	25,486	23,315	2,171
Other	<u>204,251</u>	<u>186,851</u>	<u>17,400</u>
 Total Expenditures	 <u>5,076,814</u>	 <u>4,644,346</u>	 <u>432,468</u>
 Excess of Revenues Over (Under) Expenditures	 <u>\$ -</u>	 <u>-</u>	 <u>\$ -</u>
 Fund Balance, Beginning		 <u>-</u>	
 Fund Balance, Ending		 <u>\$ -</u>	

**St. Vrain Valley School District RE-1J**

**Community Education Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenues</b>			
Charges for Services	\$ 1,293,000	\$ 1,933,360	\$ 640,360
Total Revenues	<u>1,293,000</u>	<u>1,933,360</u>	<u>640,360</u>
 <b>Expenditures</b>			
Instruction	<u>1,339,000</u>	<u>1,838,370</u>	<u>(499,370)</u>
Total Expenditures	<u>1,339,000</u>	<u>1,838,370</u>	<u>(499,370)</u>
Excess of Revenues Over (Under) Expenditures	(46,000)	94,990	140,990
 <b>Other Financing Sources (Uses)</b>			
Transfers In	-	150,000	150,000
Transfers Out	-	(139,870)	(139,870)
Net Change in Fund Balance	<u>\$ (46,000)</u>	105,120	<u>\$ 151,120</u>
Fund Balance, Beginning		<u>1,072,480</u>	
Fund Balance, Ending		<u>\$ 1,177,600</u>	

**St. Vrain Valley School District RE-1J**

**Vance Brand Civic Auditorium Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenues</b>			
Investment Income	\$ 1,250	\$ 142	\$ (1,108)
Charges for Services	47,200	24,819	(22,381)
Contributions	<u>54,000</u>	<u>76,340</u>	<u>22,340</u>
 Total Revenues	 <u>102,450</u>	 <u>101,301</u>	 <u>(1,149)</u>
 <b>Expenditures</b>			
Salaries	91,412	98,676	(7,264)
Benefits	18,585	19,335	(750)
Purchased Services	22,200	3,235	18,965
Supplies and Materials	14,700	24,187	(9,487)
Capital Outlay	<u>25,090</u>	<u>12,458</u>	<u>12,632</u>
 Total Expenditures	 <u>171,987</u>	 <u>157,891</u>	 <u>14,096</u>
 Excess of Revenues Over (Under) Expenditures	 (69,537)	 (56,590)	 12,947
 <b>Other Financing Sources (Uses)</b>			
Transfers In	<u>54,840</u>	<u>54,840</u>	<u>-</u>
 Net Change in Fund Balance	 <u>\$ (14,697)</u>	 (1,750)	 <u>\$ 12,947</u>
 Fund Balance, Beginning		<u>54,536</u>	
 Fund Balance, Ending		<u>\$ 52,786</u>	

**St. Vrain Valley School District RE-1J**

**Bond Redemption Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$ 13,086,057	\$ 22,308,608	\$ 9,222,551
Investment Income	300,000	95,036	(204,964)
Accrued Interest	-	260,230	260,230
Miscellaneous	-	29,738	29,738
Total Revenues	<u>13,386,057</u>	<u>22,693,612</u>	<u>9,307,555</u>
 <b>Expenditures</b>			
Debt Principal	2,123,000	2,123,000	-
Debt Interest	11,559,872	12,741,188	(1,181,316)
Fiscal Charges	10,000	23,113	(13,113)
Total Expenditures	<u>13,692,872</u>	<u>14,887,301</u>	<u>(1,194,429)</u>
Excess of Revenues Over (Under) Expenditures	<u>(306,815)</u>	<u>7,806,311</u>	<u>8,113,126</u>
 <b>Other Financing Sources (Uses)</b>			
Proceeds of Bonds	39,090,000	39,090,000	-
Premium Received on Issuance of Bonds	1,613,000	1,613,000	-
Payment to Refunded Bond Escrow Agent	(40,300,000)	(40,300,000)	-
Total Other Financing Sources (Uses)	<u>403,000</u>	<u>403,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 96,185</u>	8,209,311	<u>\$ 8,113,126</u>
Fund Balance, Beginning		<u>11,415,777</u>	
Fund Balance, Ending		<u>\$ 19,625,088</u>	

**St. Vrain Valley School District RE-1J**

**Building Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	Original and Final Budget	Actual	Variance Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenues</b>			
Investment Income	\$ 25,000	\$ 167,519	\$ 142,519
Miscellaneous	-	253,674	253,674
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	25,000	421,193	396,193
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Expenditures</b>			
Salaries	118,033	130,121	(12,088)
Benefits	5,668	19,984	(14,316)
Purchased Services	70,000	4,831,183	(4,761,183)
Supplies and Materials	-	787,015	(787,015)
Capital Outlay	380,000	3,922,574	(3,542,574)
Interest Expense	-	25,091	(25,091)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenditures	573,701	9,715,968	(9,142,267)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess of Revenues Over (Under) Expenditures	(548,701)	(9,294,775)	(8,746,074)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Bonds	-	92,000,000	92,000,000
Premium Received on Issuance of Bonds	-	4,200,003	4,200,003
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Other Financing Sources (Uses)	-	96,200,003	96,200,003
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Change in Fund Balance	<u>\$ (548,701)</u>	\$ 86,905,228	<u>\$ 87,453,929</u>
		<u>                    </u>	
Fund Balance, Beginning		668,302	
		<u>                    </u>	
Fund Balance, Ending		<u>\$ 87,573,530</u>	

## St. Vrain Valley School District RE-1J

### Food Service Fund Budgetary Comparison Schedule (Non-US GAAP Basis) For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment Income	\$ 70,000	\$ 14,000	\$ 5,755	\$ (8,245)
Charges for Services	2,532,000	2,790,000	2,705,077	(84,923)
Miscellaneous	35,000	16,000	29,473	13,473
State Match	-	-	63,180	63,180
National School Lunch Program	1,090,000	1,240,000	1,280,554	40,554
	<u>3,727,000</u>	<u>4,060,000</u>	<u>4,084,039</u>	<u>24,039</u>
<b>Expenses</b>				
Salaries	1,621,960	1,750,700	1,564,660	186,040
Benefits	356,040	384,300	372,359	11,941
Purchased Services	164,000	140,000	209,594	(69,594)
Supplies and Materials	1,917,000	2,132,000	1,791,693	340,307
Capital Outlay	134,000	100,000	116,186	(16,186)
Transfer to General Fund	140,000	140,000	140,000	-
	<u>4,333,000</u>	<u>4,647,000</u>	<u>4,194,492</u>	<u>452,508</u>
Net Income (Loss), Budgetary Basis	(606,000)	(587,000)	(110,453)	476,547
<b>Reconciliation to USGAAP</b>				
<b>Basis of Accounting</b>				
Depreciation	-	-	(125,771)	(125,771)
Capital Outlay - Capitalized	-	-	86,892	86,892
Loss on Disposal of Equipment	-	-	(495)	(495)
	<u>-(606,000)</u>	<u>-(587,000)</u>	<u>(149,827)</u>	<u>\$ 437,173</u>
Change in Net Assets, US GAAP Basis				
Net Assets, Beginning			<u>1,921,236</u>	
Net Assets, Ending			<u>\$ 1,771,409</u>	

## St. Vrain Valley School District RE-1J

### Risk Management Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment Income	\$ 10,000	\$ 20,000	\$ 8,673	\$ (11,327)
Charges for Services	-	557,000	964,696	407,696
Miscellaneous	1,757,917	1,004,416	3,468,986	2,464,570
<b>Total Revenues</b>	<b>1,767,917</b>	<b>1,581,416</b>	<b>4,442,355</b>	<b>2,860,939</b>
<b>Expenditures</b>				
Salaries	198,037	191,883	145,510	46,373
Benefits	35,300	34,685	25,078	9,607
Purchased Services	1,296,647	996,250	963,507	32,743
Supplies and Materials	112,300	479,000	179,472	299,528
Capital Outlay	5,000	5,000	-	5,000
Other	-	-	3,372	(3,372)
<b>Total Expenditures</b>	<b>1,647,284</b>	<b>1,706,818</b>	<b>1,316,939</b>	<b>389,879</b>
<b>Change in Net Assets, Budgetary Basis</b>	<b>\$ 120,633</b>	<b>\$ (125,402)</b>	<b>3,125,416</b>	<b>\$ 3,250,818</b>
Net Assets, Beginning			948,391	
Net Assets, Ending			<b>\$ 4,073,807</b>	

## St. Vrain Valley School District RE-1J

### Minimum Liability Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment Income	\$ 20,000	\$ 9,828	\$ (10,172)
Charges for Services	6,000,000	9,955,630	3,955,630
 Total Revenues	 <u>6,020,000</u>	 <u>9,965,458</u>	 <u>3,945,458</u>
 <b>Expenditures</b>			
Salaries	91,600	87,006	4,594
Benefits	18,400	17,246	1,154
Supplies and Materials	4,000	-	4,000
Claims Paid	5,806,000	9,818,279	(4,012,279)
 Total Expenditures	 <u>5,920,000</u>	 <u>9,922,531</u>	 <u>(4,002,531)</u>
 Change in Net Assets, Budgetary Basis	 <u>\$ 100,000</u>	 42,927	 <u>\$ (57,073)</u>
 Net Assets, Beginning		 <u>500,935</u>	
 Net Assets, Ending		 <u>\$ 543,862</u>	



**St. Vrain Valley School District RE-1J**

**Student Scholarship Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Additions</b>			
Investment Income	\$ 4,000	\$ 803	\$ (3,197)
Contributions	<u>50,000</u>	<u>100,637</u>	<u>50,637</u>
Total Additions	<u>54,000</u>	<u>101,440</u>	<u>47,440</u>
<b>Deductions</b>			
Scholarships	<u>225,210</u>	<u>108,251</u>	<u>116,959</u>
Total Deductions	<u>225,210</u>	<u>108,251</u>	<u>116,959</u>
Change in Net Assets, Budgetary Basis	<u>\$ (171,210)</u>	(6,811)	<u>\$ 164,399</u>
Net Assets, Beginning		<u>139,599</u>	
Net Assets, Ending		<u>\$ 132,788</u>	

**St. Vrain Valley School District RE-1J**

**Student Activity Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2003**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Additions</b>			
Investment Income	\$ 45,000	\$ 5,660	\$ (39,340)
Student Activity Sources from Schools	2,500,000	3,295,725	795,725
Athletic/Activity Participation Fees	300,000	688,103	388,103
General Fund Support	<u>184,000</u>	<u>158,554</u>	<u>(25,446)</u>
Total Additions	<u>3,029,000</u>	<u>4,148,042</u>	<u>1,119,042</u>
<b>Deductions</b>			
Student Activities	4,000,000	1,132,917	2,867,083
Athletic/Activity Programs	300,000	2,688,515	(2,388,515)
Transfers to General Fund	<u>-</u>	<u>45,000</u>	<u>(45,000)</u>
Total Deductions	<u>4,300,000</u>	<u>3,866,432</u>	<u>433,568</u>
Change in Undistributed Monies, Budgetary Basis	<u><u>\$ (1,271,000)</u></u>	281,610	<u><u>\$ 1,552,610</u></u>
Undistributed Monies, Beginning		<u>1,744,339</u>	
Undistributed Monies, Ending		<u><u>\$ 2,025,949</u></u>	

## **COMPONENT UNITS**

### **Charter Schools**

Twin Peaks Charter Academy began operations in the fall of fiscal year 1998 to serve students in grades K through 8.

Ute Creek Charter Academy began operations in the fall of fiscal year 2001 to serve students in grades 9 through 12.

**St. Vrain Valley School District RE-1J**

**Component Units  
Charter Schools  
Combining Balance Sheet  
June 30, 2003**

	Twin Peaks Charter School	Ute Creek Charter Academy	Totals
<b>Assets</b>			
Cash and Investments	\$ 730,826	\$ 4,019	\$ 734,845
Accounts Receivable	250,257	-	250,257
Prepaid Expenses	12,907	-	12,907
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 993,990</u>	<u>\$ 4,019</u>	<u>\$ 998,009</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 251,455	\$ 59,321	\$ 310,776
Accrued Salaries and Benefits	191,534	72,719	264,253
Deferred Revenues	3,367	-	3,367
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>446,356</u>	<u>132,040</u>	<u>578,396</u>
<b>Fund Balances</b>			
Reserved for TABOR	104,592	-	104,592
Unreserved	443,042	(128,021)	315,021
	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	<u>547,634</u>	<u>(128,021)</u>	<u>419,613</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 993,990</u>	<u>\$ 4,019</u>	<u>\$ 998,009</u>

## St. Vrain Valley School District RE-1J

### Component Units Charter Schools Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Year Ended June 30, 2003

	Twin Peaks Charter School	Ute Creek Charter Academy	Total
<b>Revenues</b>			
Intergovernmental	\$ 2,209,273	\$ 1,175,636	\$ 3,384,909
Investment Income	9,853	-	9,853
Charges for Services	129,717	-	129,717
Miscellaneous	39,714	46,840	86,554
State Revenues	64,289	71,343	135,632
Federal Grants	1,017,207	-	1,017,207
	<u>3,470,053</u>	<u>1,293,819</u>	<u>4,763,872</u>
Total Revenues			
<b>Expenditures</b>			
Current			
Instruction	1,785,305	613,701	2,399,006
Supporting Services	1,701,087	695,554	2,396,641
	<u>3,486,392</u>	<u>1,309,255</u>	<u>4,795,647</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	<u>(16,339)</u>	<u>(15,436)</u>	<u>(31,775)</u>
Fund Balances (Deficit), Beginning	514,940	(112,585)	402,355
Restatement for correction of error	49,033	-	49,033
Adjusted Fund Balance (Deficit), Beginning	<u>563,973</u>	<u>(112,585)</u>	<u>451,388</u>
Fund Balances (Deficit), Ending	<u>\$ 547,634</u>	<u>\$ (128,021)</u>	<u>\$ 419,613</u>

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**STATISTICAL SECTION  
(UNAUDITED)**

St. Vrain Valley School District RE-1J  
 Governmental Fund Type Expenditures by Function <sup>1</sup>  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	General Administration Services	School Administration Services	Business Administration Services	Central Administration Services	Community Services
1994	40,719,594	3,050,435	2,210,649	1,117,413	5,314,313	8,271,582	1,311,343	1,351
1995	45,535,645	3,377,973	2,614,197	699,862	5,934,913	9,012,239	3,059,548	32,315
1996	47,744,131	4,134,436	3,578,911	936,350	6,013,499	9,391,440	2,618,872	61,208
1997	49,884,985	4,255,375	3,565,635	395,023	5,850,905	9,829,822	2,720,529	54,395
1998	51,871,099	4,414,383	5,041,713	1,960,666	6,162,093	10,369,327	1,400,476	-
1999	51,688,750	4,601,941	4,154,056	983,204	6,468,363	14,286,412	2,375,276	-
2000	58,871,181	4,394,382	5,179,405	818,683	7,238,179	12,387,831	3,091,529	335,043
2001	65,481,607	4,759,902	5,587,974	1,129,190	7,762,100	11,190,188	3,853,774	312,596
2002	76,361,541	5,482,330	6,349,810	1,250,865	8,890,343	14,260,329	4,642,996	427,551
2003	80,128,867	6,074,496	5,574,877	1,050,030	8,938,883	14,882,859	2,904,187	501,217

St. Vrain Valley School District RE-1J  
 Governmental Fund Type Expenditures by Percent  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	General Administration Services	School Administration Services	Business Administration Services	Central Administration Services	Community Services
1994	53.21%	3.99%	2.89%	1.46%	6.94%	10.81%	1.71%	0.00%
1995	55.81%	4.14%	3.20%	0.86%	7.27%	11.05%	3.75%	0.04%
1996	53.86%	4.66%	4.04%	1.06%	6.78%	10.60%	2.95%	0.07%
1997	55.08%	4.70%	3.94%	0.44%	6.46%	10.85%	3.00%	0.06%
1998	51.81%	4.41%	5.04%	1.96%	6.16%	10.36%	1.40%	0.00%
1999	39.84%	3.55%	3.20%	0.76%	4.99%	11.01%	1.83%	0.00%
2000	37.80%	2.82%	3.33%	0.53%	4.65%	7.95%	1.98%	0.22%
2001	42.44%	3.09%	3.62%	0.73%	5.03%	7.25%	2.50%	0.20%
2002	51.17%	3.67%	4.26%	0.84%	5.96%	9.56%	3.11%	0.29%
2003	52.42%	3.97%	3.65%	0.69%	5.85%	9.74%	1.90%	0.33%

1 Includes the following funds: General, Capital Reserve, Community Education, Governmental Designated Purpose Grants, Vance Brand Civic Auditorium, Fair Contributions, Bond Redemption, and Building.

2 The Insurance Fund is now being reported as a Proprietary Fund type according to GASB 10.

Source: St. Vrain Valley School District RE-1J Audited Financial Statements 1994 - FY03



Other Supporting Services	Scholarships	Risk Management	Student Activities	Debt Service	Capital Projects	Transfer to Charter School	Total
724,947	-	537,623	1,780,311	7,175,951	4,317,337		76,532,849
716,620	-	- 2	1,973,806	5,279,720	3,356,537		81,593,375
98,045	62,764	- 2	2,160,405	9,355,184	2,482,594		88,637,839
826,533	54,498	- 2	2,347,566	8,209,595	2,573,939		90,568,800
280,095	52,908	- 2	1,742,398	9,713,134	7,188,758		100,197,050
2,328,483	54,156	- 2	2,256,810	12,418,742	26,472,845	1,666,402	129,755,442
821,290	100,955	- 2	3,070,276	12,801,726	44,918,052	1,719,679	155,748,213
3,335,439	62,449	- 2	3,421,869	13,224,904	31,480,196	2,674,018	154,276,206
5,179,031	-	- 2	-	14,474,104	8,520,264	3,377,987	149,217,151
911,815	-	- 2	-	16,092,981	12,403,164	3,384,910	152,848,286

Other Supporting Services	Scholarships	Risk Management	Student Activities	Debt Service	Capital Projects	Transfer to Charter School	Total
0.95%	0.00%	0.70%	2.33%	9.38%	5.64%		100.00%
0.88%	0.00%	0.00%	2.42%	6.47%	4.11%		100.00%
0.11%	0.07%	0.00%	2.44%	10.55%	2.80%		100.00%
0.91%	0.06%	0.00%	2.59%	9.06%	2.84%		100.00%
0.28%	0.05%	0.00%	1.74%	9.70%	7.18%		100.09%
1.79%	0.04%	0.00%	1.74%	9.57%	20.40%	1.28%	100.00%
0.53%	0.06%	0.00%	1.97%	8.22%	28.84%	1.10%	100.00%
2.16%	0.04%	0.00%	2.22%	8.57%	20.41%	1.73%	100.00%
3.47%	0.00%	0.00%	0.00%	9.70%	5.71%	2.26%	100.00%
0.60%	0.00%	0.00%	0.00%	10.53%	8.11%	2.21%	100.00%

St. Vrain Valley School District RE-1J  
 General Fund Type Expenditures by Function  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	General Administration Services	School Administration Services	Business Administration Services
1994	38,313,880	3,050,435	2,210,649	1,117,413	5,314,313	8,271,582
1995	43,156,184	3,377,973	2,614,197	699,862	5,934,913	9,012,239
1996	45,470,011	3,830,390	3,348,574	932,585	5,826,291	9,342,088
1997	47,442,887	3,938,606	3,382,389	395,023	5,672,997	9,806,661
1998	1 49,186,846	3,641,236	5,041,713	1,960,666	6,162,093	7,562,569
1999	48,850,979	3,599,857	4,154,056	983,206	6,468,363	7,525,455
2000	54,611,008	4,127,227	4,492,403	816,427	6,918,215	8,961,468
2001	61,584,980	4,468,233	4,650,292	1,079,141	7,666,591	10,312,852
2002	72,596,090	5,091,947	5,416,404	1,223,129	8,817,167	11,722,332
2003	75,656,360	5,474,389	4,352,127	1,050,030	8,926,643	11,264,246

1 The amounts may not be comparable from 1998 due to the state mandated chart of account code system.

Source: St. Vrain Valley School District RE-1J Audited Financial Statements 1994 - FY03

Transportation Services	Central Administration Services	Community/ Other Services	Transfer to Charter School	Total	Percent Increase in Expenditures
	1,311,343	1,351		59,590,966	
	3,059,548	32,315		67,887,231	13.92%
	2,618,872	4,375		71,373,186	5.13%
	2,720,529	19,293		73,378,385	2.81%
1,960,666	1,400,476	280,095		77,196,360	5.20%
1,994,844	2,375,276	2,328,472	1,666,402	79,946,910	3.56%
2,078,012	2,855,917	880,833	1,719,679	87,461,189	9.40%
2,422,251	2,855,756	1,557,386	2,674,018	99,271,500	13.50%
2,476,072	3,227,679	701,987	3,377,987	114,650,794	15.49%
2,654,504	2,282,317	886,431	3,384,910	115,931,957	1.12%

St. Vrain Valley School District RE-1J  
 Governmental Fund Type Revenues by Source 1  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Local Sources					State Sources			
	Property Tax	Specific Ownership Tax	Interest	Tuition	Miscellaneous	Student Activities	Equalization	Special Education	Vocational Education
1994	31,826,026	2,398,557	454,546	880,023	1,039,621	1,783,145	32,993,943	1,014,991	629,838
1995	33,215,868	2,652,887	739,653	939,785	735,264	1,864,938	36,982,492	1,340,879	528,853
1996	35,426,942	2,875,745	800,453	977,597	554,999	2,019,068	37,969,748	1,430,404	504,777
1997	36,851,082	3,125,703	869,275	967,317	664,772	2,220,985	40,140,659	1,388,376	690,317
1998	42,586,147	3,544,255	3,839,985	1,115,788	835,287	1,762,686	41,779,634	1,470,609	762,839
1999	45,575,578	4,117,446	6,576,589	1,484,935	1,147,820	2,258,914	45,127,475	1,460,390	760,758
2000	47,332,883	4,518,589	4,412,837	1,490,324	1,293,154	2,992,825	47,208,976	1,702,911	519,999
2001	49,709,527	4,840,145	2,709,536	1,734,421	2,251,449	3,494,052	51,470,640	1,940,781	903,243
2002	53,893,253	5,215,842	719,089	1,252,835	2,397,577	-	57,635,616	1,623,705	632,418
2003	64,702,443	5,437,653	701,050	1,693,973	2,832,468	-	64,987,668	1,719,087	672,151

1 Includes the following funds: General, Capital Reserve, Community Education, Governmental Designated Purpose Grants, Vance Brand Civic Auditorium, Fair Contributions, Bond Redemption, and Building Fund.

**Source:** St. Vrain Valley School District RE-1J Audited Financial Statements 1994 - FY03

State Sources, continued					Federal Sources				Total	Percent Increase in Revenues
Trans- portation	Special Entitle- ments	Increased Enroll- ment	Miscell- aneous	State Grants	Public Law 84-874	Adult Education	Miscell- aneous	Federal Grants		
607,628	-	21,932	-	80,286	18,861	38,856	-	2,290,708	73,020,690	
648,444	-	-	30,000	71,881	17,357	38,856	-	2,241,196	79,000,619	8.19%
729,742	-	-	-	131,976	20,132	50,025	-	2,239,120	82,559,733	4.51%
756,430	-	-	114,755	102,378	-	50,025	-	2,191,439	86,918,486	5.28%
717,898	-	-	6,500	270,062	-	102,538	-	2,349,053	101,143,281	16.37%
740,110	-	-	-	233,602	-	16,617	-	2,641,814	112,142,048	10.87%
734,149	-	-	-	109,949	-	126,237	-	2,992,457	115,435,290	2.94%
718,597	-	-	-	208,908	-	66,670	-	3,337,118	123,385,087	6.89%
741,747	-	-	-	1,389,217	-	88,480	-	3,949,135	129,538,914	4.99%
775,344	-	-	-	558,280	-	108,280	-	4,236,441	148,424,838	14.58%

St. Vrain Valley School District RE-1J  
 General Fund Revenues by Source  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Local Sources					State Sources		
	Property Tax	Specific Ownership Tax	Interest	Tuition	Miscellaneous	Equalization	Special Education	Vocational Education
1994	25,079,236	2,398,222	197,208	139,044	69,502	32,993,943	1,014,991	629,838
1995	26,133,497	2,652,887	319,944	118,879	51,886	36,982,492	1,340,879	528,853
1996	27,575,746	2,875,745	278,802	116,459	61,009	37,969,748	1,430,404	504,777
1997	28,672,010	3,125,703	261,392	24,059	105,703	40,140,659	1,388,376	690,317
1998	30,666,358	3,544,255	437,064	96,221	86,065	39,207,055	1,470,609	762,839
1999	33,142,554	4,117,446	409,133	82,464	34,449	42,166,580	1,460,390	760,758
2000	34,441,183	4,518,589	374,039	113,759	208,446	47,208,976	1,465,817	519,999
2001	36,773,962	4,840,145	481,669	135,886	284,241	47,841,873	1,510,188	903,243
2002	40,028,259	5,215,842	173,428	37,011	268,568	53,751,103	1,623,705	632,418
2003	42,393,835	5,437,653	132,023	39,031	637,200	60,740,008	1,719,087	672,151

**Source:** St. Vrain Valley School District RE-1J Audited Financial Statements 1994 - FY03

State Sources, continued				Federal Sources			Total	Percent Increase in Revenues
Trans- portation	Special Entitlements	Increased Enrollment	Misc- ellaneous	Public Law 84-874	Adult Education	Misc- ellaneous		
607,628	-	21,932	-	18,861	38,856	-	63,209,261	
648,444	-	-	30,000	17,357	38,856	-	68,863,974	8.95%
717,377	-	-	80,345	20,132	50,025	6,576	71,687,145	4.10%
756,430	-	-	184,238	-	50,025	-	75,398,912	5.18%
717,898	-	-	171,725	-	102,538	26,690	77,289,317	2.51%
740,110	-	-	183,544	-	16,617	-	83,114,045	7.54%
734,149	-	-	237,094	-	126,237	-	89,948,288	8.22%
718,597	-	-	208,908	-	66,670	-	93,765,382	4.24%
741,747	-	-	763,662	-	88,480	-	103,324,223	10.19%
775,344	-	-	219,260	-	108,280	-	112,873,872	9.24%

St. Vrain Valley School District RE-1J  
Property Tax Levied and Collected - All Funds  
Last Ten Fiscal Years  
(Unaudited)

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Levy	Outstanding Delinquent Taxes
1993	1994	31,746,616	30,911,897	97.37%	914,129	31,826,026	100.25%	- <sup>1</sup>
1994	1995	33,194,577	32,511,372	97.94%	704,496	33,215,868	100.06%	1,189,726
1995	1996	35,606,123	35,391,053	99.40%	35,889	35,426,942	99.50%	794,035
1996	1997	37,521,941	36,321,003	96.80%	530,080	36,851,083	98.21%	1,162,878
1997	1998	43,407,240	42,112,871	97.02%	473,276	42,586,147	98.11%	1,294,368
1998	1999	46,159,628	44,625,780	96.68%	949,798	45,575,578	98.73%	1,517,561
1999	2000	47,567,770	46,182,829	97.09%	1,158,749	47,341,578	99.52%	939,033
2000	2001	49,947,551	48,541,456	97.18%	1,168,071	49,709,527	99.52%	753,125
2001	2002	54,340,378	53,818,169	99.04%	75,084	53,893,253	99.18%	522,209
2002	2003	65,212,583	63,192,297	96.90%	1,510,146	64,702,443	99.22%	2,020,286 <sup>2</sup>

1 Outstanding delinquent taxes are considered relatively minor and are not obtainable from the country treasurers.

2 These outstanding delinquent taxes consist of the property tax receivable.

**Source:** Boulder, Weld and Larimer Counties Assessors' Offices and St. Vrain Valley School District RE-1J



St. Vrain Valley School District RE-1J  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Unaudited)

Collection Year	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage	Total County Millage	City of Longmont Millage
1992	51.354	22.245	22.457	21.571		66.273	13.420
1993	51.120	22.245	22.457	21.571		66.273	13.420
1994	50.716	22.245	22.457	21.571		66.273	13.420
1995	50.452	22.245	22.038	21.723		66.006	13.420
1996	48.432	20.897	22.038	20.905		63.840	13.420
1997	48.393	21.447	22.038	21.432		64.917	13.420
1998	50.022	21.726	22.038	21.293		65.057	13.420
1999	49.635	22.245	22.038	21.656		65.939	13.420
2000	44.096	19.835	22.038	21.614		63.487	13.420
2001	36.256	17.621	20.559	22.461	28.968	89.609	13.420
2002	41.025	20.087	20.056	22.421	28.968	91.532	13.420

Broomfield County was formed on November 15, 2001.

**Source:** Boulder, Larimer and Weld County Assessor's Office and Central Records Office of Broomfield.

St. Vrain Valley School District RE-1J  
Principal Taxpayers of  
Boulder/Longmont Area  
(Unaudited)

Name	2002 Assessed Valuation	Percent of Assessed Valuation
Amgen Inc.	\$ 37,708,413	2.37%
Pratt Land Limited Liability Co.	27,398,600	1.72%
Kerr-McGee Rocky Mountain Corp.	21,969,640	1.38%
Seagate Technology LLC	18,609,550	1.17%
Qwest Corporation	14,910,953	0.94%
Maxtor Corporation	10,534,730	0.66%
Xilinx Inc.	9,383,170	0.59%
CEMEX/Southdown Corporation	7,984,340	0.50%
Twin Peaks Mall Associated Ltd.	7,930,220	0.50%
Patina Oil & Gas Corporation	7,569,160	0.48%
<b>Total</b>	<b>\$ 163,998,776</b>	<b>10.32%</b>

The total 2002 assessed valuation figure of the District used in computing the above percentages was \$1,589,581,541 as of December 15, 2002.

**Source:** Assessors' Offices of Boulder, Larimer, and Weld Counties, and Central Records Office of Broomfield.

St. Vrain Valley School District RE-1J  
Computation of Legal Debt Margin  
June 30, 2003  
(Unaudited)

2002 Taxable assessed valuation	\$ 1,589,581,541
Debt Limit Percentage	<u>25.00%</u>
Legal debt limit	397,395,385
Amount of debt applicable to debt limit:	
Total bonded debt as of June 30, 2003	<u>232,693,967</u>
Legal debt margin	<u><u>\$ 164,701,418</u></u>

St. Vrain Valley School District RE-1J  
Ratio of Net General Obligation Bonded Debt to  
Assessed Value  
Last Ten Fiscal Years  
(Unaudited)

Collection Year	Assessed Value	Gross Bonded General Obligation Debt		Less Debt Service Funds	Net Bonded Debt	Bonded Debt to Assessed Value
1994	625,968,450	66,051,000		5,773,211	60,277,789	9.63%
1995	657,943,730	63,843,000		7,878,256	55,964,744	8.51%
1996	735,177,630	57,220,000		6,748,360	50,471,640	6.87%
1997	775,358,859	52,516,190		7,302,450	45,213,740	5.83%
1998	867,762,980	150,577,855	1	10,024,006	140,553,849	16.20%
1999	929,981,486	147,338,917		10,777,318	136,561,599	14.68%
2000	1,078,731,870	143,606,264		11,307,320	132,298,944	12.26%
2001	1,184,349,020	141,309,000		11,195,114	130,113,886	10.99%
2002	1,498,796,828	139,368,000		11,415,777	127,952,223	8.54%
2003	1,589,581,541	228,035,000	2,3	19,248,058	208,786,942	13.13%

1 As a result of a positive bond election on November 18, 1997, the District sold bonds in the amount of \$98,675,000 for the purpose of general construction and renovations.

2 In December, 2002 an amount of \$40,703,000 of the 1992 general obligation/refunding bonds were advanced refunded.

3 As a result of a positive bond election on November 5, 2002, the District sold bonds in the amount of \$92,000,000 for the purpose of general construction and renovations.

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**Source:** St. Vrain Valley School District RE-1J

St. Vrain Valley School District RE-1J  
Ratio of Annual Debt Service Expenditures for  
General Obligation Bonded Debt to Total General Fund Expenditures  
Last Ten Years  
(Unaudited)

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to Total General Fund Expenditures
1994	3,830,000	3,327,426	7,157,426	59,590,966	12.01%
1995	2,224,803	3,054,917	5,279,720	67,887,231	7.78%
1996	6,625,000	2,730,184	9,355,184	71,373,186	13.11%
1997	5,522,810	2,561,785	8,084,595	73,378,385	11.02%
1998	4,490,000	4,971,544	9,461,544	77,196,360	12.26%
1999	4,982,937	7,435,805	12,418,742	80,162,303	15.49%
2000	3,732,653	7,414,070	11,146,723	85,741,510	13.00%
2001	5,869,000	7,355,904	13,224,904	99,271,500	13.32%
2002	6,377,460	7,266,870	13,644,330	114,650,794	11.90%
2003	6,502,500	7,958,688	14,461,188	115,855,676	12.48%

**Source:** St. Vrain Valley School District RE-1J Audited Financial Statements 1993 - FY03

St. Vrain Valley School District RE-1J  
 Computation of Direct and Overlapping Debt  
 General Obligation Bonds  
 (Unaudited)

Name of Overlapping Entity	2002 Assessed Valuation	Outstanding General Obligation Debt	Percent Applicable to District	Amount Applicable to District
Berthoud Fire Protection District	\$ 111,751,438	\$ 2,015,000	7.79%	\$ 156,969
City & County of Broomfield	777,184,305	4,725,000	0.17%	8,033
Town of Erie	96,842,845	4,115,000	64.21%	2,642,242
Town of Firestone	47,233,930	575,000	100.00%	575,000
Town of Frederick	69,212,810	1,648,230	100.00%	1,648,230
Frederick - Firestone Fire Protection Dist.	101,710,380	4,045,000	100.00%	4,045,000
Gunbarrel Estates Mtro Park & Rec.	9,284,346	120,000	100.00%	120,000
Left Hand Water & Sanitation District	5,009,472	165,924	100.00%	165,924
City of Longmont	867,614,052	9,335,000	100.00%	9,335,000
Lyons Fire Protection District	42,609,869	260,000	98.05%	254,930
Mountain View Fire District	675,668,003	1,330,000	90.91%	1,209,103
North Metro Fire Rescue District	1,144,854,964	377,910	0.11%	416
No. Colorado Water Cons. District	9,555,140,894	1,855,000	15.29%	283,630
St. Vrain Sanitation District	118,163,060	3,430,000	100.00%	3,430,000
Vista Ridge Metropolitan District	4,051,690	26,920,000	100.00%	26,920,000
Total				<u>\$ 50,794,500</u>

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2003, of those entities with the authority to levy property taxes which are located wholly or partially within the District. Also, shown is the percentage and amount of the total estimated outstanding general obligation debt of these entities, inclusive and exclusive of estimated general obligation under debt, which is chargeable to property located within the District's boundaries. Because no single parcel of property located within the District's boundaries is located within every entity shown on the chart, the chart is not indicative of the actual or potential tax burden upon any single parcel of property located within the District's boundaries. The District is not financially or legally obligated with regard to any of the indebtedness shown on the chart.

**Source:** Individual governmental entities

St. Vrain Valley School District RE-1J  
Assessed Valuation for All Counties  
Last Ten Fiscal Years  
(Unaudited)

Collection Year	Boulder County	Weld County	Larimer County	Broomfield County	Total
1994	536,346,460	85,963,230	3,658,760		625,968,450
1995	558,199,240	95,956,900	3,787,590		657,943,730
1996	620,339,850	110,811,400	4,026,380		735,177,630
1997	659,648,230	111,416,339	4,294,290		775,358,859
1998	728,374,550	134,596,310	4,792,120		867,762,980
1999	773,949,050	151,123,316	4,909,120		929,981,486
2000	900,888,590	171,909,070	5,934,210		1,078,731,870
2001	971,381,420	206,730,700	6,236,900		1,184,349,020
2002	1,198,128,330	290,579,978	9,286,040	802,480	1,498,796,828
2003	1,245,245,896	333,985,405	9,045,200	1,305,040	1,589,581,541

Assessment Information:

For 1993-94 and 1994-95, property was appraised at the 1992 actual value. The Colorado Legislature sets the assessment rate for residential property. The residential rate of 12.86 percent was finalized by the State Board of Equalization in the fall of 1993. All other property was assessed at 29 percent.

For 1995-96, property was appraised at the 1994 actual value. The Colorado Legislature sets the assessment rate for residential property. The residential rate was 10.36 percent (per the State's Gallagher Amendment), all other property was assessed at 29 percent.

For 1996-97, property was appraised at the 1994 actual value. The Colorado Legislature sets the assessment rate for residential property. The residential rate was 10.36 percent (per the State's Gallagher Amendment), all other property was assessed at 29 percent.

For 1997-98, property was appraised at the 1994 actual value. The Colorado Legislature sets the assessment rate for residential property. The residential rate was 9.74 percent (per the State's Gallagher Amendment), all other property was assessed at 29 percent.

For 1998-01, property was appraised at the 1994 actual value. The Colorado Legislature sets the assessment rate for residential property. The residential rate was 9.74 percent (per the State's Gallagher Amendment), all other property was assessed at 29 percent.

For FY02, property was appraised at the 2001 appraised value. The residential rate was 9.15 percent (per the State's Gallagher Amendment), all other property was assessed at 29 percent. Broomfield County was established on November 15, 2001.

For FY03, property was appraised at the 2003 appraised value. The residential rate was 7.96 percent (per the State's Gallagher Amendment), all other property was assessed at 29 percent.

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**Source:** Boulder, Weld and Larimer County's Abstracts

St. Vrain Valley School District RE-1J  
 Student Count  
 Last Ten Fiscal Years  
 (Unaudited)

Collection Year	Student Membership/ Enrollment (1)	Student Full-Time Equivalency (FTE) As of October 1 (2)
1994	16,077.00	15,308.50
1995	16,537.00	15,719.00
1996	16,871.00	16,034.50
1997	17,090.00	16,300.00
1998	17,583.00	16,678.00
1999	18,009.00	17,156.00
2000	18,310.00	17,469.50
2001	19,113.00	18,232.50
2002	20,038.00	19,209.50
2003	20,631.00	19,777.00

- 1 Student membership/enrollment represents the actual number of students attending St. Vrain Valley School District RE-1J.
- 2 Student full-time equivalency (FTE) represents the amount of time the students are actually attending classes.

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**Source:** St. Vrain Valley School District RE-1J