

NOTICE OF REGULAR MEETING AND AGENDA



October 23, 2019

**Educational Services Center
395 South Pratt Parkway
Longmont, Colorado 80501**

Joie Siegrist, President, Board of Education

Dr. Don Haddad, Superintendent of Schools

DISTRICT VISION STATEMENT

*To be an exemplary school district
which inspires and promotes high
standards of learning and student
well-being in partnership with
parents, guardians and the
community.*

DISTRICT MISSION STATEMENT

*To educate each student in a safe
learning environment so that they
may develop to their highest
potential and become contributing
citizens.*

ESSENTIAL BOARD ROLES

*Guide the superintendent
Engage constituents
Ensure alignment of resources
Monitor effectiveness
Model excellence*

BOARD MEMBERS

*John Ahrens, Secretary
Chico Garcia, Member
Dr. Richard Martyr, Member
Paula Peairs, Vice President
Karen Ragland, Treasurer &
Asst Secretary
Joie Siegrist, President
Robert J. Smith, Member*

1. CALL TO ORDER:

5:30 pm Comprehensive Annual Financial Report
6:00 pm Regular Business Meeting

2. ADDENDUMS/CHANGES TO THE AGENDA:

3. AUDIENCE PARTICIPATION:

4. VISITORS:

1. Longs Peak Middle School Bike Shop
2. Unified Bowling

5. REPORTS:

1. Advanced Manufacturing Academy – Career Development Center
2. Silver Creek High School Advisory Council Feeder Report
3. 2018-2019 Scholarship Recipients
4. 2019 Fiscal Year Comprehensive Annual Financial Report

6. CONSENT ITEMS:

1. Approval: Approval of Request to Grant Exception to Board Policy
GBEA – Staff Ethics/Conflict of Interest-Cordero
2. Approval: Approval of Request to Grant Exception to Board Policy
GBEA – Staff Ethics/Conflict of Interest-Halverson-Ramos

7. ACTION ITEMS:

8. DISCUSSION ITEMS:

1. Board Reports

9. ADJOURNMENT:

Board of Education Meetings: Held at 395 South Pratt Parkway, Board Room, unless otherwise noted:

Wednesday, November 13 5:00 pm Reception for Board Members
6:00 pm Regular Meeting
Wednesday, November 20 6:00 – 8:00 pm Study Session

MEMORANDUM

DATE: October 23, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Advanced Manufacturing Academy Report
Strategic Priority – Rigorous, Well-Aligned Standards, Curriculum, Instruction, and Assessment

PURPOSE

To provide the Board of Education with a report on the new Advanced Manufacturing Academy at the Career Development Center.

BACKGROUND

The Career Development Center began the new Advanced Manufacturing Academy this school year. Deniece Cook, Principal of the Career Development Center will be available to showcase the new program and to answer questions.

MEMORANDUM

DATE: October 23, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Silver Creek High School Report - High School Student Advisory Council
Strategic Priority – Rigorous, Well-Aligned Standards, Curriculum, Instruction, and Assessment

PURPOSE

To provide students the opportunity to practice leadership skills and report out on the successes of Silver Creek High School to the Board of Education.

BACKGROUND

The Student Advisory Council is comprised of 4-5 high school students from each of our high schools that were chosen by teachers and administrators. Olivia Boettcher will be representing Silver Creek High School at this Board Meeting. The Student Advisory Council was started by Dr. Haddad thirteen years ago so that students could give input to the superintendents about what students were feeling about the District.

MEMORANDUM

DATE: October 23, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: 2018-2019 High School Scholarships Awarded
Strategic Priority – Outstanding Communication and Community
Collaboration

PURPOSE

To provide the Board of Education with information relative to the local high school scholarships awarded to the 2018-2019 District graduates.

BACKGROUND

Annually, a list of local scholarships is sent to District high schools to be distributed to graduating seniors. The sponsors of these scholarships range from civic organizations and local businesses to families who have set up scholarships in memory of loved ones. These awards are substantial and the generosity of this community is commendable. Students were awarded a total of \$1,836,610 in local scholarships and awards. In addition, students were awarded a total of \$27,649,347 in scholarships and awards from colleges and universities across the country.

In comparison to the 2017-2018 school year, students were awarded a total of \$1,311,711 in local scholarships and \$24,338,761 in scholarships and awards from colleges and universities.

Local Scholarship Recipients Class of 2019

<i>Scholarship Name</i>	<i>Student First Name</i>	<i>Student Last Name</i>	<i>School</i>	<i>Amount</i>
Access Opportunity Fund	Nikolai	Kassogue	Longmont High School	\$10,000
	Emily	Sanchez	Longmont High School	\$10,000
America Legion Scholarship	Megan	Lewis	Frederick High School	\$500
	Julia	White	Frederick High School	\$500
American Legion Auxiliary	Logan	Kuskie	Lyons High School	\$1,000
American Legion Auxiliary #1985	Stephanie	Pabst	Mead High School	\$1,000
American Legion Auxiliary Scholarship	Amy	Lara-Gonzalez	Olde Columbine High School	\$1,000
Asa Iokepa de Neeve Aloha Memorial Scholarship	Jack	Herrmann	Longmont High School	\$1,000
Ascend St. Vrain	Marina	Cellario	Longmont High School	\$500
	Sandy	Chavez	Longmont High School	\$1,000
	Mireya	Gonzalez	Longmont High School	\$500
	Zoey	Gunter	Longmont High School	\$1,000
	David	Hernandez	Longmont High School	\$1,000
	Jack	Herrmann	Longmont High School	\$500
	Jennifer	Mares	Longmont High School	\$1,000
	Samantha	Pinley	Longmont High School	\$1,000
	Riley	Schilling	Longmont High School	\$1,000
	Arturo	Solis Miramontes	Longmont High School	\$1,000
	Aidan	Young	Longmont High School	\$1,000
Bill and MaryAnn Hakonson Memorial Scholarship	Taylor	Merz	Longmont High School	\$1,000
Bill Hanson Scholarship	Grant	Rulon	Longmont High School	\$500
BoCo Jet Johnson Scholarship	Logan	Kuskie	Lyons High School	\$500
BoCo Richard Vonwald Scholarship	Colton	Jonjak Plahn	Lyons High School	\$500
Brendan Dunigan Memorial Foundation Scholarship	Leevi	Clark	Frederick High School	\$1,000
Brett Meade Scholarship for Agricultural and Animal Husbandry	Adelina	DeSantis	Frederick High School	\$1,000
Bright Futures Scholarship	Jayleen	Archuleta	Erie High School	\$8,000
	Jazmond	Archuleta	Erie High School	\$8,000
	Jordan	Bardwell	Erie High School	\$8,000
	Rae	Bellows	Erie High School	\$8,000
	Daniel	Bettencourt	Erie High School	\$8,000
	Katelyn	Broerman	Erie High School	\$8,000
	Mikayla	Carter	Erie High School	\$8,000
	Bryce	Christensen	Erie High School	\$8,000

Madelyn	Christenson	Erie High School	\$8,000
Riley	Clark	Erie High School	\$8,000
Westley	Cody	Erie High School	\$8,000
Hannah	Conley	Erie High School	\$8,000
Nicholas	Cuccaro	Erie High School	\$8,000
Patrick	Cummings	Erie High School	\$8,000
Julian	Custine	Erie High School	\$8,000
Lauren	Dee	Erie High School	\$8,000
Layla	Diaz	Erie High School	\$8,000
Sydney	Erbe	Erie High School	\$8,000
Avery	Fails	Erie High School	\$8,000
Brianna	Faulkner	Erie High School	\$8,000
Emmalee	Fischer	Erie High School	\$8,000
Draven	Froid	Erie High School	\$8,000
Melanie	Girdner	Erie High School	\$8,000
Kelyn	Goldenstein	Erie High School	\$8,000
Sarah	Gotfredson	Erie High School	\$8,000
Christian	Haakmeester	Erie High School	\$8,000
Nathan	Hackney	Erie High School	\$8,000
Katelin	Hall	Erie High School	\$8,000
Evan	Hassman	Erie High School	\$8,000
Kaelin	Hawkins	Erie High School	\$8,000
Jakob	Hobert	Erie High School	\$8,000
Parker	Hogan	Erie High School	\$8,000
Alyssa	Howell	Erie High School	\$8,000
Owen	Ingalls	Erie High School	\$8,000
Shela	Jaff	Erie High School	\$8,000
Kaleb	Jensen	Erie High School	\$8,000
Laura	Johnson	Erie High School	\$8,000
George	Jordan	Erie High School	\$8,000
Hailey	Keller	Erie High School	\$8,000
Morgan	Kelley	Erie High School	\$8,000
Joshua	Khoudary	Erie High School	\$8,000
Lily	King	Erie High School	\$8,000
Kinsey	Kohler	Erie High School	\$8,000
Haley	Leighton	Erie High School	\$8,000
Luis	Lopez	Erie High School	\$8,000
Macy	Mahan	Erie High School	\$8,000
Shreesha	Maharjan	Erie High School	\$8,000
Stephani	Martinez	Erie High School	\$8,000
Alexander	Merth	Erie High School	\$8,000
Jerome	Montoya	Erie High School	\$8,000
Christian	Nguyen	Erie High School	\$8,000
Jessica	Parker	Erie High School	\$8,000
Anthony	Pastore	Erie High School	\$8,000
Kaitlyn	Patterson	Erie High School	\$8,000
Cameron	Pierce	Erie High School	\$8,000
Bailey	Pitts	Erie High School	\$8,000
Stephanie	Pratt	Erie High School	\$8,000
Sloane	Quijas	Erie High School	\$8,000
Brooklyn	Rakes	Erie High School	\$8,000
Kevin	Rhiner	Erie High School	\$8,000
Jonathan	Rice	Erie High School	\$8,000
Erich	Riedel	Erie High School	\$8,000

	William	Riley	Erie High School	\$8,000
	Brandon	Rodriguez	Erie High School	\$8,000
	Daniel	Rogers	Erie High School	\$8,000
	Morgan	Rudd	Erie High School	\$8,000
	Hayley	Ruhl	Erie High School	\$8,000
	Jaden	Sanders	Erie High School	\$8,000
	Charity	Sansgard	Erie High School	\$8,000
	Easton	Schriner	Erie High School	\$8,000
	Ashley	Schrolller	Erie High School	\$8,000
	Nicole	Schubert	Erie High School	\$8,000
	Hannah	Schuman	Erie High School	\$8,000
	Riley	Siebels	Erie High School	\$8,000
	Michael	Spetalieri	Erie High School	\$8,000
	Katherine	Sutherland	Erie High School	\$8,000
	Jacob	Turner	Erie High School	\$8,000
	Emmalee	Wagnaar	Erie High School	\$8,000
	Isabella	Walden	Erie High School	\$8,000
	Hogan	Warlock	Erie High School	\$8,000
	Jillian	Weitzel	Erie High School	\$8,000
	Colby	Wingfield	Erie High School	\$8,000
	Madison	Winslow	Erie High School	\$8,000
	Bright Futures Mead High Multiple Students		Mead High School	\$408,000
Carbon Valley Chamber of Commerce	Leevi	Clark	Frederick High School	\$1,000
	Kaitlyn	Howell	Frederick High School	\$1,000
	Amanda	Schmidt	Frederick High School	\$1,000
Carbon Valley Chamber Scholarship	Victoria	Buchanan	Mead High School	\$1,000
	Delaney	Spielman	Erie High School	\$1,000
Catherine C. Owens Memorial	Megan	Dodge	Skyline High School	\$6,000
Chioda Family Scholarship	Kaitlyn	Howell	Frederick High School	\$500
Church Match Scholarship	Henry	Erickson	Longmont High School	\$1,000
City of Dacono	Aileen	Arroyo	Frederick High School	\$650
	Brenna	Christen	Frederick High School	\$650
	Daniela	Jacquez	Erie High School	\$650
Clark Scholarship Fund	Cynthia	Barrientos Perez	Longmont High School	\$5,000
	Katie	Byrne	Longmont High School	\$5,000
	Marina	Cellario	Longmont High School	\$5,000
	Isaac	Chavarria Esquivel	Longmont High School	\$5,000
	Oakley	Dehning	Longmont High School	\$5,000
	Geraldine	Gomez Garcia	Longmont High School	\$5,000
	Mireya	Gonzalez	Longmont High School	\$5,000
	Ashley	Heredia Hernandez	Longmont High School	\$5,000
	Joseph	Hodges	Longmont High School	\$5,000
	Codi	Houston	Longmont High School	\$5,000
	Katie	Larsen	Longmont High School	\$5,000
	Parker	Lewis	Longmont High School	\$5,000
	Ashley	Mathews	Longmont High School	\$5,000

	Isai	Medina Lopez	Longmont High School	\$5,000
	Grant	Rulon	Longmont High School	\$5,000
	Arturo	Solis Miramontes	Longmont High School	\$5,000
	Matthew	Sprecher	Longmont High School	\$5,000
	Aidan	Young	Longmont High School	\$5,000
Colorado Association of School Business Officials	William	Murphy	Longmont High School	\$1,500
Community Foundation Hall Family	Megan	Lewis	Frederick High School	\$2,500
Creighton Founders Award	Trevor	Ordway	Silver Creek High School	\$80,000
Cumbres Scholarship	Aubree	Evans	Longmont High School	\$1,500
Cundall Art Scholarship	Sherie	Davideit	Longmont High School	\$1,750
	Zoe	Mazurkiewicz	Skyline High School	\$2,000
	Alexandrea	Prieto	Silver Creek High School	\$1,250
DAR - Wilma Dunn Scholarship	Victoria	Buchanan	Mead High School	\$1,000
Donna Bower Memorial Scholarship	Katlyn	Lucas	Frederick High School	\$1,000
	Indiana	Sjahputera	Mead High School	\$1,000
Edith Welker Myers Scholarship	Julian	Alonzo	Niwot High School	\$1,000
	Aileen	Arroyo	Frederick High School	\$1,000
	Victoria	Buchanan	Mead High School	\$500
	April	Cardenas-Borrego	Silver Creek High School	\$500
	Marina	Cellario	Longmont High School	\$500
	Sandy	Chavez	Longmont High School	\$1,000
	Tristan	Chavez	Lyons High School	\$1,000
	Rachael	Dreiling	Lyons High School	\$500
	Rene	Gonzales	Frederick High School	\$500
	Mireya	Gonzalez	Longmont High School	\$500
	Beyonse	Gordillo	Frederick High School	\$500
	Zoey	Gunter	Longmont High School	\$1,000
	David	Hernandez	Longmont High School	\$1,000
	Jack	Herrmann	Longmont High School	\$500
	Keomonirot	Kan	Erie High School	\$1,000
	Amy	Lara-Gonzalez	Olde Columbine High School	\$1,000
	Jennifer	Mares	Longmont High School	\$1,000
	Ava	McCall	Lyons High School	\$500
	Brenna	McCall	Lyons High School	\$500
	Realeen	Munoz	Skyline High School	\$1,000
	Amanda	Nelson	Silver Creek High School	\$500
	Nathan	Ooms	Frederick High School	\$500
	Samantha	Pinley	Longmont High School	\$1,000
	Orlando	Quiroz	Skyline High School	\$1,000
	Riley	Schilling	Longmont High School	\$1,000
	Angel	Sitte	Frederick High School	\$500
	Arturo	Solis Miramontes	Longmont High School	\$1,000
	Kaylee	Speer	Frederick High School	\$500
	William	Ulloa	Mead High School	\$500
	Christina	Uphoff	St. Vrain Online Global	\$1,000
	Josephine	Whitley	Niwot High School	\$500

	Aidan Christopher	Young Zavakos	Longmont High School Mead High School	\$1,000 \$500
Edna Layton Scholarship	Victoria Maddie Ava Alexa Laura Katlyn Taylor Abigail Emma Aidan Jette Kaylee	Buchanan Dangerfield Dumler Ekern Hickey Lucas Merz Rich Risdon Rooney Sagapolutele Speer	Mead High School Niwot High School Niwot High School Skyline High School Lyons High School Frederick High School Longmont High School Niwot High School Longmont High School Silver Creek High School Frederick High School Frederick High School	\$1,600 \$1,600 \$1,500 \$6,400 \$6,400 \$1,800 \$1,500 \$1,200 \$1,800 \$6,800 \$1,400 \$1,700
Education Foundation for the St. Vrain Valley Scholarship	April Jeremy Savannah	Cardenas Borrego Hollingsworth Parrot	Silver Creek High School Skyline High School Niwot High School	\$1,000 \$1,000 \$1,000
Elevations Credit Union M.R. Hellie	Paz Nolan	Carmona Johan	Niwot High School Niwot High School	\$2,500 \$2,500
Elevations Credit Union Scholarship	William	Riley	Erie High School	\$10,000
Elevations Foundation	Faolan	Moore	Skyline High School	\$500
Elevations Scholars - CU Boulder	Finn	Basey	Lyons High School	\$32,000
Erie Angels Scholarship	Joshua Hannah Jamison Kieli Nathan Sneat Daniela Kate Kate Caleb	Alejo Brink Cartwright Davia Hackney Haile Jacquez Knudsen Tracy Unruh	Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School	\$100 \$100 \$100 \$250 \$500 \$250 \$250 \$250 \$100 \$100
Erie Chamber of Commerce Scholarship	Patrick	Cummings	Erie High School	\$2,000
Erie High School Education Foundation Scholarship	Jordan Rae Grace Sydney Patrick Madelyn Emmalee Tayelor Ethan Kate Hannah	Bardwell Bellows Cloud Crites Cummings Deakin Fischer Holdren Johnson Knudsen Kurz	Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School Erie High School	\$2,500 \$3,000 \$3,500 \$1,500 \$4,000 \$1,500 \$5,000 \$2,000 \$3,500 \$2,500 \$4,000

	Miranda	Lorenzo	Erie High School	\$4,500
	Grant	Otto	Erie High School	\$5,000
	Olivia	Stecina	Erie High School	\$3,000
	Caleb	Unruh	Erie High School	\$1,500
Erie Optimist Club Scholarship	Grace	Cloud	Erie High School	\$1,000
	Evan	Hassman	Erie High School	\$1,000
Evelyn C. Elder Memorial Scholarship	Emily	Sanchez	Longmont High School	\$2,000
Exchange Club of Greeley	Delaney	Spielman	Erie High School	\$500
Frank Stenson Memorial Scholarship	Michela	Hewitt	Frederick High School	\$500
	John	Moroney	Silver Creek High School	\$500
FRCC & EFSVV Partnership Scholarship	Sandy	Chavez	Longmont High School	\$1,000
	Geraldine	Gomez Garcia	Longmont High School	\$1,000
	Samantha	Pinley	Longmont High School	\$1,000
	Jette	Sagapolutele	Frederick High School	\$1,000
Fred Ehlert WWII Memorial	Jack	Herrmann	Longmont High School	\$2,500
Frederick High School Alumni Scholarships	Leevi	Clark	Frederick High School	\$1,000
	Hailee	Hurtado	Frederick High School	\$1,000
	Kailyn	Lucas	Frederick High School	\$1,000
Frederick High School Booster	Aileen	Arroyo	Frederick High School	\$250
	Leevi	Clark	Frederick High School	\$250
	Kaylee	Congdon	Frederick High School	\$250
	Adelina	DeSantis	Frederick High School	\$1,000
	Tori	Dufour	Frederick High School	\$250
	Kaitlyn	Howell	Frederick High School	\$750
	Hailee	Hurtado	Frederick High School	\$750
	Megan	Lewis	Frederick High School	\$1,000
	Kaia	Linhardt	Frederick High School	\$250
	Katlyn	Lucas	Frederick High School	\$1,000
	Alysia	Romero	Frederick High School	\$500
	Jette	Sagapolutele	Frederick High School	\$500
	Amanda	Schmidt	Frederick High School	\$1,000
	Morgan	Siders	Frederick High School	\$500
	Julia	White	Frederick High School	\$750
Frederick High School Education Foundation	Ryan	Bacca	Frederick High School	\$1,500
	Leevi	Clark	Frederick High School	\$1,500
	Rene	Gonzales	Frederick High School	\$1,500
	Katlyn	Lucas	Frederick High School	\$500
Frederick High School Music Foundation	Avery	Lareau	Frederick High School	\$1,000
	Morgan	Siders	Frederick High School	\$1,000
Frederick High School Staff Scholarship	Megan	Lewis	Frederick High School	\$500
	Jette	Sagapolutele	Frederick High School	\$500

Friends of Mario Portillo	Hailee	Hurtado	Frederick High School	\$1,500
	Julia	White	Frederick High School	\$1,500
Front Range Community College Scholarship	Geraldine	Gomez Garcia	Longmont High School	\$700
Front Range Community College, College Based Scholarship	Tomas	Pham	Erie High School	\$6,000
Gary Dicks Memorial Performance Scholarship	Tara	Hitchcock	Longmont High School	\$1,000
Gold Star Award	Katlyn	Lucas	Frederick High School	\$500
	Kathryn	Moist	Longmont High School	\$500
	Delaney	Spielman	Erie High School	\$500
Gordan Cramer Outstanding Student Athlete	Drake	Engelking	Longmont High School	\$1,000
	Tara	Hitchcock	Longmont High School	\$1,000
Greeley & Weld County Community Foundation - Leona Hunter	Victoria	Buchanan	Mead High School	\$1,000
Hall Family Scholarship	Megan	Lewis	Frederick High School	\$2,500
Heller Family Scholarships	Gavin	Self	Frederick High School	\$5,000
Higher Degree Scholarship-Moose Lodge	Sherena	Simmons	Longmont High School	\$1,000
Hilltop Guild	Jack Henry	London	Lyons High School	\$1,500
	Ava	McCall	Lyons High School	\$1,500
Hispanic Education Foundation Scholarship	Julian	Alonzo	Niwot High School	\$1,000
	Thiffany	Canche Cabrera	Longmont High School	\$2,500
	Paz	Carmona	Niwot High School	\$1,000
	Geraldine	Gomez Garcia	Longmont High School	\$2,500
	Ashley	Heredia Hernandez	Longmont High School	\$2,500
	Montserrat	Hernandez Mora	Longmont High School	\$2,500
	Hailee	Hurtado	Frederick High School	\$1,000
	Amy	Lara-Gonzalez	Olde Columbine High School	\$4,000
	Miranda	Lorenzo	Erie High School	\$1,000
	Isai	Medina Sanchez	Longmont High School	\$2,500
	Jose	Moreno	Skyline High School	\$4,000
	Orlando	Quiroz	Skyline High School	\$1,000
	Emily	Sanchez	Longmont High School	\$2,500
	William	Ulloa	Mead High School	\$2,500
	Bioleta	Zavala Alfaro	Longmont High School	\$625
HM3 Christopher "Doc" Anderson Memorial Scholarship	Hannah	Kurz	Erie High School	\$2,500
Hoe and Hope Garden	Logan	Kuskie	Lyons High School	\$500
James B Clayton Vietnam Memorial	Danielle	Garcia	Mead High School	\$1,000
Julia Sage Stolte Memorial Scholarship	Sreeya	Kairamkonda	Niwot High School	\$1,000

Kathy Hall Future Impact Scholarship	Hailee	Hurtado	Frederick High School	\$2,000
Kelley Haley Memorial Scholarship	Geraldine	Gomez Garcia	Longmont High School	\$500
Kiwanis Club of Longmont	Amy	Lara-Gonzalez	Olde Columbine High School	\$2,000
Kiwanis Club of Longmont Foundation	Miranda	Lorenzo	Erie High School	\$2,000
Larry Sieckmann Memorial Scholarship	Taylor	Merz	Longmont High School	\$1,000
Launch Scholarship-Longmont United Hospital	Anna	McConahy	Longmont High School	\$2,500
LaVerne Johnson Memorial	Logan	Kuskie	Lyons High School	\$750
	Gavin	Worland	Lyons High School	\$750
Leoma Hunter Scholarship	Hailee	Hurtado	Frederick High School	\$2,000
	Hannah	Kurz	Erie High School	\$2,000
Longmont Community Foundation	Maria	Salter	Niwot High School	\$1,500
Longmont Community Foundation - Bud Winkler	Devin	Isenhart	Lyons High School	\$1,000
Longmont Community Foundation - Gerald Boland	Kylee	Udovich	Lyons High School	\$1,000
Longmont Community Foundation - Ascend St. Vrain Scholarship	Victoria	Buchanan	Mead High School	\$4,000
	Jonatan	Carrillo-Castro	Niwot High School	\$2,500
	Conor	Hegy	Skyline High School	\$8,000
	Sreeya	Kairamkonda	Niwot High School	\$8,000
	Schaa	Paige	Frederick High School	\$2,500
	Dylan	Tusinski	Skyline High School	\$4,000
Longmont Community Foundation - Ascend St. Vrain Xilinx Scholarship	Madison	Schoeder	Niwot High School	\$1,500
	Indiana	Sjahputera	Mead High School	\$1,500
Longmont Community Foundation - Catherine C. Owen Scholarship	Henry	Erickson	Longmont High School	\$1,500
Longmont Community Foundation - Janet Orback	Jack Henry	London	Lyons High School	\$1,000
Longmont Community Foundation - Joel Mack	Finn	Basey	Lyons High School	\$1,000
	Jewel	Thomas	Lyons High School	\$1,000
Longmont Community Foundation - Joey Irwin Memorial Scholarship	Leevi	Clark	Frederick High School	\$7,000
	Cole	Hoffman	Frederick High School	\$3,000
Longmont Community Foundation - Madeline Marie Molzahn Sherrod Memorial Scholarship	Maria	Salter	Niwot High School	\$6,000
	Emily	Sanchez	Longmont High School	\$2,000

Longmont Community Foundation - Mark Martinez Scholarship	Ryan	Bacca	Frederick High School	\$3,500
	Adelina	DeSantis	Frederick High School	\$3,000
	Katlyn	Lucas	Frederick High School	\$3,500
Longmont Community Foundation - Mead Area Trade & Vocational	Kaycee	Goodrich	Mead High School	\$1,000
	Sean	Slemp	Mead High School	\$1,000
Longmont Community Foundation - Steve Ralston	Colton	Jonjak Plahn	Lyons High School	\$1,000
Longmont Elks Lodge #1055	Katlyn	Lucas	Frederick High School	\$1,000
Longmont High School Booster Club Scholarship	Ashley	Dillow	Longmont High School	\$500
	Bergen	Ingvaldsen	Longmont High School	\$500
	Parker	Lewis	Longmont High School	\$500
Longmont United Hospital - Medical and Bioscience Academy Scholarship	Mason	Hayes	Longmont High School	\$2,500
	Charles	Mitchell	Longmont High School	\$2,500
Longmont United Hospital - Pat Harbor	Hannah	Fleming	Mead High School	\$1,250
Longmont United Hospital Scholarship	Anna	McConahy	Longmont High School	\$1,000
	Katherine	Nelson	Silver Creek High School	\$1,000
Lyons Community Foundation	Jaiden	Batts	Lyons High School	\$1,000
	Kylen	Christiansen	Lyons High School	\$1,000
Lyons Lions Club	Ava	McCall	Lyons High School	\$2,000
Lyons Lions Club-Frank Namesnik	Finn	Basey	Lyons High School	\$2,000
M. R. Hellie Memorial Scholarship	April	Cardenas Borrego	Silver Creek High School	\$2,250
	Adelina	DeSantis	Frederick High School	\$2,500
	Nolan	Johan	Niwot High School	\$2,500
	Nikolai	Kassogue	Longmont High School	\$2,500
	Emily	Sanchez	Longmont High School	\$4,000
	Rachel	Sisk	Olde Columbine High School	\$2,250
Mario Portillo Memorial Scholarship	Tori	Dufour	Frederick High School	\$200
Martha Clevenger Scholarship	Sydney	Davies	Silver Creek High School	\$3,500
MBC Scholarship	Thiffany	Canche Cabrera	Longmont High School	\$500
McDonalds College Tuition Assistance	Alejandro	Cervantes Rodriquez	Frederick High School	\$10,000
	Allen	Collins	Frederick High School	\$10,000
	Beyonce	Gordillo	Frederick High School	\$10,000
	Jonathan	Hansen	Frederick High School	\$10,000
	Angel	Nevarez	Frederick High School	\$10,000
	Trey	Petering	Frederick High School	\$10,000
	Jalen	Salazar	Frederick High School	\$10,000
Mead High Boosters	Kaycee	Goodrich	Mead High School	\$1,000

Michael Thomas Hoge Scholarship for Mathematics	Tanna	Carson	Longmont High School	\$500
	Oakley	Dehning	Longmont High School	\$1,000
	Emily	Sanchez	Longmont High School	\$500
Nancy L. Nixon Scholarship	Jordan	Bardwell	Erie High School	\$1,000
	Finn	Basey	Lyons High School	\$1,000
	Scott	Harton	Mead High School	\$1,000
	Joseph	Hodges	Longmont High School	\$1,000
	Bryce	Horton	Erie High School	\$1,000
	Hunter	Johnson	Silver Creek High School	\$1,000
	Amy	Lara-Gonzalez	Olde Columbine High School	\$1,000
	Miranda	Lorenzo	Erie High School	\$1,000
	Taylor	Merz	Longmont High School	\$1,000
	Jacob	Moore	Silver Creek High School	\$1,000
	Jose	Moreno	Skyline High School	\$1,000
	Grant	Rulon	Longmont High School	\$1,000
	Anders	Tempel	St. Vrain Online Global	\$1,000
NxtGen Teacher Residency	Varela	Natalya	St. Vrain Online Global	\$4,000
Pascoff Family Scholarship	Ryan	Bacca	Frederick High School	\$2,000
	Adelina	DeSantis	Frederick High School	\$2,000
	Tori	Dufour	Frederick High School	\$2,000
	Hailee	Hurtado	Frederick High School	\$2,000
	Kaiya	Lindhardt	Frederick High School	\$2,000
	Josi	Revielle	Frederick High School	\$2,000
	Alysia	Romero	Frederick High School	\$2,000
Paul David Rodriguez	Caroline	Richards	Niwot High School	\$2,500
Pearl Above All Scholarship	Sydney	Davies	Silver Creek High School	\$1,000
PEO Gold Star Award	Logan	Kuskie	Lyons High School	\$500
Phil Hart Memorial	Jeremy	Hollingsworth	Skyline High School	\$2,500
Ray Pope Scholarship-Moose Lodge	Sherena	Simmons	Longmont High School	\$1,000
Rebel Rodders	Ty	Duran	Frederick High School	\$1,000
Remarkable Futures Scholarship	Julia	Shaw	Silver Creek High School	\$2,500
Rhonda Herrman Community Service Scholarship	Tanna	Carson	Longmont High School	\$1,000
	Kate	Knudsen	Erie High School	\$1,000
Rocky Mountain Korean Lions Club	Shelby	Andrist	Longmont High School	\$500
Rocky Mountain Scholarship	Anna	McConahy	Longmont High School	\$10,485
Ronnie Evezich Memorial Scholarship	Cody	Aryes	Frederick High School	\$200

Saint Vrain Masonic Lodge Scholarship	Amanda	Schmidt	Frederick High School	\$500
Scott Meade Art Scholarship	Marlo	Harvey	Longmont High School	\$1,000
Sharpe-Magnie Scholarship	Michela	Hewitt	Frederick High School	\$500
Sommervold Memorial Scholarship	Katie	Byrne	Longmont High School	\$1,000
	Jack	Herrmann	Longmont High School	\$1,000
	Valeri	Onate	Longmont High School	\$1,000
	Matthew	Sprecher	Longmont High School	\$1,000
The Slick Haley Award	Alexis	McGinley	Longmont High School	\$1,000
Third Avenue Eye Care Scholarship	Grant	Rulon	Longmont High School	\$500
	William	Ulloa	Mead High School	\$500
Town of Frederick	Hailee	Hurtado	Frederick High School	\$6,000
Track Local	Colton	Jonjak Plahn	Lyons High School	\$500
Tri Town Lions	Aileen	Arroyo	Frederick High School	\$500
	Leevi	Clark	Frederick High School	\$500
Twin Peaks Rotary Scholarship	Grant	Rulon	Longmont High School	\$1,500
United Power Book Scholarships	Hailee	Hurtado	Frederick High School	\$1,000
	Emily	Thoren	Erie High School	\$1,000
Whitney McClure Etter Memorial Scholarship	Flora	Amaya Garcia	Erie High School	\$500
	Aileen	Arroyo	Frederick High School	\$500
	Jose	Gurrols Zavala	Mead High School	\$500
Will Zulauf Memorial Scholarship	Jeremy	Hollingsworth	Skyline High School	\$500
Zadel Realty	Trinity	Lyles	Frederick High School	\$500

MEMORANDUM

DATE: October 23, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: 2019 Fiscal Year Comprehensive Annual Financial Report (CAFR)
Strategic Priority – Strong District Finances

PURPOSE

For the Board of Education to get an update on the draft of the 2019 Fiscal Year Comprehensive Annual Financial Report.

BACKGROUND

The 2019 Fiscal Year CAFR was audited by the certified public accounting firm of CliftonLarsonAllen (CLA). While the audit is complete, the CAFR still needs to undergo two additional reviews. Attached is a preliminary draft of the CAFR. Administration is confident in the accuracy of the report; however, it is still subject to change.

Paul Niedermuller from CLA will review the 2019 CAFR with the Board in detail at the October 23, 2019 work session as well as note any changes from the preliminary draft, discuss a draft Report to Governance, and respond to questions.

PRELIMINARY DRAFT

Friday, October 18, 2019



Student Achievement • Well-Being • Partnerships

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2019

395 South Pratt Parkway • Longmont CO • 80501-6499

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Friday, October 18, 2019

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Friday, October 18, 2019



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

City and County of Broomfield,
Boulder, Larimer, and Weld Counties

Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2019

Don Haddad, Ed.D.
Superintendent of Schools

Prepared by: Financial Services Department

Gregory A. Fieth
Chief Financial Officer

Jane Frederick, CPA
Comptroller

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Friday, October 18, 2019

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St. Vrain Valley School District RE-1J

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INTRODUCTORY SECTION

St. Vrain Valley School District RE-1J

OUR VISION

**To be an exemplary school district
which inspires and promotes
high standards of learning
and student well-being
in partnership with parents, guardians
and the community**

OUR MISSION

**To educate each student
in a safe learning environment
so that they may develop
to their highest potential
and become contributing citizens**

St. Vrain Valley School District RE-1J

**BOARD OF EDUCATION
2018-2019**



Pictured from left to right:

(Row 1) President Joie Siegrist, Vice President Bob Smith,
Secretary John Ahrens, Treasurer Paula Peairs,

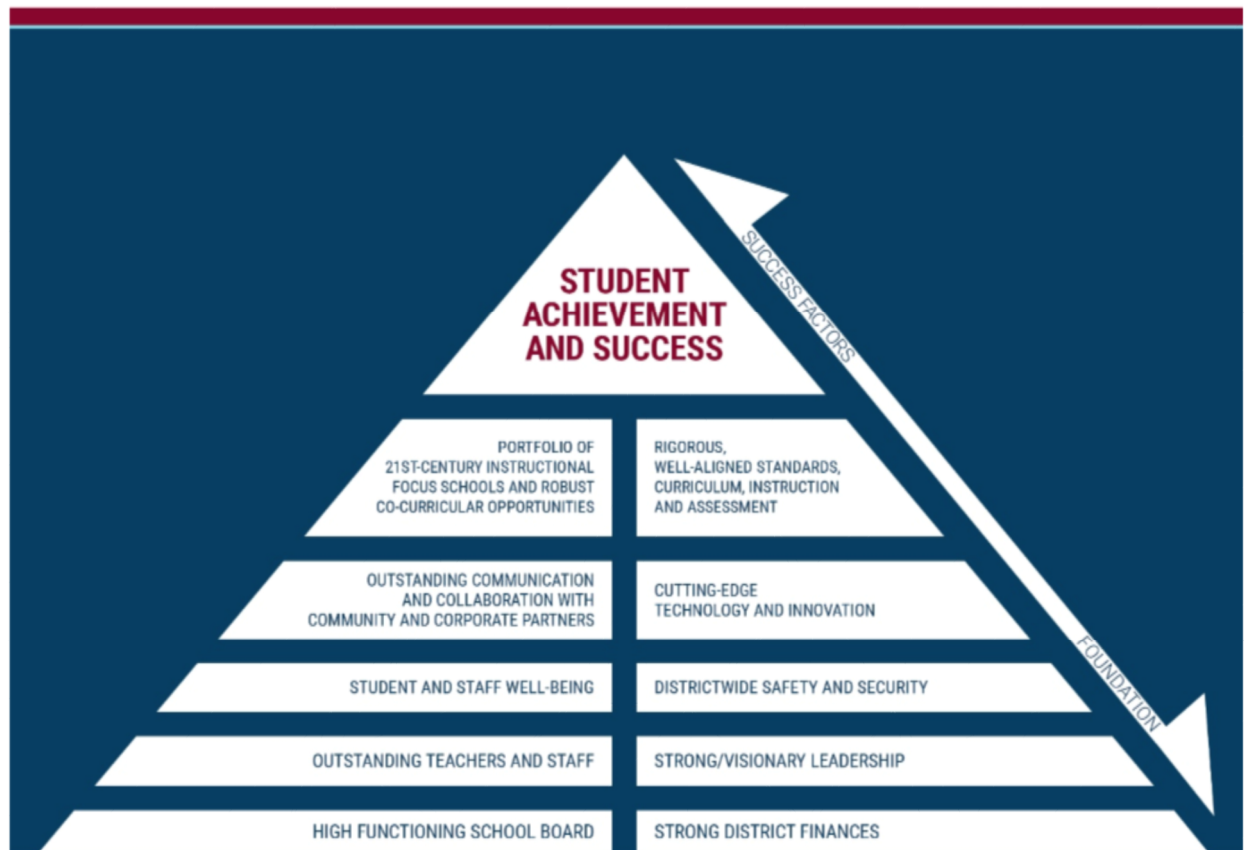
(Row 2) Assistant Secretary Karen Ragland, and
Members Dr. Richard Martyr and Mr. Chico Garcia

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Friday, October 18, 2019

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STRATEGIC PRIORITIES FOR STUDENT ACHIEVEMENT AND SUCCESS



ST. VRAIN VALLEY SCHOOLS
academic excellence by design



The Certificate of Excellence in Financial Reporting
is presented to

St. Vrain Valley School District RE-1J

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.

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



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

St. Vrain Valley
School District RE-1J, Colorado

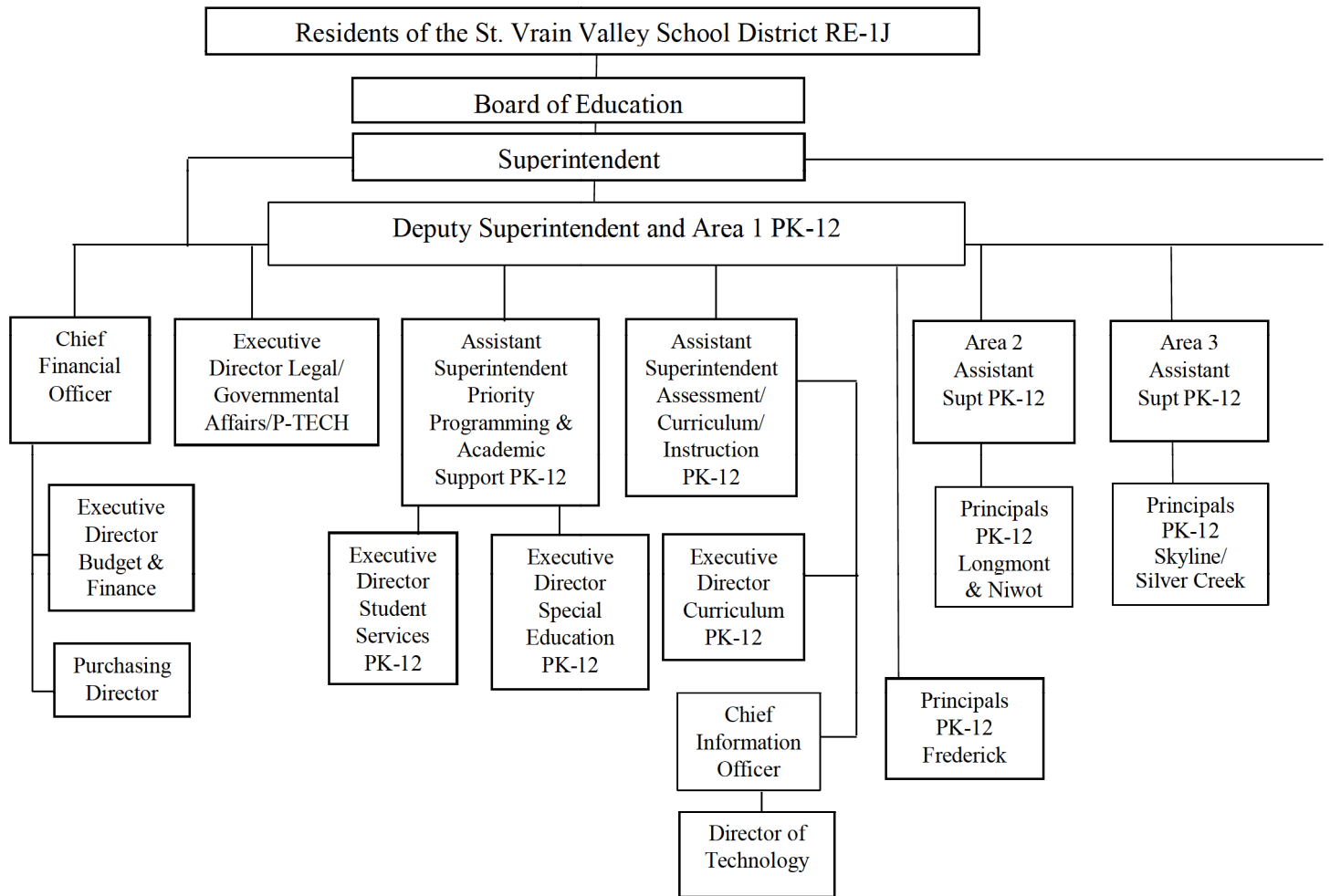
For its Comprehensive Annual
Financial Report for the
Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

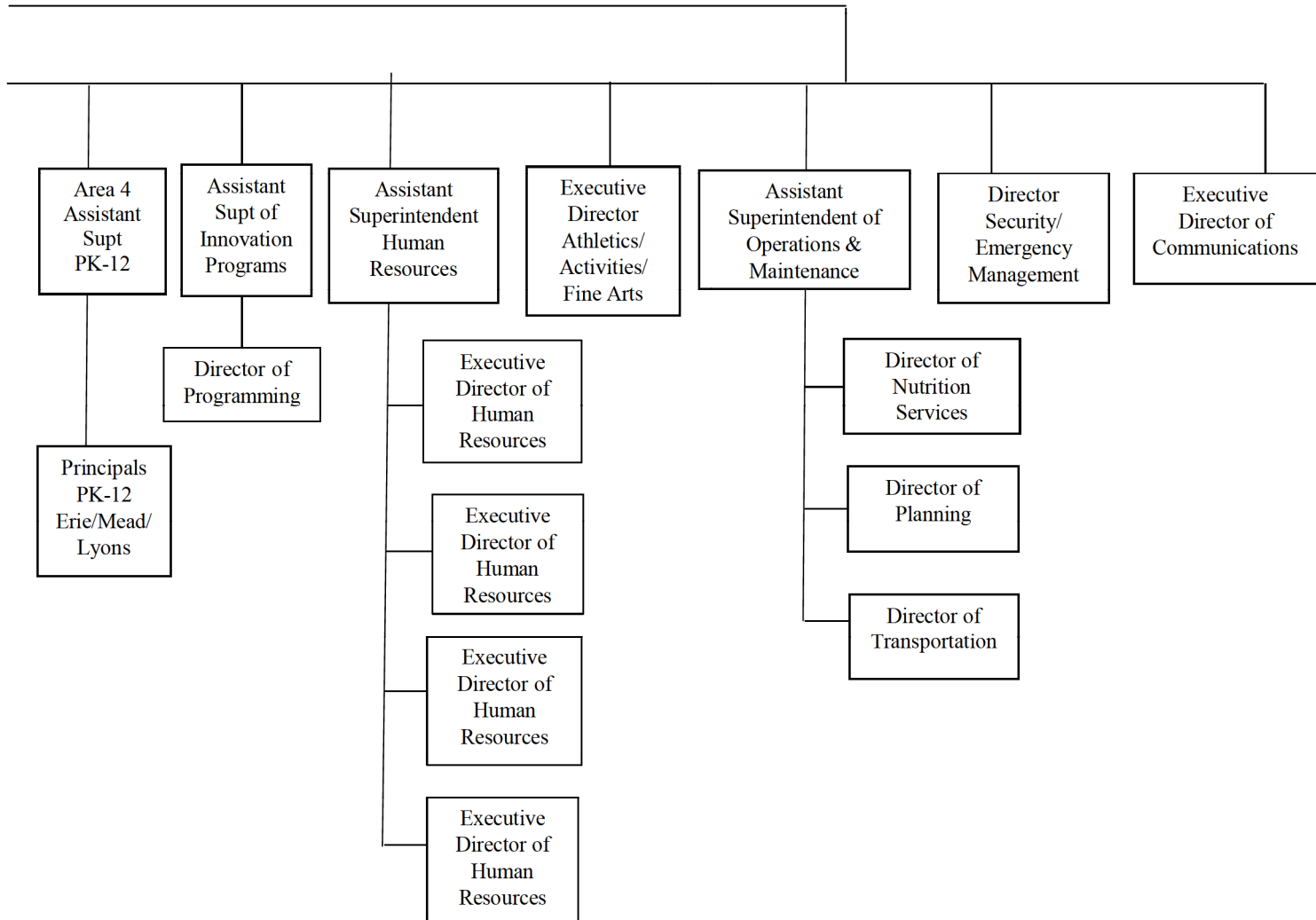
St. Vrain Valley School District RE-1J
ORGANIZATIONAL CHART
June 30, 2019



Revised: September 26, 2018

Statement of Purpose

The leadership structure of the St. Vrain Valley School District represents a systems approach to student achievement. This structure is designed to maximize organizational performance and optimize resources dedicated to the alignment of standards, curriculum, instruction and assessment, as well as technology, professional development, communications, and partnerships with business and industry, post-secondary institutions, parents and other stakeholders.



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St. Vrain Valley School District RE-1J

As of June 30, 2019

Elected Officials

<u>Board Member</u>	<u>Term of Office</u>
District A, Joie Siegrist, President	2/12 - 11/19 (Appointed 2/12)
District B, Karen Ragland, Assistant Secretary	11/17 - 11/21
District C, Bob Smith, Vice President	11/09 - 11/19 (Appointed 11/07)
District D, John Ahrens, Secretary	11/13 - 11/21
District E, Dr. Richard Martyr, Member	11/15 - 11/19
District F, Paula Peairs, Treasurer	11/13 - 11/21
District G, Chico Garcia, Member	Appointed 1/19

Appointed Officials

District Leadership Team

Don Haddad	Superintendent
Jackie Kapushion	Deputy Superintendent & Area 1 PK-12
Greg Fieth	Chief Financial Officer
Tony Whiteley	Executive Director of Budget and Finance
Brandon Shaffer	Exec Director of Legal/Govt'l Affairs/P-TECH
Diana Lauer .	Asst Supt of Priority Programs & Academic Support
Johnny Terrell	Executive Director of Student Services
Laura Hess	Executive Director of Special Education
Tori Teague	Assistant Supt of Assessment & Curriculum
Kahle Charles	Executive Director of Curriculum
Joe McBreen	Chief Information Officer
Mark Mills	Area 2 Asst Superintendent PK-12
Dina Perfetti-Deany	Area 3 Asst Superintendent PK-12
Bryan Krause	Area 4 Asst Superintendent PK-12
Patty Quinones	Assistant Supt of Innovative Programs
Damon Brown	Assistant Superintendent of Human Resources
Todd Fukai	Executive Director of Human Resources
Sarah James.....	Executive Director of Human Resources
Kate Rodriguez	Executive Director of Human Resources
Jessica Stitz.....	Executive Director of Human Resources
Rob Berry	Exec Director of Athletics, Activities & Fine Arts
Brian Lamer	Assistant Superintendent of Operations

FINANCIAL SECTION



Taking Innovation on Wheels by #StVrainStorm

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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, 2019

As management of the St. Vrain Valley School District RE-1J, 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, 2019. 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

- The District reported a deficit net position of \$564.9 million at June 30, 2019, compared to the prior year's deficit net position of \$654.5 million, primarily due to its implementations of Governmental Accounting Standards Board's (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB No. 68*, and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, and recognizing its proportionate share of pension and OPEB liabilities – \$592.1 million at June 30, 2019 – a net decrease of \$596.3 million dollars.
- Total net position of the District increased \$89.6 million during the year ended June 30, 2019, primarily due to recognizing net income of \$52.5 million for its proportionate share of the pension and OPEB expenses under GASB Statements No. 68 and 75.
- Fund balance of the District's governmental funds increased from an ending fund balance of \$308.6 million at June 30, 2018 to \$330.3 million for fiscal year ended June 30, 2019. The increase is primarily due to the issuance of the remaining \$60.34 million of 2016 voter-approved general obligation building bonds for community-wide facility, instructional and safety improvements as well as construction of new schools.
- During the current year, the fund balance in the District's *General Fund* increased by \$3.7 million leaving an ending fund balance of \$124.2 million. Despite a planned spend down of fund balance, the increase is primarily due to the out performance of the budget as well as another capital technology lease.
- With the completion of a newly constructed PK-8 school as well as a state-of-the-art Innovation Center at the beginning of the fiscal year, the District continued numerous construction projects at several sites – including classroom additions and major renovations – to provide its growing student population with rigorous academics in safe and innovative environments that foster learning and student development.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 19-81 are comprised of three components: 1.) Government-wide financial statements, 2.) Fund financial statements, and 3.) Notes to financial statements. This report also contains 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 position and the statement of activities.

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

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position 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 or past period.

The government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities), and other functions that are intended to recover all or most of their costs from user fees and charges (business-type activities). Governmental activities consolidate governmental funds including the *General Fund*, *Bond Redemption Fund*, *Building Fund*, nonmajor capital projects and special revenue funds, and an internal service fund. The District has no business-types activities.

Also presented on the government-wide financial statements are component units, representing the District's six charter schools. The charter schools are legally separate entities with their own appointed independent governing boards. They are financially dependent on the District for most of their funding, and their applications and budgets must be approved by the District. In addition, because of their potential to provide financial benefit to, or impose financial burden on, the District, 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 on pages 19-21 of this report.

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 nine different governmental funds. The major funds as of June 30, 2019 are the *General Fund*, the *Bond Redemption 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 Nonmajor Governmental Funds. Individual fund information for the nonmajor funds is presented as other supplemental information elsewhere in this document. The basic governmental fund financial statements can be found on pages 22-25 of this report.

The District maintained one type of proprietary fund, an internal service fund. Internal service funds are used to accumulate and allocate costs internally among the governmental functions. The District has one internal service fund, the *Self Insurance Fund*, which is used to account for specific medical and dental plans. The basic proprietary fund financial statements are presented on pages 27-29 of this report.

The District has been the fiduciary for assets that are held in trust and administered by an agreement. 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 assets belong. Fiduciary funds are not reported in the government-wide

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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 on pages 30-31 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 on pages 33-81 of this report.

Other Information

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the *General Fund* is included as required supplementary information (RSI) in the financial statements to demonstrate compliance with the adopted budget. Also included in the RSI are the required schedules resulting in the implementation of GASB Statements No. 68 and No. 75. The remaining governmental funds budgetary comparisons are reported as other supplemental information. Combining and individual fund statements and schedules can be found on pages 84-115 of this report.

Government-wide Financial Analysis

The assets of the District are composed of current assets, other noncurrent assets, and capital assets. Cash and investments, receivables, prepaid items, deposits, and inventories are current assets. These assets are available to provide resources for the near-term operations of the District. Ninety-four percent of the current assets are cash and investments.

Other noncurrent assets include restricted cash and investments. 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.

For refunding of debt resulting in defeasance, deferred outflows of resources are the differences where the net carrying value of the old debt is less than the reacquisition price.

Current and noncurrent 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, claims payable, unearned revenues 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 year 2020.

Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2020. Also included in longer term liabilities are the District's proportionate shares of the pension and OPEB liabilities. Although multiple participating employers are required to report their proportionate shares of these liabilities, Senate Bill 18-200 was enacted in June 2018, restructuring contributions, benefits and future eligibility requirements which, thereby, will restore the full funding of these plans within 30 years. Also, beginning July 2018, the State of Colorado is required to make annual direct on-behalf payments to the state retirement system. In accordance with accounting principles generally accepted in the United States of America (US GAAP), the District not only recognizes the State's proportionate share of the pension liability associated with the District at the government-wide level, but also recognizes its share of the State's required payment as revenue and expenditures at the fund level.

Due to the implementation of GASB Statements No. 68 and No. 75, deferred outflows of resources and deferred inflows of resources can result from the net difference between expected and actual experience, projected and actual earnings on pension plan investments, changes in the District's proportionate of the pension and OPEB liabilities, changes of assumptions, as well as contributions made by the District to Colorado Public Employees' Retirement Association's (PERA) after PERA's measurement date.

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As of June 30, 2019, the liabilities plus deferred inflows exceed assets plus deferred outflows of the primary government's governmental activities by \$564.9 million with an unrestricted deficit net position of \$702.6 million. For four of the ten prior fiscal years, the District was able to report positive balances in all three categories of net position. In the previous four fiscal years as well as the current fiscal year – due to the implementation of GASB Statements No. 68 and No. 75 – the District has reported a negative unrestricted net position.

The completion of a new PK-8 school and Innovation Center from 2016 voter approved bonds contributed to the \$35.1 million increase in "net investment in capital assets" – from \$23.3 million to \$58.4 million – for the primary government's governmental activities. The increase in capital assets (\$18.1 million) plus the increase of *Building Fund's* cash and investments (\$15.9 million) combined with the net decrease of related liabilities (\$7.9 million) exceeded the decreased deferred outflow of resources related to debt (\$6.8 million). Refer to Note 5 (Capital Assets) and Note 7 (Long-Term Debt) for detailed information.

Colorado Revised Statute Article X, Section 20 (Taxpayer Bill of Rights (TABOR)) requires the District to establish reserves. The net position restricted for TABOR, as required by statute, increased \$596 thousand to \$10.5 million as of June 30, 2019. Net position restricted for debt service decreased \$8.8 million resulting in a total of \$54.5 million.

The \$250.6 million net decrease in liabilities plus deferred inflows of resources is attributable to the District recognizing its net decreased proportionate share of a pension liability of \$563.9 million and OPEB liability of \$28.2 million. Refer to Note 9 (Defined Benefit Pension Plan) and Note 10 (Defined Benefit OPEB Plan).

Table 1 provides a summary of the District's net position as of June 30, 2019 compared to June 30, 2018.

Table 1
Comparative Summary of Net Position
As of June 30, 2019 and 2018
(in Thousands)

	Governmental Activities		Total Dollar Change	Total Percentage Change
	2019	2018	2018 - 2019	2018 - 2019
Assets				
Current assets	\$ 328,066	\$ 300,724	\$ 27,342	9.09%
Noncurrent assets excluding capital assets	55,718	65,805	(10,087)	-15.33%
Capital assets	518,209	500,098	18,111	3.62%
Total assets	<u>901,993</u>	<u>866,627</u>	<u>35,366</u>	<u>4.08%</u>
Deferred outflows of resources	<u>190,407</u>	<u>386,801</u>	<u>(196,394)</u>	<u>-50.77%</u>
Liabilities				
Current liabilities	40,092	49,192	(9,100)	-18.50%
Long-term liabilities	601,204	599,313	1,891	0.32%
Pension liability	563,919	1,161,892	(597,973)	-51.47%
OPEB liability	28,164	26,533	1,631	n/a
Total liabilities	<u>1,233,379</u>	<u>1,836,930</u>	<u>(603,551)</u>	<u>-33.43%</u>
Deferred inflows of resources	<u>423,915</u>	<u>70,989</u>	<u>352,926</u>	<u>497.16%</u>
Net Position				
Net investment in capital assets	58,386	23,251	35,135	151.11%
Restricted for				
TABOR	10,483	9,887	596	6.03%
Debt service	54,463	63,244	(8,781)	-13.88%
Specific federal contract	3,127	3,177	(50)	n/a
Colo Preschool	801	667	134	20.09%
Other	10,450	10,425	25	0.24%
Unrestricted	(702,604)	(765,142)	62,538	-8.17%
Total net position	<u>\$ (564,894)</u>	<u>\$ (654,491)</u>	<u>\$ 89,597</u>	<u>-13.21%</u>

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Government-wide Activities

Governmental activities increased the net position of the District \$89.6 million during the year ended June 30, 2019. While general revenues increased \$18.6 million and program revenues increased \$4.7 million, the District's recognition of its proportionate share of the pension income and OPEB expense under GASB Statements No. 68 and No. 75 primarily contributed to overall increase in net position. Table 2 provides a summary of the District's change in net position for 2019 compared to 2018.

Table 2
Comparative Schedule of Changes in Net Position
For the Years Ended June 30, 2019 and 2018
(in Thousands)

	Governmental Activities		Total Dollar Change	Total Percentage Change
	2019	2018	2018 - 2019	2018 - 2019
Revenues				
Program revenues				
Charges for services	\$ 25,508	\$ 24,326	\$ 1,182	4.86%
Grants & contributions:				
Operating	32,630	30,979	1,651	5.33%
Capital	3,495	1,601	1,894	118.30%
General revenues				
Property, specific ownership, and mill levy override taxes	200,134	194,141	5,993	3.09%
State equalization	147,896	139,727	8,169	5.85%
Other	15,765	11,369	4,396	38.67%
Total revenues	425,428	402,143	23,285	5.79%
Expenses				
Instruction	169,532	397,861	(228,329)	-57.39%
Supporting services	152,783	169,477	(16,694)	-9.85%
Interest expense	13,516	24,293	(10,777)	-44.36%
Total expenses	335,831	591,631	(255,800)	-43.24%
Increase (decrease) in net position	89,597	(189,488)	279,085	147.28%
Net position - 7/1	(654,491)	(439,713)	(214,778)	48.85%
Restatement **	-	(25,290)	25,290	-100.00%
Net position, restated	(654,491)	(465,003)	(189,488)	40.75%
Net position - 6/30	\$ (564,894)	\$ (654,491)	\$ 89,597	-13.69%

** The restatement above includes the change in accounting principle due to the implementation of GASB Statement No. 75, *Defined Benefit OPEB Plan* during fiscal year 2018.

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The governmental activities' total assets increased by \$35.4 million and deferred outflows of resources decreased \$196.4 million attributed to the following elements:

Table 3
Comparative Schedule of Assets & Deferred Outflows of Resources
of Governmental Activities
As of June 30, 2019 and 2018

	2019	2018	Increase (Decrease)
Cash and investments	\$ 365,032,697	\$ 351,138,027	\$ 13,894,670
Cash with fiscal agent	1,549,938	2,179,159	(629,221)
Accounts receivable	1,063,437	1,018,732	44,705
Due from component units	203,419	28,987	174,432
Grants receivable	3,858,541	3,132,021	726,520
Interest receivable	23,860	40	23,820
Taxes receivable, net	9,727,091	7,077,432	2,649,659
Prepaid items	471,914	435,451	36,463
Deposits	77,420	77,550	(130)
Inventories	1,776,441	1,442,067	334,374
Capital assets			
Non-depreciable	52,953,737	109,407,742	(56,454,005)
Depreciable, net	465,254,869	390,690,623	74,564,246
Total assets	<u>\$ 901,993,364</u>	<u>\$ 866,627,831</u>	<u>\$ 35,365,533</u>
Deferred outflows of resources			
Related to debt	\$ 10,956,852	\$ 17,713,893	\$ (6,757,041)
Related to pension	177,502,358	367,796,197	(190,293,839)
Related to OPEB	1,948,071	1,290,893	657,178
Total deferred outflows	<u>\$ 190,407,281</u>	<u>\$ 386,800,983</u>	<u>\$ (196,393,702)</u>

The \$13.9 million increase in cash and investments (which includes unrestricted and restricted cash and investments) is primarily due to the cash inflow from the issuance of remaining 2016 voter-approved bonds for capital construction. The \$629 thousand decrease in cash with fiscal agent is due to less money collected by the county treasurers during June.

The \$219 thousand net increase in accounts receivable and due from component units is primarily due to the difference in timing of June-related services not collected until after fiscal year end. The \$727 thousand increase in grant activity is primarily due to the BEST grant reimbursement requests approved after June. The increase in interest receivable is due to the addition of a sweep account during the fiscal year and the timing of its related interest receipts in the General Fund. Taxes receivable, net of an estimated uncollectible taxes, increased \$2.6 million due to increased property tax activity and large current year abatements. The net \$36 thousand increase in prepaid items and deposits is the result of a new prepaid maintenance agreement offset by the current year's portion of expenses incurred. The \$334 thousand increase in inventories is primarily due to the expansion of Operation's and Transportation's inventories to meet their maintenance needs. The \$56.5 million decrease in non-depreciable capital assets reflects the net transfers out of completed construction projects in progress during the year. Depreciable capital assets increased \$74.6 million primarily due to the completion of two newly constructed buildings at the beginning of the fiscal year.

Deferred outflows of resources are due to two factors: debt defeasance and the pension and OPEB liabilities. The \$6.8 million decrease is the current year amortization, on an effective interest method, related to debt. The difference between expected and actual experience, changes in assumptions, the net difference between projected and actual earnings on pension and OPEB plan investments, changes in proportion and differences between contributions recognized and proportionate share of contributions, as well as contributions made by the District after the plan's measurement date resulted in the combined decrease of deferred outflows of \$189.6 million.

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The governmental activities' total liabilities decreased by \$603.6 million and deferred inflows of resources increased \$352.9 million as follows:

Table 4
Comparative Schedule of Liabilities & Deferred Inflows of Resources
of Governmental Activities
As of June 30, 2019 and 2018

	2019	2018	Increase (Decrease)
Accounts payable	\$ 11,714,219	\$ 19,488,278	\$ (7,774,059)
Retainage payable	743,149	4,585,997	(3,842,848)
Accrued salaries, benefits, withholdings	23,074,846	21,121,938	1,952,908
Accrued interest payable	1,066,226	1,023,539	42,687
Claims payable	2,379,403	2,553,292	(173,889)
Unearned revenues	1,114,669	419,244	695,425
Noncurrent liabilities			
Due within one year	40,190,292	30,677,880	9,512,412
Due in more than one year	561,014,310	568,635,055	(7,620,745)
Pension liability	563,918,679	1,161,892,447	(597,973,768)
OPEB liability	28,164,275	26,532,775	1,631,500
Total liabilities	<u>\$ 1,233,380,068</u>	<u>\$ 1,836,930,445</u>	<u>\$ (603,550,377)</u>
Deferred inflows of resources			
Related to pension	\$ 423,872,126	\$ 70,545,233	\$ 353,326,893
Related to OPEB	42,871	443,895	(401,024)
	<u>\$ 423,914,997</u>	<u>\$ 70,989,128</u>	<u>\$ 352,925,869</u>

Accounts payable decreased by \$7.8 million and retainage payable decreased by \$3.8 million, primarily due to the completion of capital construction projects for community-wide improvements as part of the 2016 voter approved bonds. Accrued salaries, benefits and payroll withholdings increased \$1.95 million due to salary increases, benefit increases, and growth in the number of employees. The \$43 thousand increase in accrued interest reflects the decreased bond interest due by the District because of the pay down of debt. The \$174 thousand decrease in claims payable is due to the reduced lag time and resulting decreased medical and dental insurance claims liability within the internal service fund. Refer to Note 8 (Risk Financing). The \$695 thousand increase in unearned revenues is due to a state safety and security grant advance received late in June. The net increase of \$1.9 million in noncurrent liabilities due within one year and due in more than one year are primarily due to issuance of the remaining authorized 2016 bonds during the year. Refer to Note 7 (Long-Term Debt). The decrease in pension and increase OPEB liabilities is due to recognizing the District's net decreased proportionate share of the pension and OPEB liabilities, along with its share of the State's on-behalf payment. Refer to Note 9 (Defined Benefit Pension Plan) and Note 10 (Postemployment Benefits Other Than Pension (OPEB)).

Deferred inflows of resources related to pensions and OPEBs net increase of \$352.9 million primarily due to the changes in assumptions or other inputs under GASB Statements No. 68 and No. 75.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA, after the budget stabilization 'negative' factor was applied, the District received \$7,917 per funded pupil. For the fiscal year ended June 30, 2019, the funded pupil count was 30,188.5, a growth rate of 0.5% over the prior fiscal year. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and state equalization. For fiscal year 2019, SFA per pupil funding increased by \$425 per student.

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The statement of activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. Table 5 shows the total cost of services and the net cost of services for governmental activities.

Table 5
Comparative Schedule of Governmental Activities
For the Years Ended June 30, 2019 and 2018
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	\$ 169,532	\$ 397,861	\$ 127,776	\$ 358,048
Supporting services	152,784	169,477	132,906	152,384
Interest expense	13,516	24,293	13,516	24,293
	<u>\$ 335,832</u>	<u>\$ 591,631</u>	<u>\$ 274,198</u>	<u>\$ 534,725</u>

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was \$335.8 million compared to \$591.6 million last year. Interest expense decreased by \$10.8 million primarily due to the amortization of the bond interest premiums on an effective interest method.
- About \$25.5 million of the cost of services was financed by the users of the District's programs in the form of charges for services, an increase of \$1.2 million from 2018. The increase combines the increased participation in tuition and fee based program activities.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$36.1 million, an increase of \$3.5 million from fiscal year 2018. New state funded grants and the District's recognition of its proportionate share of the State's on-behalf payment to the state retirement system contributed to the increase.
- The majority of the District's net cost of services, \$274.2 million, was financed by State and District taxpayers.
- General revenues accounted for \$363.8 million in revenue which was 85.5% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$61.6 million or 14.5% of total revenues of \$425.4 million. These percentages reflect a shift of 0.3% of total revenue from general to program specific revenues.
- The *Building Fund's* issuance of bonds offset by the Bond Redemption's increased debt payments primarily contributed to the increase in change in net position for governmental activities.

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 on the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for 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 \$330.3 million, an increase from the prior year ending balance of \$308.6 million. As noted earlier, the fund balance increase was primarily driven by the issuance of the remaining 2016 authorized bonds.

Among major funds, the *General Fund* is the chief operating fund of the District. The *General Fund* had \$316.6 million in revenues, and \$315.6 million in expenditures. The *General Fund's* fund balance increased \$3.7 million to \$124.2 million. The increase is primarily the result of increased revenues including the District's share of the State's on-behalf payment to the retirement plan, conservative budgeting and the financing sources from a new capital lease arrangement. The *General Fund* realized large property tax abatements during the year and received even more revenue than anticipated due to the sale of retired iPad minis and increased e-rate revenues. Several factors resulted in expenditures being lower than budgeted. The District realized savings in payroll salary expenditures due to the amount of time necessary to replace employees leaving the District and delaying the replacement of non-critical employees who left near the end of the school year. Benefits exceeded budget due to the required recognition of the expenditures related to the District's share of the State's on-behalf payment. Due to the outperformance of utilities and operations as well as the timing of technology and textbook purchases, these factors also helped to increase *General Fund* balance.

Significant differences between the *General Fund's* adopted and amended budgets are due to a \$4.4 million increase in property taxes and mill levy override dollars due to increased assessed property values; \$7.2 million decrease in state equalization due to the increased locally assessed property values, net of a \$4 million one-time additional allocation from the *General Fund* to the *Capital Reserve Capital Projects Fund*; \$1.4 million increase due to higher than projected specific ownership taxes; \$1.1 million increase in charges for service due to the increased participation in preschool and full-day kindergarten tuition-based programs; \$1.1 million increase in miscellaneous revenue due to the expected sale of retired iPad minis and rising e-rate revenues; \$1.5 million increase in purchased services for additional school resource officers as well as increased insurance premiums and coverage; \$4.0 million decrease in supplies due to the reallocation of resources to cover debt service payments related to technology leases; \$3.0 million increase in capital outlay due to the inception of another technology lease; \$1.0 million increase in other contingency expenditures related to a new Project Launch literacy program; \$2.2 million decrease in charter school allocations due to actual enrollment being less than initial projections.

The fund balance of the *Bond Redemption Fund* had a decrease of \$9.8 million, resulting in a balance of \$52.8 million as of June 30, 2019. Using some of its fund balance, the District frontloaded the principal payment of its new bond series which ultimately saves taxpayers money. The *Bond Redemption Fund* has adequate resources accumulated to make the December 2019 principal and interest payments. The mill levy to accumulate resources for the June 2020 interest payment will be certified in December 2019. In October 2018, the District issued the remaining \$60.34 million 2016 voter-approved bonds.

The *Building Fund* is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The fund balance increased \$24.0 million due to issuance of bonds to continue major capital construction projects. The District completed the construction of a new PK-8 school and Innovation Center at the beginning of the fiscal year. In addition, many elementary schools were renovated to provide a more secure entrance and to add classrooms to increase capacity. Two middle schools and three high schools were renovated to add classrooms to also increase capacity.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2019 is \$518.2 million (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, projects in progress, and equipment. The District's investment in capital assets, net of accumulated depreciation, increased for the current fiscal year by \$18.1 million. Major capital events during the year included the completion construction of a second new school and Innovation Center, which opened in the fall of 2018. In addition, many elementary schools were renovated to provide a more secure entrance and to add classrooms to increase capacity. Two middle schools and three high schools were renovated to add classrooms to also increase capacity.

Table 6 shows fiscal year 2019 capital assets compared to 2018.

Table 6
Comparative Schedule of Capital Assets
As of June 30, 2019 and 2018
(Net of Depreciation, in Thousands)

	Governmental Activities		Total Dollar Change	Total Percentage Change
	2019	2018	2018 - 2019	2018 - 2019
Land	\$ 20,846	\$ 20,846	\$ -	0.00%
Water rights	1,091	1,084	7	0.65%
Projects in progress	31,016	87,478	(56,462)	-64.54%
Land improvements	10,435	11,023	(588)	-5.33%
Buildings	287,007	232,571	54,436	23.41%
Building improvements	138,164	120,881	17,283	14.30%
Equipment	29,650	26,217	3,433	13.09%
Totals	<u>\$ 518,209</u>	<u>\$ 500,100</u>	<u>\$ 18,109</u>	3.62%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 48.

Debt Administration. The District was assigned an underlying rating of AA+ from Standard & Poor's Financial Services and Aa2 from Moody's Investors Service for its general obligation refunding bond issues in October 2018. The custodian and paying agent for all of the District's bond debt is UMB Bank in Denver, Colorado. Total long-term debt outstanding as of June 30, 2019 as compared to June 30, 2018 is shown in Table 7. State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$688 million and the legal debt margin was \$139 million.

Table 7
Comparative Schedule of Outstanding Debt
As of June 30, 2019 and 2018
(in Thousands)

	2019	2018	Increase (Decrease)
General obligation bonds	\$ 548,690	\$ 531,080	\$ 17,610
Deferred bond premium	41,788	58,010	(16,222)
Capital leases	5,617	6,835	(1,218)
Benefits payable	5,110	3,388	1,722
Total debt	<u>\$ 601,205</u>	<u>\$ 599,313</u>	<u>\$ 1,892</u>

Additional information on the District's total bonded debt can be found in Note 7 beginning on page 50 of this report.

Factors Bearing on the District's Future

The District continues to receive strong community support. It has strong ties to the municipalities, businesses, and industry. In November 2008, the Board referred ballot questions to District voters for both a mill levy override (MLO) increase of \$16.5 million and a bond issue of \$189 million. The voters approved both measures by a strong margin. The additional MLO funding came at the time of the country's Great Recession. The 2008 bond revenues were efficiently managed to accomplish the stated improvements and additions, as well as provide additional renovations to District facilities.

In November 2012, the Board referred a \$14.8 million mill levy override ballot question to District voters. This override helped the District continue the gains realized from the 2008 MLO and avoid large class size increases and program cuts despite cuts in state per pupil funding since 2010. The voters approved the 2012 MLO measure by a strong margin notwithstanding the fact that the economy was just coming out of a multiyear recession. Additionally, the revenue has supported the enhancement of the District Learning Technology Plan and the expansion of preschool options.

The two mill levy overrides are projected to generate about \$56.8 million in fiscal year 2019-2020. This amounts to more than \$1,700 per student. These mill levy overrides are fixed mills so the revenues grow as assessed valuation increases. In addition, the mill levy overrides do not sunset.

With significant growth occurring within the District, facility capacity once again became a priority. The Board of Education, based on recommendations by the Superintendent and a community task force, approved putting a \$260.34 million capital construction bond question on the November 2016 election ballot. Voters once again showed their support by passing the measure. Approximately 68 percent of these funds will go toward providing additional classroom space with the remaining 32 percent of the funds addressing school safety and security upgrades, repairs and renovations to existing school facilities. In December of 2016, the District issued an initial \$200 million of general obligation debt pursuant to the 2016 authorization, and realized another \$23.6 million in premium. Based on the District's current spend down plan on the 2016 constructions projects, and the need for additional funding, the District sold the remaining \$60.34 million on September 19, 2018. The sale on September 19 was for a 5-year bond maturity, shortened from what was initially planned to be a 14-year schedule. The Series 2018 bonds carried yields of 1.72 percent to 2.21 percent, which combined with the rates locked in at the time of the sale of the initial \$200 million in December 2016, provided a net interest cost of 3.57 percent for the full issue. The final piece of the 2016 bond authorization has been sold, and compared to the ballot numbers that voters approved the total amount of principal and interest to be repaid on these bonds is over \$21 million less than voters approved in 2016.

The District was one of four in the state to apply for and receive approval to provide a P-TECH (Pathways in Technology) program. The initial program allows Skyline High School students the opportunity to take college coursework and achieve an Associate degree in a Computer Information Systems discipline. There is no cost to the student and they can earn up to 62 college credits through the program. The District has subsequently added a new P-TECH program at Frederick High School for students to achieve an Associate degree in Biomedical Sciences. The District is also looking to add a Cybersecurity P-TECH program at Silver Creek High School in the 2020-2021 school year.

In addition, the District also recently added a P-TEACH program. This program is designed to provide post-secondary opportunities to students who are interested in a career in the education field. The coursework is designed to introduce students to the teaching profession both in the classroom and in internships.

During the 2018-2019 school year, the District also implemented "Project Launch", a kindergarten – 2nd grade program designed to extend the school year for students who are not reading at grade level proficiency. The goals were to provide targeted instructional during the month of June to increase proficiency, reduce the "summer slide" due to students not being in school, and begin the next school year at a better starting point. Early indications are that the program has been successful, and the District is currently planning to continue the program in the 2019-2020 school year.

The District has experienced strong growth in student enrollment from fiscal years 2010 through 2019, ranging from 0.67% to 4.53%. The October 2018 headcount was 218 more students than the previous year,

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a 0.67% increase. Current projections reflect an estimated annual growth rate of between 1.07% and 2.07% over the next five years.

The District has provided increases in employee compensation for each of the 2005 through 2019 budget years. The mill levy overrides passed by the community, along with the operating efficiencies implemented by the District have improved the District's starting and average teacher salaries. The District and its Education Association agreed to a new salary schedule concept for certified personnel for the 2015-2016 fiscal year. The salary schedule increased the base salary, but also stabilized the cost of providing an experience step for teachers. The concept of the new salary schedule is to increase the base salary of a new teacher more quickly than the previous salary schedule. Beginning in the 2015-2016 school year, the starting base salary of \$35,000 has increased annually to \$43,500 for the 2019-2020 school year. In combination with test score improvements, national recognition, and a stable, supportive School Board, the District continues to receive a strong response of qualified applicants for open positions.

Strong administrative leadership, a stable and supportive School Board, the vibrant and growing District population, an emphasis on positive relationships with businesses and stakeholders, and conservative financial management have combined to make St. Vrain Valley Schools one of the top achieving Districts in Colorado. Evidence in support of this claim include John Irwin Schools of Excellence Awards for state's top 8% performing schools as well as numerous Governor's Distinguished Improvement Awards and Colorado Trailblazer 'Schools to Watch' Awards

To enhance learning opportunities for our students, the District started an in-District online school and opened a homeschool program. The initial pupil count for 2014 in these two programs exceeded 700 students. For 2019-2020, that number is estimated to be more than 930 students. In addition, the District has applied for and received numerous grants and continues to actively seek grants and corporate sponsorships. In early August 2010, the U.S. Department of Education notified the District that it had been selected for a \$3.6 million development grant, payable over five years, under the 2010 Investing in Innovation Fund (i3) competition. Out of 1700 applicants, the District received the highest score nationwide on its application and was one of 49 chosen to receive grant funds. The District's grant plan focused on expanding programs for at risk students in seven schools. The i3 grant ended in the 2015-2016 school year, but key personnel and operations remain as the District developed a sustainability plan. In November 2012, the District also received one of the first round of Race to the Top grants from the federal government. This grant provided \$16.5 million dollars over four years. It was developed to create and implement more STEM curricula into the lower socio-economic schools within the District. That grant ended in July of 2017, and the District has developed a sustainability plan for key personnel and operations.

Although Colorado's economic growth is one of the top in the nation, portions of the state statutes are in conflict. These conflicts have the potential to cause issues with the state's budget, including funding to school districts. Because of the "Great Recession", the State of Colorado's ability to increase revenues and provide additional funding to school districts is limited due to Colorado Revised Statute X (the TABOR amendment). In contrast to that, Amendment 23 guarantees per pupil funding for school districts will increase by at least the cost of inflation. Combining those two statutes with the requirement of increased Medicaid coverage and necessary increases to higher education, transportation, and the Department of Correction, causes significant issues with the State of Colorado's budget. The State of Colorado and its school districts were impacted with reduced revenues. It is unknown at this time how these conflicts will be resolved and the impact to school district funding.

Another constitutional amendment that will impact the state's funding, as well as special districts including school districts, is the 1982 Gallagher Amendment. The assessed property value revisions required by the 1982 Gallagher Amendment have continued to limit increases in the residential assessed values used to levy taxes for the District, even though actual property values for most residential properties are higher. This amendment requires that the residential property share of the total assessed value in the state be stabilized at approximately 45% of the total. However, by fixing the residential percentage share of property tax collections, an increasing portion of the taxes levied continues to be shifted to the commercial and nonresidential property owners. This reduction in residential property tax revenues also requires the state to commit other revenues to fulfill the School Finance Act (per pupil funding). The most recent adjustment to the residential rate was to set the rate to 7.15%.

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The fiscal year 2019 is Dr. Don Haddad's eleventh year as the Superintendent of Schools. He has been recognized multiple times on the national level, including the 2013 National Superintendent of the Year award from the National Association of School Superintendents. He continues to develop strong relationships with business, industry, and community leaders throughout the District. He is united with his administration, staff, and the Board of Education in the mission and strategic priorities for the District.

The fiscal year 2019 is the District's eleventh year of operating Leadership St. Vrain, a formal training program providing community members an opportunity to obtain a foundation in district operations, finances, and governance and become more effective participants in school district affairs.

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.svvsd.org.

Additionally, readers may also wish to review separately issued audit reports of each of the component units to gather additional information related to the charter schools. Those requests should be made directly to the charter schools.

BASIC FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J
Statement of Net Position
June 30, 2019

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	Primary Government	Component Units
	Governmental Activities	Charter Schools
Assets		
Cash and investments	\$ 309,314,373	\$ 14,240,104
Cash with fiscal agent	1,549,938	-
Accounts receivable	1,063,437	136,655
Due from component units	203,419	-
Grants receivable	3,858,541	-
Interest receivable	23,860	-
Taxes receivable, net	9,727,091	-
Prepaid items	471,914	149,035
Deposits	77,420	13,841
Inventories	1,776,441	-
Restricted cash and investments for		
Bond Redemption Fund	51,934,711	-
Building Corporations	-	5,572,534
Self Insurance Fund	3,783,613	-
Capital assets,		
Non-depreciable	52,953,737	4,382,531
Depreciable, net	465,254,869	44,848,255
Total assets	901,993,364	69,342,955
Deferred outflows of resources		
Related to debt	10,956,852	4,083,495
Related to pension	177,502,358	15,613,497
Related to OPEB	1,948,071	221,920
Total deferred outflow of resources	190,407,281	19,918,912
Liabilities		
Accounts payable	11,714,219	397,829
Due to primary government	-	43,614
Retainage payable	743,149	-
Accrued salaries and benefits	13,875,947	1,178,888
Payroll withholdings	9,198,899	-
Accrued interest payable	1,066,226	706,514
Claims payable	2,379,403	-
Unearned revenues	1,114,669	205,687
Noncurrent liabilities due within one year	40,190,292	1,037,475
Noncurrent liabilities due in more than a year		52,671,802
General obligation bonds	514,915,000	
Deferred bond premium	41,787,573	
Capital leases	1,667,398	
Compensated absences	2,644,339	
Pension liability	563,918,679	47,136,823
OPEB liability	28,164,275	2,354,202
Total liabilities	1,233,380,068	105,732,834
Deferred inflows of resources		
Related to pension	423,872,126	37,426,195
Related to OPEB	42,871	40,876
Total deferred inflow of resources	423,914,997	37,467,071
Net Position		
Net investment in capital assets	58,385,613	(1,410,894)
Restricted for		
TABOR	10,482,766	974,966
Debt service	54,463,241	1,015,047
Specific federal contract	3,127,149	-
Colorado Preschool Fund	800,737	-
Extracurricular, community programs	10,449,736	-
Unrestricted	(702,603,662)	(54,517,157)
Total net position	\$ (564,894,420)	\$ (53,938,038)

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, 2019

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
Instruction	\$ 169,531,944	\$ 21,570,165	\$ 20,186,076	\$ -
Supporting services	152,783,575	3,938,154	12,444,198	3,494,645
Interest expense	13,515,669	-	-	-
Total governmental activities	<u>\$ 335,831,188</u>	<u>\$ 25,508,319</u>	<u>\$ 32,630,274</u>	<u>\$ 3,494,645</u>
COMPONENT UNITS				
Instruction	\$ 16,487,956	\$ 2,843,628	\$ 989,040	\$ -
Supporting services	12,519,379	-	-	2,527,537
Interest expense	2,416,687	-	-	-
Total component units	<u>\$ 31,424,022</u>	<u>\$ 2,843,628</u>	<u>\$ 989,040</u>	<u>\$ 2,527,537</u>

General Revenues

Property taxes
Specific ownership taxes
State equalization
Per pupil revenue
Mill levy override
Investment income
Other

Total general revenues

Change in net position

Net position, beginning

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Units
Governmental Activities	Charter Schools
\$ (127,775,703)	\$ -
(132,906,578)	-
(13,515,669)	-
(274,197,950)	-
-	(12,655,288)
-	(9,991,842)
-	(2,416,687)
-	(25,063,817)
143,756,930	-
11,830,477	-
147,896,140	-
-	22,874,282
44,545,572	4,354,693
7,598,755	187,039
8,166,415	616,862
363,794,289	28,032,876
89,596,339	2,969,059
(654,490,759)	(57,069,132)
\$ (564,894,420)	\$ (53,938,038)

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

Friday, October 18, 2019

Balance Sheet
Governmental Funds
June 30, 2019

	General	Bond Redemption	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash & investments - unrestricted	\$ 141,282,732	\$ -	\$ 134,331,982	\$ 29,034,034	\$ 304,648,748
Cash with fiscal agent	1,202,387	347,551	-	-	1,549,938
Cash & investments - restricted	-	51,934,711	-	-	51,934,711
Accounts receivable	705,938	-	5,879	207,073	918,890
Due from other funds	1,676,608	-	-	-	1,676,608
Due from component units	201,518	-	-	1,901	203,419
Grants receivable	800,907	-	-	3,057,634	3,858,541
Interest receivable on investments	23,820	40	-	-	23,860
Taxes receivable, net	7,339,939	3,247,165	-	-	10,587,104
Prepays	463,765	-	-	8,149	471,914
Deposits	150	-	77,270	-	77,420
Inventories	1,216,399	-	-	560,042	1,776,441
Total assets	<u>\$ 154,914,163</u>	<u>\$ 55,529,467</u>	<u>\$ 134,415,131</u>	<u>\$ 32,868,833</u>	<u>\$ 377,727,594</u>
Liabilities					
Accounts payable	\$ 1,816,616	\$ -	\$ 8,315,788	\$ 1,095,733	\$ 11,228,137
Due to other funds	-	-	-	1,676,608	1,676,608
Retainage payable	2,043	-	701,184	39,922	743,149
Accrued salaries and benefits	12,715,790	-	-	1,160,157	13,875,947
Payroll withholdings	9,198,899	-	-	-	9,198,899
Claims payable	537,878	-	-	-	537,878
Unearned revenues	133,419	-	-	981,250	1,114,669
Total liabilities	<u>24,404,645</u>	<u>-</u>	<u>9,016,972</u>	<u>4,953,670</u>	<u>38,375,287</u>
Deferred inflows of resources					
Unavailable property tax revenue	<u>6,260,576</u>	<u>2,754,230</u>	<u>-</u>	<u>-</u>	<u>9,014,806</u>
Fund Balances					
Nonspendable:					
deposits, inventories, prepaids	1,680,314	-	77,270	568,191	2,325,775
Restricted: TABOR	10,482,766	-	-	-	10,482,766
Restricted: Colorado Preschool	800,737	-	-	-	800,737
Restricted: debt service	-	52,775,237	-	-	52,775,237
Restricted: special revenue funds	-	-	-	10,449,736	10,449,736
Restricted: specific federal contract	3,127,149	-	-	-	3,127,149
Restricted: voter approved projects	-	-	125,320,889	-	125,320,889
Committed: capital projects	-	-	-	9,305,415	9,305,415
Committed: contingencies	6,988,511	-	-	-	6,988,511
Committed: Board allocations	11,713,574	-	-	-	11,713,574
Committed: risk management	7,114,340	-	-	-	7,114,340
Committed: special revenue fund	-	-	-	7,591,821	7,591,821
Assigned: Mill Levy Override	43,730,072	-	-	-	43,730,072
Assigned: subsequent year expenditures	15,433,572	-	-	-	15,433,572
Unassigned	23,177,907	-	-	-	23,177,907
Total fund balances	<u>124,248,942</u>	<u>52,775,237</u>	<u>125,398,159</u>	<u>27,915,163</u>	<u>330,337,501</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 154,914,163</u>	<u>\$ 55,529,467</u>	<u>\$ 134,415,131</u>	<u>\$ 32,868,833</u>	<u>\$ 377,727,594</u>

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

St. Vrain Valley School District RE-1J

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019**

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

Governmental funds total fund balances	\$ 330,337,501
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	518,208,606
Deferred outflows from refunding debt are not considered current financial resources and, therefore, not reported in the governmental funds	10,956,852
Premium on issuance of bonds is recognized as other financing source in the governmental funds but are deferred in the statement of net position.	(41,787,573)
Long-term liabilities, including capital leases (\$5,617,282), compensated absences (\$5,109,747), bonds payable (\$548,690,000), related accrued interest (\$1,066,226) and claims payable (\$228,525) are not due and payable in the current period and, therefore, are not reported in the funds.	(560,711,780)
Pension liability (\$563,918,679), OPEB liability (\$28,164,275) and related deferred inflows (\$423,914,997) and deferred outflows \$179,450,429 are not considered current and, therefore, not reported in the funds.	(836,547,522)
Deferred property tax inflows \$9,014,806 and abated taxes receivable (\$860,013) will be collected but are not available to pay for the current period's expenditures and, therefore, are not recorded as revenue in the funds.	8,154,793
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 position.	6,494,703
Net position of governmental activities	<u>\$ (564,894,420)</u>

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

St. Vrain Valley School District RE-1J

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General	Bond Redemption	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 83,154,806	\$ 58,052,777	\$ -	\$ -	\$ 141,207,583
Specific ownership taxes	11,830,477	-	-	-	11,830,477
Mill levy override	44,545,572	-	-	-	44,545,572
Investment income	2,690,657	1,002,126	3,171,352	603,156	7,467,291
Charges for services	6,776,413	-	-	11,202,847	17,979,260
Pupil activities	-	-	-	7,529,059	7,529,059
Miscellaneous	7,569,315	-	301,944	2,960,877	10,832,136
State intergovernmental	156,564,932	-	-	10,951,744	167,516,676
Federal intergovernmental	3,434,756	-	-	14,666,056	18,100,812
Total revenues	316,566,928	59,054,903	3,473,296	47,913,739	427,008,866
Expenditures					
Current					
Instruction	187,664,005	-	-	17,215,409	204,879,414
Supporting services	118,757,121	-	12,488,304	11,179,258	142,424,683
Food service operations	-	-	-	10,273,923	10,273,923
Capital outlay	5,052,368	-	30,333,570	5,252,884	40,638,822
Debt service					
Principal	3,908,743	42,730,000	-	52,206	46,690,949
Interest	244,869	26,106,920	-	1,741	26,353,530
Bond issuance costs	-	-	449,979	-	449,979
Fiscal charges	-	15,594	-	-	15,594
Total expenditures	315,627,106	68,852,514	43,271,853	43,975,421	471,726,894
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	939,822	(9,797,611)	(39,798,557)	3,938,318	(44,718,028)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	60,340,000	-	60,340,000
Bond premiums	-	-	3,415,401	-	3,415,401
Capital lease	2,743,210	-	-	-	2,743,210
Transfers in	-	-	-	11,020	11,020
Transfers out	-	-	-	(11,020)	(11,020)
Total other financing sources (uses)	2,743,210	-	63,755,401	-	66,498,611
Net change in fund balances	3,683,032	(9,797,611)	23,956,844	3,938,318	21,780,583
Fund balances, beginning	120,565,910	62,572,848	101,441,315	23,976,845	308,556,918
Fund balances, ending	\$ 124,248,942	\$ 52,775,237	\$ 125,398,159	\$ 27,915,163	\$ 330,337,501

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

**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, 2019**

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

Net change in fund balances of governmental funds **\$ 21,780,583**

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

Depreciation expense	(21,792,055)	
Capital outlay - capitalized	39,981,035	
Net effect of disposed capital assets	<u>(78,739)</u>	18,110,241

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Current year amortization of premium on bond issue	19,637,589	
Current year amortization of deferred outflows	(6,757,041)	
Long term portion of claims payable	20,411	
Change in deferred property tax accrual less abatements	<u>2,549,347</u>	15,450,306

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 and vacation leave increased as follows:

Accrued annual leave earned during the year	(1,734,692)	
Accrued vacation earned during the year	(500,106)	
Amount paid during the year	<u>513,204</u>	(1,721,594)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. 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 position. Following are the net effect of these differences.

Issuance of bonds	(60,340,000)	
Premium received on issuance of bonds	(3,415,401)	
Bond principal payments	42,730,000	
Accrued interest expense on bonds	(42,687)	
Long-term lease additions	(2,743,210)	
Long-term lease payments	<u>3,960,949</u>	(19,850,349)

Pension and OPEB expenses related to the cost-sharing multiple-employer defined benefit pension fund, net of contributions, are recognized on a government-wide basis and not included in the fund statements.

Pension income	53,120,970	
Pension contributions	1,232,066	
OPEB expense	(638,989)	
OPEB contributions	<u>65,692</u>	53,779,739

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 revenue (expense) of the liquidated internal service fund is reported with governmental activities.

2,047,413

Change in net position of governmental activities

\$ 89,596,339

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

St. Vrain Valley School District RE-1J

Statement of Fund Net Position
Proprietary Fund
June 30, 2019

	Governmental Activities
	Internal Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 4,665,625
Accounts receivable	144,547
Total current assets	<u>4,810,172</u>
Noncurrent assets	
Restricted cash and cash equivalents	<u>3,783,613</u>
Total assets	<u>8,593,785</u>
Liabilities	
Current liabilities	
Accounts payable	486,082
Claims payable	<u>1,613,000</u>
Total liabilities	<u>2,099,082</u>
Net Position	
Unrestricted	<u>6,494,703</u>
Total net position	<u>\$ 6,494,703</u>

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

PRELIMINARY DRAFT

Friday, October 18, 2019

St. Vrain Valley School District RE-1J

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2019**

	Governmental Activities Internal Service Fund
Operating Revenues	
Charges for services	\$ 21,161,876
Total operating revenues	21,161,876
Operating Expenses	
Salaries and benefits	241,611
Purchased services	2,694,947
Small equipment	706,097
Claims paid	15,603,272
Total operating expenses	19,245,927
Operating income	1,915,949
Nonoperating Revenues	
Investment income	131,464
Total nonoperating revenues	131,464
Change in net position	2,047,413
Net position, beginning	4,447,290
Net position, ending	\$ 6,494,703

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

St. Vrain Valley School District RE-1J

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 21,541,985
Cash paid to providers	(15,706,272)
Cash paid to other vendors	(3,042,518)
Cash paid to employees	(241,611)
Net cash provided by operating activities	<u>2,551,584</u>
Cash Flows from Noncapital Financing Activities	
Change in restricted cash and cash equivalents	(90,895)
Net cash used in noncapital financing activities	<u>(90,895)</u>
Cash Flows from Investing Activities	
Investment income	<u>131,464</u>
Increase in cash and cash equivalents	2,592,153
Cash and cash equivalents, beginning of the year	<u>2,073,472</u>
Cash and cash equivalents, end of the year	<u><u>\$ 4,665,625</u></u>
Reconciliation of Operating Income to Net Cash (Used in) Operating Activities	
Operating income	\$ 1,915,949
Adjustments to reconcile operating income to Net cash provided by operating activities	
Changes in assets and liabilities	
Decrease in accounts receivable	380,109
Increase in accounts payable	358,526
Decrease in claims payable	<u>(103,000)</u>
Net cash used in operating activities	<u><u>\$ 2,551,584</u></u>

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

St. Vrain Valley School District RE-1J

Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019

	Private Purpose Trust - Student Scholarship
Assets	
Cash and investments	\$ -
Accounts receivable	-
Due from governmental funds	-
Total assets	-
Liabilities	
Total liabilities	-
Net Position	
Held in trust	\$ -

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

St. Vrain Valley School District RE-1J

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2019

	Private Purpose Trust - Student Scholarship
Additions	
Investment income	\$ 2,521
Contributions	<u>34,420</u>
Total additions	<u>36,941</u>
Deductions	
Scholarships	31,246
Transfer to Education Foundation	<u>236,945</u>
Total deductions	<u>268,191</u>
Change in net position	(231,250)
Net position, beginning	<u>231,250</u>
Net position, ending	<u><u>\$ -</u></u>

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements
June 30, 2019

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, Larimer, and Weld, and the City and County of Broomfield, 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

St. Vrain Valley School District RE-1J, formed in 1961, is a political subdivision and corporate body of the State of Colorado. The District operates under a seven-member publicly elected board of education. Geographically diverse, the 411 square miles served by the District extends from the Continental Divide out into the agriculture plains. Parts of four counties (Boulder, Broomfield, Larimer and Weld) fall within the District's boundaries. The District also serves thirteen different communities: eastern Boulder, Broomfield, Dacono, Erie, Firestone, Frederick, Hygiene, Longmont, Lyons, Mead, Niwot, Peaceful Valley and Raymond. The District, the seventh largest in the state of Colorado, has 1 standalone early childhood learning center, 24 elementary, 2 PK-8, 1 K-8, 8 middle, 1 middle/senior, 7 high, 1 alternative high, 1 online high, 1 P-TECH program, 6 charter schools, and programs including the Innovation Center, Main Street Special Education, Career Development Center, and high-quality homeschool enrichment, and is serving nearly 33,000 students.

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All organizations 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 includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits to or impose financial burdens on the District, and fiscal dependency.

Discretely Presented Component Units – Charter Schools

The Colorado State Legislature enacted the Charter School Act – Colorado Revised Statutes (C.R.S.) Section 22-30.5-101 in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "charter schools". Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Each charter school is a legally separate entity and appoints its own governing board; however, the District's Board of Education must approve all charter school applications and budgets.

The charter schools are discretely presented component units because of the significance of their financial accountability to and fiscal dependency on the District. They are all considered nonmajor.

The District's Board of Education has approved six charter school applications, Aspen Ridge Preparatory School, K-8; Carbon Valley Academy, grades PK-8; Flagstaff Academy, grades PK-8; Imagine Charter School at Firestone, grades PK-8; St. Vrain Community Montessori School, PK-8; and Twin Peaks Charter Academy, grades K-12. All six charter schools were operational during the fiscal year. No new charter applications have been received.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units – Charter Schools (Continued)

Separately audited financial reports for Aspen Ridge Preparatory School, Carbon Valley Academy, Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School, and Twin Peaks Charter Academy are available from the individual charter schools.

Fund Accounting

The District uses funds to report its financial position and changes in financial position. 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), the servicing of long-term debt (debt service fund), and the construction of new schools (capital projects funds). The following three funds 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 (personal property) taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended. The *Colorado Preschool Program (CPP) Fund* and *Risk Management Fund* are reported as sub-funds of the *General Fund*. Moneys allocated to the *CPP Fund* from the *General Fund* are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District’s preschool program pursuant to C.R.S. 22-28-102. Moneys allocated to the *Risk Management Fund* from the *General Fund* are 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.

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, and extracurricular athletic and other pupil activities.

Bond Redemption Fund – The District has one debt service fund 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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Capital Projects Funds – The District has two capital projects funds, the *Building Fund*, a major fund, and the *Capital Reserve Capital Projects Fund*, a nonmajor fund. The *Building 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 remaining nonmajor governmental funds are the *Capital Reserve Capital Projects Fund* and Special Revenue Funds. The *Capital Reserve Capital Projects Fund* is used to account for the District-designated allocation of resources and other revenues for on-going capital outlay needs of the District, such as equipment purchases. Special Revenue Funds account for revenues derived from earmarked revenue sources, charges for supporting educational services, and tuition. Special Revenue Funds consist of *Community Education Fund*, *Fair Contributions Fund*, *Government Designated-Purpose Grants Fund*, *Nutrition Services Fund*, and *Student Activity Fund*.

Proprietary funds focus on the determination of the changes in fund net position, 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 has no enterprise funds.

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's only internal service fund is the *Self Insurance Fund*. This fund accounts for the financial transactions related to specific healthcare and dental plans.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities for pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from agency funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The *Student Scholarship Fund* is the District's only trust fund. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has no custodial funds.

Government-wide and Fund Financial Statements

The District's financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the District and its component units. *Governmental activities* are normally supported by taxes and intergovernmental revenues and are reported as the *primary government*. The legally separate charter schools are reported as *component units* for which the District is financially accountable.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or 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*.

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 are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 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.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, operating statements present increases and decreases in net current assets and unassigned fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

Governmental fund 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 after year-end.

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The effect of interfund activity has been eliminated from the government-wide financial statements. However the process of consolidation does not eliminate the interfund services provided and used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to other funds for insurance premiums. Operating expenses include the cost of services and other administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District's fiduciary fund applies the economic resources measurement focus and accrual basis of accounting.

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. In addition, the District first reduces committed amounts, followed by assigned, and then unassigned when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents—All cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased are considered to be cash and cash equivalents.

Investments are either measured at net asset value, which approximates fair value, or at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, and as amended by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

Restricted Cash – Certain assets of the *Bond Redemption* and *Self Insurance Funds*, as well as component units, are classified as restricted because their use is restricted to liabilities related to debt payments or to requirements of self-insurance trust deposits.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Receivables – All receivables are reported at their gross value since all amounts are considered collectible. Transactions between funds that are outstanding at the end of the fiscal year are identified as interfund receivables/payables in the fund financial statements.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

Inventories – Inventories are valued at average cost. The costs of 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, non-cash revenues when received.

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities of 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 acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Land improvements	20 years
Buildings (including modular buildings)	15-50 years
Building improvements	7-50 years
Equipment	5-20 years

Deferred Outflows of Resources (related to debt) – In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. For refunding of debt resulting in defeasance, deferred outflow of resources is the difference where the net carrying value of the old debt is less than the reacquisition price. The District's refundings have resulted in deferred outflows of resources of \$10,956,852 at June 30, 2019.

Compensated Absences – Classified employees earn and may accumulate vacation leave up to 240 hours. All outstanding vacation leave for classified employees is payable upon resignation, termination, retirement or death. Employees will receive pay for unused vacation that was earned, or they are required to pay back used vacation that was unearned. 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 (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Employees may accumulate annual leave. Accumulated annual leave is payable upon leaving the District if certain criteria are met. Classified employees with 10 or more years of continuous service with the District who voluntarily separate or are laid off will receive 50% of the employee's current daily rate for unused annual leave above 20 days, up to a maximum of 150 paid days. Any certified employee who retires with 10 years of continuous service or who terminates with 20 years of service will be paid \$50 per day for all unused sick leave over 30 days, up to a maximum of 125 paid days. The unpaid liability for vested annual leave is recorded in the government-wide 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 or proprietary funds. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method that recognizes amortization in proportion to bond interest payments.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 debt service expenditures.

Unearned Revenue – consists of unearned tuition, fees, and grant revenues.

Pensions – The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (related to pensions and OPEBs) – can result from the net difference between expected and actual experience, projected and actual earnings on pension plan investments, changes in the District's proportionate of the net pension liability, changes of assumptions, as well as contributions made by the District to PERA after PERA's measurement date. Generally, deferred inflows are not aggregated with deferred outflows.

On-Behalf Payments – GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado has been recorded in the fund financial statements.

Net Position/Fund Equity – In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned, and unassigned.

- *Nonspendable* balances include deposits, inventories, and prepaid items.
- *Restricted* balances are those imposed by creditors, grantors, contributors, or laws and regulations and include TABOR, the Colorado Preschool Program, debt service, and statute-defined special revenue funds (including student extracurricular/interscholastic fee-based programs and community education programs).
- *Committed* balances are those constrained to specific purposes through formal action by the District Board of Education, the highest level of decision-making authority. They include, but are not limited to, capital projects, contingencies, risk management activities, and special revenue funds with intergovernmental agreements. Commitments cannot be used for any other purpose unless the board takes action (e.g. via resolution) to modify or rescind them.
- *Assigned* balances are amounts that can be used for a specific purpose, but do not meet the criteria of restricted or committed. They include, but are not limited to, instructional supplies and materials; the Superintendent's 12-month employment contract; encumbrances; appropriated fund balances of the subsequent year; and the Mill Levy Override. Per district policy, intended use may be expressed by the District's Board of Education and assigned by authorized individuals including the Superintendent or Chief Financial Officer.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

- *Unassigned* balances are those that do not meet the definitions described above. The District reports positive unassigned fund balance only in the General Fund. Negative unassigned balances may be reported in all other governmental funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and, lastly, unassigned fund balance.

Property Taxes

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. The District's property tax calendar for 2019 is as follows:

Tax Year

Beginning of fiscal year for taxes	January 1
Assessed valuation initially certified by County Assessors.....	August 25
Property tax levy by Board of Education for ensuing calendar year	December 10
Tax levy certified to County Commissioners.....	December 15
County Commissioners certify levy to County Treasurers.....	January 10

Collection Year

Mailing of tax bills (lien date).....	January 1
First installment due	February 28
Taxes due in full (unless installments elected by taxpayer)	April 30
Second installment due	June 15

Property taxes are recorded initially at the budgeted collection rate as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected in governmental funds and in the period for which the taxes are levied in the government-wide statements. The District has deferred inflows from property tax collection at June 30, 2019 in the amount of \$9,014,806. Property taxes are remitted to the District by the County Treasurers by the tenth of the month following collections by the respective counties, except for the months of March, May, and June in which the District receives an additional remittance from each county for collections through the twentieth of those months. Uncollectible taxes, estimated to be 0.5% of the amount levied or \$969,836, are netted against taxes receivable.

A fee of 0.25% on General Fund collections is retained by each County on their respective collections as compensation for collecting the taxes and is reflected as an expenditure in the General Fund.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

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

Annual budgets are adopted on a basis consistent with US GAAP rather than the budget basis for all funds. Budget basis is similar to cash basis, in that revenues are recognized when cash is received, and expenditures are recorded when payments are made. However, the primary differences in budgeting on a US GAAP basis include accruals for compensation earned but not paid as of fiscal year end, and recognition of deferred revenues. 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.

Total expenditures for each fund and sub-fund may not legally exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenues. 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.

The Board of Education throughout the fiscal year may amend budgetary amounts within each fund. Individual amendments to the General Fund budget, if material in relation to the original appropriation, are described in the Notes to Required Supplementary Information. All other fund budgets were also amended during the fiscal year. Although not material in relation to the total appropriation, most were significant in relation to the individual fund's original appropriation.

For fiscal year ended June 30, 2019, expenditures in the *Community Education Fund*, *Nutrition Services Fund*, *Student Activity Fund* and *Student Scholarship Fund* exceeded the budgeted spending plans. However, none of these funds exceeded total appropriations authorized by the Board. Therefore, there is no violation of state statute. The supplementary budget-to-actual schedule for each of these four funds only is presented with a contingency reserve to reflect the fund's total appropriations.

The encumbrance system of accounting is used wherein encumbrances outstanding at year-end are not reported as expenditures in the financial statements for US GAAP purposes, but are reported as assignment of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**Accountability**

Although the School Finance Act no longer requires school districts to budget a minimum amount per pupil for instructional supplies and materials, instructional capital outlay, and instructional field trips, the Board of Education approved a policy that requires the District to continue doing so to meet its goals and needs. For fiscal year 2019, the District required a minimum budget of \$6,224,195 for instructional supplies and materials purposes. The District expended \$9,003,437 on instructional supplies and materials during fiscal year ended June 30, 2019.

Direct allocation of funding to the *Capital Reserve* and *Risk Management Funds* was also discontinued by the Legislature. However, the District continues to fund these needs according to prior statute. For fiscal year ended June 30, 2019, the Board of Education authorized the total allocation of \$14,024,252 via the amended budget: \$9,910,361 to *Capital Reserve Fund* and \$4,113,891 to *Risk Management Fund*.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 3: DEPOSITS AND INVESTMENTS

At June 30, 2019, the District's and component units' deposits and investments were reported in the financial statements as follows:

	<u>District</u>	<u>Component Units</u>
Governmental activities	<u>\$ 366,582,635</u>	<u>\$ 19,812,638</u>

At June 30, 2019, the District and component units had cash and investments with the following carrying balances:

	<u>District</u>	<u>Component Units</u>
Cash and deposits	\$ 28,005,033	\$ 15,657,441
Cash with fiscal agent	1,549,938	-
Investments measured at net asset value	337,027,664	2,409,082
Investments measured at amortized cost	-	2,124,261
Investments measured at fair value	-	4,155,197
	<u>\$ 366,582,635</u>	<u>\$ 19,812,638</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. The State regulatory commissioners regulate the eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the 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 fair value of the collateral must be at least equal to 102% of the deposits. The District does not have a deposit policy.

As of June 30, 2019, the District had bank deposits of \$43,061,888 collateralized with securities held by the financial institutions' agent not in the District's name. The component units had deposits with a bank balance of \$11,408,031 of which \$2,500,095 was covered by FDIC and \$8,907,936 was covered by collateral held by authorized escrow agents in the financial institutions' name (PDPA).

Custodial Credit Risk – This is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. State statute requires the District to use eligible public depositories as defined by PDPA. Although the District does not have a formal custodial credit risk policy, its deposits as of June 30, 2019 were held at eligible public depositories.

Investments

Colorado statutes specify instruments meeting defined rating and risk criteria in which local governments may invest, which include, but are not limited to, the following:

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Local government investment pools

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District's investment policy does not further restrict its investment options.

The District and its component units have investments measured at the following:

- Net Asset Value (NAV) – which approximates fair value, including money market funds, and certain investment pools as defined by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*;
- Amortized Cost – including bank certificates of deposits and certain other investment pools as defined by GASB Statement No. 79; or
- Fair Value – including money market mutual funds and U.S. securities, notes or bonds in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Local Government Investment Pools – At June 30, 2019, the District and its component units invested in the Colorado Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE), which are money market investment pools 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. To obtain more information, go to www.colotrust.com and www.csafe.org.

COLOTRUST is valued using the NAV per share (or its equivalent) of the investments. COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods. At June 30, 2019, the District's investments measured at NAV include \$337,027,664 with COLOTRUST, with a rating of AAAM. The component units' investments are \$2,409,082 with COLOTRUST.

CSAFE and Colorado Statewide Investment Program (CSIP) are valued at amortized cost. The component units' investments measured at amortized cost include \$1,309,205 with CSAFE, with a rating of AAAM, which conforms to C.R.S Section 24-75-601, as well as \$815,056 with CSIP as of June 30, 2019.

The District and its component units categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2019, the component units had money market funds, rated AAAM, of \$4,155,197 – of which \$2,533,148 is measured at Level 1 inputs and \$1,622,049 measured at Level 2 inputs.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to declines in fair value due to rising interest rates, the Board's investment policy requires that the majority of its investments be in cash and cash equivalents with maturity dates of 90 days or less. Any medium-term investments of between 91 days and three years may be made based on expected use of funds. Funds not needed for the foreseeable future, such as the TABOR reserve, could be invested in long-term securities with maturity dates greater than three years.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State statutes limit investments in U.S. Agency Securities to the highest rating issued by nationally recognized statistical rating organizations (NRSROs). The District's investment policy and State statutes limit investments in money market funds to those with the highest rating issued by NRSROs and with a constant share price, or to money market funds that invest only in specified securities.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Given the small amount available for investment in securities, and the relative low risk of U.S. agency securities, the District has not established a policy limiting the amount of investment in this type of security and deems it unnecessary at this time.

Restricted Cash and Investments

The Bond Redemption Fund's deposits and investments totaling \$51,934,711 are restricted for the payment of voter-approved long-term debt principal, interest and related costs. The Self Insurance Fund's deposits and investments of \$3,783,613 are restricted for the purposes of the medical and dental self-insurance trust funds. The component units' deposits and investments totaling \$5,572,534 are restricted for construction and debt payments.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Amounts owed to one fund by another which are due within one year are reported as due to other funds or business-type activities. These balances arise during the normal course of business and the District's use of pooled cash. Due to/from other funds as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Student Activities Fund	\$ 370,201
General Fund	Governmental Designated-Purpose Grants Fund	1,306,407
		<u>\$ 1,676,608</u>

Due to timing differences, amounts receivable from or payable to component units may not agree to the District's reported balances.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers during fiscal year 2019 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Community Education Fund	Student Activities Fund	\$ 11,020
Total governmental funds		<u>\$ 11,020</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the District's capital assets for the year ended June 30, 2019:

	Balance 7/1/2018	Additions	Deletions, Adjustments & Reclassifications	Transfers	Balance 6/30/2019
Governmental activities					
Non-depreciable assets					
Land	\$ 20,846,495	\$ -	\$ -	\$ -	\$ 20,846,495
Projects in progress	87,477,669	32,147,965	-	(88,609,470)	31,016,164
Water rights	1,083,578	7,500	-	-	1,091,078
Total non-depreciable assets	109,407,742	32,155,465	-	(88,609,470)	52,953,737
Depreciable assets					
Land improvements	28,667,562	-	-	633,209	29,300,771
Buildings	326,780,045	-	-	61,406,096	388,186,141
Building improvements	205,261,080	-	-	26,282,434	231,543,514
Equipment	53,819,973	7,825,570	(772,655)	287,731	61,160,619
Total depreciable assets	614,528,660	7,825,570	(772,655)	88,609,470	710,191,045
Less accumulated depreciation for					
Land improvements	17,644,786	1,221,839	-	-	18,866,625
Buildings	94,209,877	6,969,427	-	-	101,179,304
Building improvements	84,380,456	8,998,489	-	-	93,378,945
Equipment	27,602,918	4,602,300	(693,916)	-	31,511,302
Total accumulated depreciation	223,838,037	21,792,055	(693,916)	-	244,936,176
Total depreciable assets, net	390,690,623	(13,966,485)	(78,739)	88,609,470	465,254,869
Governmental activities			-		
Total capital assets, net	<u>\$ 500,098,365</u>	<u>\$ 18,188,980</u>	<u>\$ (78,739)</u>	<u>\$ -</u>	<u>\$ 518,208,606</u>

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

Governmental activities

Instruction	\$ 18,815,635
Supporting services	2,976,420
Total	<u>\$ 21,792,055</u>

Capital Leases. Capital assets included above that were acquired through capital lease arrangements are as follows:

	Modular Buildings	Equipment	Total
Asset	\$ 904,678	\$ 13,291,463	\$ 14,196,141
Less: Accum Deprec	596,921	2,132,249	2,729,170
Total	<u>\$ 307,757</u>	<u>\$ 11,159,214</u>	<u>\$ 11,466,971</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 5: CAPITAL ASSETS (Continued)

Component Units' Capital Assets

The following is a summary of changes in the component units' capital assets for the year ended June 30, 2019:

	Balance 7/1/2018	Additions	Reclassifications & Deletions	Balance 6/30/2019
Component units				
Non-depreciable assets				
Land	\$ 4,355,006	\$ -	\$ -	\$ 4,355,006
Construction in progress	4,812,477	1,622,031	(6,406,983)	27,525
Total non-depreciable assets	<u>9,167,483</u>	<u>1,622,031</u>	<u>(6,406,983)</u>	<u>4,382,531</u>
Depreciable assets				
Land improvements	280,487	-	-	280,487
Building	42,246,101	5,885,080	-	48,131,181
Leasehold improvements	5,581,775	898,123	(183,511)	6,296,387
Furniture & equipment	1,293,535	81,659	183,511	1,558,705
Software costs	29,432	-	-	29,432
Total depreciable assets	<u>49,431,330</u>	<u>6,864,862</u>	<u>-</u>	<u>56,296,192</u>
Less accumulated depreciation	<u>9,718,449</u>	<u>1,729,488</u>	<u>-</u>	<u>11,447,937</u>
Total depreciable assets, net	<u>39,712,881</u>	<u>5,135,374</u>	<u>-</u>	<u>44,848,255</u>
Total capital assets, net	<u>\$ 48,880,364</u>	<u>\$ 6,757,405</u>	<u>\$ (6,406,983)</u>	<u>\$ 49,230,786</u>

Depreciation has been charged to the supporting services programs of the component units.

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2019 are determined to be as follows:

General Fund	\$ 12,715,790
Other funds	1,160,157
Total governmental funds	<u>\$ 13,875,947</u>
Component units	<u>\$ 1,178,888</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 7: LONG-TERM DEBT

The District's long-term debt changed as follows during the year ended June 30, 2019.

Governmental activities	Balance 7/1/2018	Additions	Payments/ Amortization	Balance 6/30/2019	Due within one year
General obligation bonds	\$ 531,080,000	\$ 60,340,000	\$ (42,730,000)	\$ 548,690,000	\$ 33,775,000
Deferred bond premium	58,009,761	3,415,401	(19,637,589)	41,787,573	-
Capital leases	6,835,021	2,743,210	(3,960,949)	5,617,282	3,949,884
Vacation payable	1,654,484	500,106	(222,182)	1,932,408	1,932,408
Annual leave payable	1,733,669	1,734,692	(291,022)	3,177,339	533,000
Total	<u>\$ 599,312,935</u>	<u>\$ 68,733,409</u>	<u>\$ (66,841,742)</u>	<u>\$ 601,204,602</u>	<u>\$ 40,190,292</u>

General Obligation Bonds

Description, Interest Rates, and Maturity Dates

Balance
due at
June 30, 2019

Refunding Bonds (Series 2006), original amount of \$43,455,000, due in varying installments through December 15, 2020, interest at 5.25%. Proceeds used to refund certain outstanding general obligation building bonds (Series 1997). Premium of \$2,520,719 received upon issuance is being amortized on an effective interest method. Amounts defeased were \$16,675,000 during October 2016 but later called in December 2016.

\$ 15,100,000

Building Bonds (Series 2009), original amount of \$104,000,000, due in varying installments through December 15, 2021, interest from 3.000% to 3.625%. Premium of \$504,199 received upon issuance is being amortized on an effective interest method. Amounts defeased were \$102,700,000 during fiscal year 2016. Premium amortization was adjusted accordingly.

300,000

Building Bonds (Series 2010A), original amount of \$8,590,000, due in varying installments on December 15 from 2023 through 2025, interest at 5.25%. Premium of \$1,191,756 received upon issuance is being amortized on an effective interest method.

8,590,000

Building Bonds (Series 2010B), taxable (Direct Pay Build America Bonds), original amount of \$76,410,000, due in varying installments on December 15 from 2026 through 2033, interest from 5.34% to 5.79%.

76,410,000

Refunding Bonds (Series 2011), original amount of \$34,355,000, due in varying installments through December 15, 2019, interest at 5.0%. Proceeds used to retire \$34,605,000 of outstanding building bonds (Series 2003). Premium of \$4,011,133 received upon issuance is being amortized on an effective interest method.

7,440,000

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 7: LONG-TERM DEBT (Continued)**General Obligation Bonds** (Continued)

Refunding Bonds (Series 2011B), original amount of \$31,150,000, due in varying installments through December 15, 2022, interest from 3.0% to 5.0%. Proceeds used to retire \$31,770,000 of outstanding building bonds (Series 2003). Premium of \$4,359,203 received upon issuance is being amortized on an effective interest method.	\$ 25,125,000
Refunding Bonds (Series 2012), original amount of \$34,695,000, due in varying installments through December 15, 2024, interest from 3.0% to 4.0%. Proceeds used to retire \$34,705,000 of outstanding building bonds (Series 2004). Premium of \$4,245,413 received upon issuance is being amortized on an effective interest method.	26,695,000
Refunding Bonds (Series 2014), original amount of \$50,355,000, due in varying installments through December 15, 2026, interest from 3.0% to 5.0%. Proceeds used to retire \$2,120,000, \$5,945,000 and \$47,850,000 of outstanding building bonds (Series 2004, 2005A and 2006B, respectively). Premium of \$10,821,491 received upon issuance is being amortized on an effective interest method.	47,025,000
Refunding Bonds (Series 2016), original amount of \$115,155,000, due in varying installments through December 15, 2033, interest from 2.5% to 5.0%. Proceeds used to retire \$13,035,000 and \$102,700,000 of outstanding building bonds (Series 2005B and 2009, respectively). Premium of \$12,871,395 received upon issuance is being amortized on an effective interest method.	97,435,000
Refunding Bonds (Series 2016B), original amount of \$14,390,000, due in varying installments on December 15 from 2021 through 2022, interest from 1.75% to 5.0%. Proceeds used to retire \$16,675,000 of outstanding refunding bonds (Series 2006). Premium of \$2,430,004 received upon issuance is being amortized on an effective interest method.	14,390,000
Building Bonds (Series 2016C), original amount of \$200,000,000, due in varying installments through December 15, 2036, interest from 3.0% to 5.0%. Premium of \$23,640,238 received upon issuance is being amortized on an effective interest method.	187,225,000
Building Bonds (Series 2018), original amount of \$60,340,000, due in varying installments through December 15, 2022, interest at 5.0%. Premium of \$3,415,401 received upon issuance is being amortized on an effective interest method.	<u>42,955,000</u>
Total general obligation bonds payable	<u>\$ 548,690,000</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 7: LONG-TERM DEBT (Continued)

Bond and coupon payments to maturity are as follows:

Year ending June 30	GO Bonds		Total
	Principal	Interest	
2020	\$ 33,775,000	\$ 25,208,839	\$ 58,983,839
2021	36,585,000	23,559,439	60,144,439
2022	36,185,000	21,932,820	58,117,820
2023	36,795,000	20,284,189	57,079,189
2024	23,050,000	18,900,695	41,950,695
2025-2029	135,440,000	75,933,698	211,373,698
2030-2034	185,085,000	37,267,903	222,352,903
2035-2037	61,775,000	4,564,150	66,339,150
Total	<u>\$ 548,690,000</u>	<u>\$ 227,651,733</u>	<u>\$ 776,341,733</u>

The amount of defeased debt outstanding as of June 30, 2019 is \$0. The remaining defeased amount as of June 30, 2018, related to the 2009 series (defeased in March 2016) and were called in December of 2018.

For fiscal year ended June 30, 2019, the District's legal debt limit was \$688,010,167 and the legal debt margin was \$139,320,167.

Capital Lease Obligations. The future minimum lease obligations for the capital leases and the net present value of the future payments, with an imputed or stated interest rate from 3.14% to 5.41%, at June 30, 2019 are as follows:

Year Ended June 30,	
2020	\$ 4,153,913
2021	838,075
2022	838,067
2023	103,132
Total minimum lease payments	<u>\$ 5,933,187</u>
Less: amount representing interest	<u>315,905</u>
Present value of minimum lease payments	<u>\$ 5,617,282</u>

Compensated Absences. Compensated absences include both vacation pay and annual leave. The District allows employees to carryover unused vacation from one fiscal year to the next up to 240 hours.

Unused annual leave is accumulated and carried over from year to year. When an eligible employee voluntarily separates or is laid off, the employee will receive 50% of the employee's current daily rate for unused annual leave above 20 days, up to a maximum of 150 paid days. The amount payable as of June 30, 2019 includes qualified annual leave for all eligible employees as of June 30, 2019.

Unused annual leave greater than 42 hours for certified employees may be paid out upon request at the end of the year in the amount of \$60 per each group of 7 hours up to 35 hours. All remaining annual leave hours will be carried over.

The General Fund pays for the annual leave benefit upon employee retirement. Vacation pay is charged to the fund from which an employee's compensation is paid during the year in which it is used. The majority of payroll is incurred by the general fund.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 7: LONG-TERM DEBT (Continued)

Component Units' Long-Term Debt

In June 2015, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$11,235,000 Charter School Revenue Bonds, Series 2015A and 2015B. Bond proceeds were loaned to the Aspen Ridge Preparatory School's Building Corporation to purchase and construct the School's education facilities. The School is obligated under a lease agreement to make monthly lease payments to the Building Corporation for using the facilities. The Building Corporation is required to make equal loan payments to the Trustee, for payment of the bonds. Interest accrues on the bonds at rates ranging from 4.125% to 5.25% and is payable semi-annually on January 1 and July 1. Principal payments are due annually on July 1, through 2046.

In December 2017, CECFA issued \$4,375,000 in Charter School Refunding Revenue Notes, Series 2017. Proceeds from the notes were loaned to Carbon Valley Academy under a lease agreement to refund the 2006 Revenue Bonds. The Academy is required to make equal lease payments to the Building Corporation for the use of the building. The Building Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrues at a rate of 3.50% per year. The bonds mature in December 2024.

In June 2016, CECFA issued \$13,335,000 in Charter School Refunding Revenue Bonds, Series 2016. Proceeds from the bonds were loaned to Flagstaff Academy under a lease agreement to advance refund the 2008 Revenue Bonds. The Academy is required to make equal lease payments to the Building Corporation for the use of the building. The Building Corporation is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrues at rates ranging from 3.00% to 5.00% per year. The bonds mature in August 2046.

In April 2011, CECFA issued \$4,775,000 of Charter School Revenue Bonds, Series 2011A and 2011B. Proceeds of the bonds were used to construct improvements to the Twin Peaks Charter Academy's building. Interest accrues at a rate of 2.0% to 5.0% per year. The lease matures in March 2043. In August 2014, CECFA issued \$21,990,000 of Charter School Revenue Bonds, Series 2014. Proceeds of the bonds were used to refund outstanding Series 2008 Bonds, purchase land, and construct improvements to the Academy's building and site. Interest accrues at a rate of 6.375% to 7.5% per year. The lease matures in March 2044. The charter school is required to make equal lease payments to the Building Corporation for use of the building. The Building Corporation is required to make lease payments to the Trustee for payment of the bonds.

In August 2016, Imagine Charter School at Firestone entered into a lease purchase agreement with Frontier Business Produce to finance the purchase of 13 Sharp Aquos Boards. Principal and interest payments in the amount of \$1,307 are due monthly from September 1, 2016 through August 1, 2021. On June 27, 2019, the School paid the lease in full.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 7: LONG-TERM DEBT (Continued)

Component Units' Long-Term Debt (Continued)

Following is a summary of the component units' long-term debt transactions for the year ended June 30, 2019.

	Balance 7/1/2018	Additions	Payments	Balance 6/30/2019	Due within one year
Component units					
Revenue bonds	\$ 53,678,488	\$ -	\$ (1,004,826)	\$ 52,673,662	\$ 700,000
Premium	1,074,719	-	(39,104)	1,035,615	337,475
Capital lease	42,109	-	(42,109)	-	-
	<u>\$ 54,795,316</u>	<u>\$ -</u>	<u>\$ (1,086,039)</u>	<u>\$ 53,709,277</u>	<u>\$ 1,037,475</u>

Following is a schedule of the debt service requirements for the revenue bonds:

Year ending June 30,	Principal	Interest	Total
2020	\$ 1,037,475	\$ 2,108,901	\$ 3,146,376
2021	1,076,041	2,070,560	3,146,601
2022	1,124,324	2,029,664	3,153,988
2023	1,172,727	1,986,861	3,159,588
2024	2,240,878	3,848,312	6,089,190
2025-2029	10,422,217	7,282,121	17,704,338
2030-2034	8,520,000	6,338,341	14,858,341
2035-2039	10,570,000	4,287,968	14,857,968
2040-2044	13,095,000	1,800,823	14,895,823
2045-2047	3,415,000	105,089	3,520,089
Total	<u>\$ 52,673,662</u>	<u>\$ 31,858,640</u>	<u>\$ 84,532,302</u>

Defeasance of Debt

A portion of the net proceeds of Flagstaff Academy's 2016 bonds were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the Academy's liabilities. During the fiscal year ended June 30, 2019, the outstanding defeased bonds were paid in full.

In August 2014, Twin Peaks Charter Academy defeased Series 2008 Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. This resulted in a net present value savings of \$996,501. Accordingly the trust account assets and the liability for the defeased bonds are not included in the Academy's financial statements. At June 30, 2019, the outstanding defeased bonds were \$12,760,000.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 8: RISK FINANCING

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.

Risk Management Fund

The *Risk Management Fund*, a sub-fund of the *General 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 an allocation from the General Fund. Some of the risk is retained, and insurance is purchased to transfer part of the risk.

Self Insurance Pools – The District is a member of two public entity risk sharing 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 funding deficit.

Since July 1, 2002, the District has been a member of the Colorado School Districts Self Insurance Pool for property and liability insurance. During the fiscal year ended June 30, 2019, the District had insurance deductibles of \$50,000 (property), \$50,000 (general liability), and \$1,000 (vehicle liability) per claim. At June 30, 2019, the District's property and liability claims payable was \$4,652.

Prior to July 1, 2002, the District purchased its property insurance from the Northern Colorado School Districts Property Self Insurance Pool, and its liability insurance from the Northern Colorado School Districts Liability Self Insurance Pool, respectively. These two pools have since been dissolved. The property pool funds were distributed to the former members in June 2006. The remaining assets from the liability pool were held in a joint account with the other former members (Park School District and Thompson School District) to meet the run-off obligations as described in the dissolution plan. In February 2010, the three former member districts received a planned distribution. The final distribution was received in January 2018.

Since July 1, 1985, the District has been a member of the Northern Colorado School Districts Workers' Compensation Self Insurance Pool. The other current pool members are Park School District (Estes Park) and Windsor School District. The workers' compensation pool discontinued insurance operations effective July 1, 1998, and resumed insurance operations on July 1, 2003. During the intervening years, insurance coverage was obtained outside the pool. The District's deductible was \$50,000 per claim for the year ended June 30, 2019. At June 30, 2019, the District's workers' compensation claims payable was \$761,751.

Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 8: RISK FINANCING (Continued)**Risk Management Fund** (Continued)

Claims Liability – The claims liability on a government-wide basis includes losses from currently available funds as well as estimates for claims that have been incurred but not reported. In addition, a pending legal settlement in the prior fiscal year resulted in an unusually high claim liability payable. Of the current total claims payable, \$537,878 is payable from current resources and reported accordingly on the fund statements. Changes in the reported liability on a government-wide basis for the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Beginning fiscal year liability	\$ 837,292	\$ 4,596,723
Legal settlement payment/adjustment	-	(3,862,428)
Current year claims and adjustments	805,572	1,085,338
Claims paid	(876,461)	(982,341)
Ending fiscal year liability	<u>\$ 766,403</u>	<u>\$ 837,292</u>

Self Insurance Fund

In January 2013, the District established a *Self Insurance Fund* to account for dental and certain medical liability claims. Liabilities and related claims expense as reported in the Fund were estimated based on a financial services consultant's analyses of the dental and medical providers' claims data at June 30, 2019. The following is a summary of the changes in claims liability for the Self Insurance Fund for fiscal years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Beginning fiscal year liability	\$ 1,716,000	\$ 1,534,961
Current year claims and adjustments**	15,603,272	15,325,748
Claims paid**	(15,706,272)	(15,144,709)
Ending fiscal year liability	<u>\$ 1,613,000</u>	<u>\$ 1,716,000</u>

** To align with reporting guidelines, the claims paid (cash flow basis) and current year claims & adjustments were modified in the table for both fiscal years 2019 and 2018; however, there was no impact on the ending liability.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

Plan Description – Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules are set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (continued)

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

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

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

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Contributions – Eligible employees of the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401 and § 24-51-413, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer Contribution Rate ¹	10.15 %	10.15 %
Amount of Employer Contribution Apportioned to the health Care Trust Fund as Specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13 %	9.13 %
Amortization Equalization Disbursement (AED) as Specified in C.R.S. § 24-51-411 ¹	4.50 %	4.50 %
Supplemental Amortization Equalization Disbursement (SAED) as Specified in C.R.S. § 24-51-411 ¹	5.50 %	5.50 %
Total Employer Contribution Rate to the SCHDTF ¹	19.13 %	19.13 %

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

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF for the District for the year ended June 30, 2019 were \$34,721,871.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on its contributions to the SCHDTF for the calendar year 2018 relative to the total contributions of participating employers and the State as a nonemployer contributing entity to the SCHDTF.

At June 30, 2019, the District reported a liability of \$563,918,679 for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District under the direct distribution provision to allocate funds from the State of Colorado budget to PERA on an annual basis beginning in July 2018. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	\$563,918,679
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>77,108,048</u>
Total	<u><u>\$641,026,727</u></u>

At December 31, 2018, the District's proportion was 3.1847120312 %, which was a decrease of 0.4084238455 % from its proportion measured as of December 31, 2017.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2019, the District recognized pension income of \$53,120,970 and revenue of \$396,134 for the support provided by the State as a nonemployer contributing entity. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 19,128,750	\$ -
Changes of Assumptions or other Inputs	105,257,885	350,696,763
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	30,737,089	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	4,748,601	73,175,363
Contributions Subsequent to the Measurement Date	17,630,033	-
Total	<u>\$ 177,502,358</u>	<u>\$ 423,872,126</u>

\$17,630,033 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30.</u>	<u>Amount</u>
2020	\$ (46,610,097)
2021	(140,341,004)
2022	(93,862,482)
2023	16,813,782
	<u>\$ (263,999,801)</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions – The December 31, 2017 actuarial valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 - 9.70%
Long-Term Investment Rate of Return, Net of Pension Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	4.78%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	2.00% Compounded Annually
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25%
Future Post Retirement Benefit Increases:	
PERA Benefit Structure Hired Prior to January 1, 2007; and DPS Benefit Structure (Automatic)	0% through 2019 and 1.5% Compounded Annually, Thereafter
PERA Benefit Structure hired after December 31, 2006 (Ad Hoc, Substantively Automatic)	Financed by the Annual Increase Reserve

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

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (continued)

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016 actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016 Board meeting.

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

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

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (continued)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.5% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State of Colorado, as a nonemployer contributing entity, will provide an annual direct distribution of \$225,000,000, commencing July 1, 2018, and is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The Annual Increase Reserve (AIR) balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate (continued)

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25% and the municipal bond index rate of 3.43% were used in the discount rate determination resulting in a discount rate of 4.78%.

Sensitivity of the District's proportionate share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 716,926,130	\$ 563,918,679	\$ 435,519,625

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Component Units' Defined Benefit Pension Plan

Contributions – Employer contributions recognized by the SCHDTF from the component units were \$2,827,426 for the fiscal year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the amount recognized by the component units as their proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the component units were as follows:

Component Units' Proportionate Share of the Net Pension Liability	\$47,136,823
State's Proportionate Share of the Net Pension Liability Associated with the Component Units	<u>6,445,306</u>
Total	<u><u>\$53,582,129</u></u>

At December 31, 2018, the component units' proportion was a combined 0.2662036201 %, which was a net decrease of 0.0672089800 % from their proportion measured as of December 31, 2017. For the year ended June 30, 2019, the component units recognized a combined pension expense of \$1,239,180.

At June 30, 2019, the component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 1,598,934	\$ -
Changes of Assumptions or other Inputs	8,798,292	29,314,030
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	2,569,250	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
of Contributions	1,278,945	8,112,165
Contributions Subsequent to the Measurement Date	<u>1,368,076</u>	<u>-</u>
Total	<u><u>\$ 15,613,497</u></u>	<u><u>\$ 37,426,195</u></u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Component Units' Defined Benefit Pension Plan (Continued)

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

\$1,368,076 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30.</u>	<u>Amount</u>
2020	\$ (3,991,614)
2021	(12,231,410)
2022	(8,461,197)
2023	1,503,447
	<u><u>\$ (23,180,774)</u></u>

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

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate Share of the Net Pension Liability	\$ 59,926,401	\$ 47,136,823	\$ 36,404,202

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

PERA Benefit Structure (continued)

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$1,851,349 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$28,164,275 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the its contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 2.0700776137%, which was an increase of 0.0284668160% from its proportion measured as of December 31, 2017.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2019, the District recognized OPEB expense of \$638,989. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 102,220	\$ 42,871
Changes of Assumptions or other Inputs	197,568	-
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	161,963	-
Changes in Proportion and Differences between		
Contributions Recognized and Proportionate Share		
Share of Contributions	546,299	-
Contributions Subsequent to the Measurement Date	940,021	-
Total	<u>\$ 1,948,071</u>	<u>\$ 42,871</u>

\$940,021 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 187,236
2021	187,236
2022	187,278
2023	299,724
2024	100,027
Thereafter	3,678
	<u>\$ 965,179</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial assumptions - The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.40%
Real Wage Growth	1.10%
Wage Inflation	3.50%
Salary Increases, Including Wage Inflation	3.50 % in the aggregate
Long-Term Investment Rate of Return, Net of OPEB Plan	
Investment Expenses, Including Price Inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	5.00%
Medicare Part A Premiums	3.25% for 2018, gradually rising to 5.00% in 2025

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

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$ 736	\$ 367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial assumptions (continued)

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$ 289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial assumptions (continued)

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

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial assumptions (continued)

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

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

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

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates - The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A Trend Rate	4.00%	5.00%	6.00%
Proportionate Share of the Net OPEB Liability	\$ 27,386,547	\$ 28,164,275	\$ 29,058,797

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount rate (continued)

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 31,513,371	\$ 28,164,275	\$ 25,301,110

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Component Units' Postemployment Benefits Other Than Pensions (OPEB)

Contributions – Employer contributions recognized by the HCTF from the component units were \$192,268 for the year ended June 30, 2019.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs – At June 30, 2019, the component units reported a combined liability of \$2,354,202 for their proportionate share of the net OPEB liability. At December 31, 2018, the component units' proportion was a combined 0.1730338002 %, which was a net increase of 0.0061456595 % from their proportion measured as of December 31, 2017. For the year ended June 30, 2019, the component units recognized a combined OPEB expense of \$381,836.

At June 30, 2019, the component units reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 8,543	\$ 3,584
Changes of Assumptions or other Inputs	16,514	-
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	13,538	-
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	110,550	37,292
Contributions Subsequent to the Measurement Date	72,775	-
Total	<u>\$ 221,920</u>	<u>\$ 40,876</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2019

NOTE 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Component Units' (OPEB) (Continued)

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

\$72,775 reported as deferred outflows of resources related to OPEBs, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<u>Year Ended June 30.</u>	<u>Amount</u>
2020	\$ 23,563
2021	23,563
2022	23,560
2023	32,965
2024	4,511
Thereafter	107
	<u>\$ 108,269</u>

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
PERACare Medicare Trend Rate	4.00%	5.00%	6.00%
Initial Medicare Part A Trend Rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A Trend Rate	4.00%	5.00%	6.00%
Proportionate Share of the Net OPEB Liability	\$ 2,276,047	\$ 2,354,202	\$ 2,415,391

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate Share of the Net OPEB Liability	\$ 2,634,146	\$ 2,354,202	\$ 2,114,876

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 11: DEFINED CONTRIBUTION PLAN

Plan Description – Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA

Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions of up to a maximum limit set by the Internal Revenue Service as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. There is no employer match. Historical voluntary program member contribution totals are listed in the following table:

Year ended June 30,	
2019	\$1,944,847
2018	\$1,848,757
2017	\$1,649,608
2016	\$1,594,025
2015	\$1,641,725

NOTE 12: TAX INCREMENT REVENUES

The District has entered into Intergovernmental Agreements with several, local urban renewal authorities (URA) and one downtown development authority (DDA). These governmental entities may enter into tax abatement agreements with individuals or other entities located within their boundaries. The District requested disclosure of any tax abatement agreements made by the URAs and DDA that may reduce the District's tax revenue. As of June 30, 2019, the District was not notified of any such third-party agreements.

NOTE 13: 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 the BOCES \$451,605 which includes \$136,285 for contractual services and \$315,320 for tuition during the year ended June 30, 2019. The BOCES financial statements can be obtained at their administrative office located at 2020 Clubhouse Drive, Greeley, Colorado 80634.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 14: 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, 2019, significant amounts of grant expenditures have not been audited by granting agencies, 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.

The District is involved in pending litigation. The District anticipates no potential claims resulting from these cases which would further materially affect the financial statements.

Construction Contracts

The District has entered into a number of separate construction projects as of June 30, 2019. Contract commitments at June 30, 2019, as a result of these projects, totaled \$38,662,000.

TABOR Amendment

In November 1992, Colorado voters passed Article X, Section 20 (TABOR Amendment) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. In November 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 1999 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, 2019, the District has complied with the requirements to include emergency reserves in its net position and fund balance.

Contingency Reserve

As allowed by state statute, the District Board of Education may provide for an operating reserve in the General Fund. District policy requires that the budget adopted by the Board include an additional appropriated reserve equal to 2% of operating fund expenditures. The District has met the 2% contingency requirement, which is reported in the committed fund balance, as of June 30, 2019.

The contingency reserve may only be used if the following conditions are met:

- There is a rare and extraordinary event (for example, a natural disaster or a large, unanticipated reduction or the elimination of state revenue); or a one-time funding of a significant capital project; or an operating initiative that will result in material, recurring reductions in future operating expenditures or material, recurring increases in operating revenues; and
- The District's administration has made a complete, written analysis – with justifying evidence – including a plan for the replenishment of the contingency reserve; and the District's Board of Education has passed a specific resolution authorizing the expenditure. The replenishment plan shall not exceed two years from the date of the expenditure.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2019

NOTE 15: CAPITAL CONTRIBUTIONS TO COMPONENT UNITS

During fiscal year ended June 30, 2017, the District and each of its component units entered into individual agreements for the funding of capital construction projects. With the successful passage of voter-authorized 2016 building bonds, the District agreed to allocate a portion of the proceeds to pay for various capital improvements and upgrades. As of June 30, 2019, the component units reported capital contributions from the District of \$1,689,617. The District records the construction activity as a service provided to the charter schools. Depending on the scope of work and organization of the charter school, the component unit may report the construction expenditures as Construction in Progress in its Building Corporation or as Repair and Maintenance in its Statement of Revenues, Expenditures and Changes in Fund Balances.

NOTE 16: DEFICIT NET POSITION

The net position of the District's governmental activities is a deficit of \$564,894,420 as a result of implementing GASB Statements No. 68 and 75. Also the component units' net position is a deficit of \$53,938,038 primarily as a result of implementing the new reporting standards.

PRELIMINARY DRAFT

Friday, October 18, 2019

REQUIRED SUPPLEMENTARY INFORMATION

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. The *Colorado Preschool Program Fund* is reported as a sub-fund of the *General Fund*. Moneys allocated to this fund from the *General Fund* are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District's preschool program. The *Risk Management Fund*, also a sub-fund of the *General 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.

Budget to actual information for the *General Fund* is presented on the following pages.

Pension and OPEB. During fiscal year 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. During fiscal year 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*.

The primary objectives of these Statements is to improve the accounting and financial reporting by state and local governments for pensions and OPEBs. Required supplementary schedules, *District's Proportionate Share of the Net Pension Liability*, *Schedule of District Contributions* for the Employee Pension Plan, *District's Proportionate Share of the Net OPEB Liability*, and *Schedule of District Contributions* for the Health Care Trust Fund are presented in this section.

St. Vrain Valley School District RE-1J
Schedule of Required Supplementary Information
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General, Colorado Preschool Program, and Risk Management Funds
For the Year Ended June 30, 2019

	General Fund				Colorado Preschool Program (A sub-fund of the General Fund)			
	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)
Revenues								
Local								
Property taxes	\$ 85,586,220	\$ 87,995,288	\$ 83,154,806	\$ (4,840,482)	\$ -	\$ -	\$ -	\$ -
Specific ownership taxes	10,134,650	11,500,000	11,830,477	330,477	-	-	-	-
Mill levy override	44,101,486	46,049,037	44,545,572	(1,503,465)	-	-	-	-
Investment income	1,400,000	2,000,000	2,537,414	537,414	3,300	10,000	17,665	7,665
Charges for services	5,588,705	6,657,935	6,776,213	118,278	-	-	-	-
Miscellaneous	4,064,918	5,203,959	7,455,824	2,251,865	-	-	-	-
Total local revenues	150,875,979	159,406,219	156,300,306	(3,105,913)	3,300	10,000	17,665	7,665
State								
Equalization, net	139,654,441	132,106,310	132,169,902	63,592	1,631,869	1,653,862	1,699,814	45,952
Special Education	6,176,641	6,446,548	6,544,865	98,317	-	-	-	-
Vocational Education	1,056,873	1,303,749	1,303,750	1	-	-	-	-
Transportation	1,875,500	2,047,297	2,135,790	88,493	-	-	-	-
Gifted and Talented	298,730	304,458	304,458	-	-	-	-	-
English Language Proficiency Act	1,605,224	1,650,202	1,650,202	-	-	-	-	-
BEST grant	-	250,000	907,513	657,513	-	-	-	-
PERA: State on Behalf Payment	-	-	4,579,695	4,579,695	-	-	-	-
Other state sources	1,212,068	1,342,402	1,155,052	(187,350)	-	-	-	-
Total state revenues	151,879,477	145,450,966	150,751,227	5,300,261	1,631,869	1,653,862	1,699,814	45,952
Federal								
Build America Bond rebates	1,421,930	1,428,020	1,428,019	(1)	-	-	-	-
Migrant passed through BOCES	40,927	25,000	5,553	(19,447)	-	-	-	-
Other federal sources	1,242,142	1,442,989	2,001,184	558,195	-	-	-	-
Total federal revenues	2,704,999	2,896,009	3,434,756	538,747	-	-	-	-
Total revenues	305,460,455	307,753,194	310,486,289	2,733,095	1,635,169	1,663,862	1,717,479	53,617
Expenditures								
Current								
Salaries	179,150,408	178,852,737	175,050,972	3,801,765	195,370	197,040	198,475	(1,435)
Benefits	60,302,022	59,888,442	63,144,810	(3,256,368)	62,864	57,611	61,320	(3,709)
Purchased services	13,429,670	14,568,670	16,559,155	(1,990,485)	1,180,050	1,180,050	1,194,515	(14,465)
Supplies and materials	30,075,732	26,062,803	18,438,810	7,623,993	73,765	73,765	102,386	(28,621)
Claims paid	-	-	-	-	-	-	-	-
Other	1,402,264	2,424,764	967,303	1,457,461	26,405	26,405	26,750	(345)
Charter schools	29,650,472	27,453,462	27,461,393	(7,931)	-	-	-	-
Capital outlay	333,700	3,326,910	5,052,368	(1,725,458)	250,000	250,000	-	250,000
Debt service								
Principal	-	3,908,743	3,908,743	-	-	-	-	-
Interest	-	245,145	244,869	276	-	-	-	-
Total expenditures, US GAAP basis	314,344,268	316,731,676	310,828,423	5,903,253	1,788,454	1,784,871	1,583,446	201,425
Excess (deficiency) of revenues over (under) expenditures before transfers	(8,883,813)	(8,978,482)	(342,134)	8,636,348	(153,285)	(121,009)	134,033	255,042
Other Financing Sources								
Proceeds on capital lease	-	2,743,210	2,743,210	-	-	-	-	-
Total other financing sources	-	2,743,210	2,743,210	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other financing sources uses	<u>\$ (8,883,813)</u>	<u>\$ (6,235,272)</u>	2,401,076	<u>\$ 8,636,348</u>	<u>\$ (153,285)</u>	<u>\$ (121,009)</u>	134,033	<u>\$ 255,042</u>
Fund balance, beginning			113,932,789				666,704	
Fund balance, ending			<u>\$ 116,333,865</u>				<u>\$ 800,737</u>	

See the accompanying Independent Auditors' Report.

Risk Management Fund (A sub-fund of the General Fund)				Total			
Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 85,586,220	\$ 87,995,288	\$ 83,154,806	\$ (4,840,482)
-	-	-	-	10,134,650	11,500,000	11,830,477	330,477
-	-	-	-	44,101,486	46,049,037	44,545,572	(1,503,465)
60,000	80,000	135,578	55,578	1,463,300	2,090,000	2,690,657	600,657
-	-	200	200	5,588,705	6,657,935	6,776,413	118,478
25,000	25,000	113,491	88,491	4,089,918	5,228,959	7,569,315	2,340,356
85,000	105,000	249,269	144,269	150,964,279	159,521,219	156,567,240	(2,953,979)
3,768,720	4,113,891	4,113,891	-	145,055,030	137,874,063	137,983,607	109,544
-	-	-	-	6,176,641	6,446,548	6,544,865	98,317
-	-	-	-	1,056,873	1,303,749	1,303,750	1
-	-	-	-	1,875,500	2,047,297	2,135,790	88,493
-	-	-	-	298,730	304,458	304,458	-
-	-	-	-	1,605,224	1,650,202	1,650,202	-
-	-	-	-	-	250,000	907,513	657,513
-	-	-	-	-	-	4,579,695	4,579,695
-	-	-	-	1,212,068	1,342,402	1,155,052	(187,350)
3,768,720	4,113,891	4,113,891	-	157,280,066	151,218,719	156,564,932	5,346,213
-	-	-	-	1,421,930	1,428,020	1,428,019	(1)
-	-	-	-	40,927	25,000	5,553	(19,447)
-	-	-	-	1,242,142	1,442,989	2,001,184	558,195
-	-	-	-	2,704,999	2,896,009	3,434,756	538,747
3,853,720	4,218,891	4,363,160	144,269	310,949,344	313,635,947	316,566,928	2,930,981
235,962	272,870	278,216	(5,346)	179,581,740	179,322,647	175,527,663	3,794,984
73,933	86,196	86,784	(588)	60,438,819	60,032,249	63,292,914	(3,260,665)
1,746,370	2,062,370	1,900,584	161,786	16,356,090	17,811,090	19,654,254	(1,843,164)
113,835	113,835	68,341	45,494	30,263,332	26,250,403	18,609,537	7,640,866
1,632,000	1,632,000	876,461	755,539	1,632,000	1,632,000	876,461	755,539
50,620	50,620	4,851	45,769	1,479,289	2,501,789	998,904	1,502,885
-	-	-	-	29,650,472	27,453,462	27,461,393	(7,931)
1,000	1,000	-	1,000	584,700	3,577,910	5,052,368	(1,474,458)
-	-	-	-	-	3,908,743	3,908,743	-
-	-	-	-	-	245,145	244,869	276
3,853,720	4,218,891	3,215,237	1,003,654	319,986,442	322,735,438	315,627,106	7,108,332
-	-	1,147,923	1,147,923	(9,037,098)	(9,099,491)	939,822	10,039,313
-	-	-	-	-	2,743,210	2,743,210	-
-	-	-	-	-	2,743,210	2,743,210	-
\$ -	\$ -	1,147,923	\$ 1,147,923	\$ (9,037,098)	\$ (6,356,281)	3,683,032	\$ 10,039,313
		5,966,417				120,565,910	
		\$ 7,114,340				\$ 124,248,942	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J
Schedule of Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
Year Ended December 31, (Plan Measurement Date)
Employee Pension Plan
Year Five **

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability (asset)	3.4574%	3.4942%	3.5445%	3.5931%	3.1847%
District's proportionate share of the net pension liability (asset)	\$ 468,595,684	\$ 534,414,453	\$ 1,055,346,922	\$ 1,161,892,447	\$ 563,918,679
State's Proportionate Share of the Net Pension Liability associated with the District ##	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,108,048</u>
Total	<u>\$ 468,595,684</u>	<u>\$ 534,414,453</u>	<u>\$ 1,055,346,922</u>	<u>\$ 1,161,892,447</u>	<u>\$ 641,026,727</u>
District's covered payroll	\$ 144,605,343	\$ 152,401,888	\$ 159,046,911	\$ 165,688,597	\$ 175,080,505
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	324.05%	350.66%	663.54%	701.25%	322.09%
Plan fiduciary net position as a percentage of the total pension liability	62.84%	59.20%	43.10%	43.96%	57.01%

A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

** GASB Statement No. 68 was implemented during fiscal year 2015.
As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

St. Vrain Valley School District RE-1J
Schedule of Required Supplementary Information
Schedule of District Pension Contributions
Year Ended June 30, (Fiscal Year End Date)
Employee Pension Plan
Year Five **

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution (excluding HTCF)	\$ 25,104,314	\$ 27,643,539	\$ 29,805,956	\$ 32,072,868	\$ 34,721,871
Contributions in relation to the contractually required contribution	(25,104,314)	(27,643,539)	(29,805,956)	(32,072,868)	(34,721,871)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 148,684,016	\$ 155,886,834	\$ 162,112,201	\$ 169,798,038	\$ 181,504,815
Contributions as a percentage of covered payroll (excluding HTCF)	16.88%	17.73%	18.39%	18.89%	19.13%

** GASB Statement No. 68 was implemented during fiscal year 2015.

As information becomes available, each subsequent year will be added
until a full 10-year trend is compiled.

St. Vrain Valley School District RE-1J
Schedule of Required Supplementary Information
Schedule of District's Proportionate Share of the Net OPEB Liability
Year Ended December 31, (Plan Measurement Date)
Health Care Trust Fund
Year Two **

	<u>2017</u>	<u>2018</u>
District's proportion of the net OPEB liability (asset)	2.0416%	2.0701%
District's proportionate share of the net OPEB liability (asset)	\$ 26,532,775	\$ 28,164,275
District's covered payroll	\$ 165,688,597	\$ 175,080,505
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	16.01%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	17.03%

** GASB Statement No. 75 was implemented during fiscal year 2018.
 As information becomes available, each subsequent year will be added
 until a full 10-year trend is compiled.

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J
Schedule of Required Supplementary Information
Schedule of District OPEB Contributions
Year Ended June 30, (Fiscal Year End Date)
Health Care Trust Fund
Year Two **

	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 1,732,540	\$ 1,851,349
Contributions in relation to the contractually required contribution	(1,732,540)	(1,851,349)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 169,798,038	\$ 181,504,815
Contributions as a percentage of covered payroll	1.02%	1.02%

** GASB Statement No. 75 was implemented during fiscal year 2018.
 As information becomes available, each subsequent year will be added
 until a full 10-year trend is compiled.

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Notes to Required Supplementary Information

June 30, 2019

NOTE 1: GENERAL FUND BUDGETARY INFORMATION

Prior to July 1, 2015, the *General Fund* annual budget was adopted on a basis consistent with US GAAP. While a budget basis is similar to a cash basis – in that revenues are recognized when cash is received, and expenditures are recorded when payments are made – a US GAAP basis budget, on the other hand, includes, for example, accruals for compensation earned but not paid as of fiscal year end, and recognition of deferred revenues. The District's other funds are also budgeted on a US GAAP basis.

The significant differences between the *General Fund's* adopted and amended budgets are as follows:

- \$4.4 million increase in property taxes and mill levy override dollars due to increased assessed property values;
- \$7.2 million decrease in state equalization due to the increased locally assessed property values, net of a \$4 million one-time additional allocation from the *General Fund* to the *Capital Reserve Capital Projects Fund*;
- \$1.4 million increase due to higher than projected specific ownership taxes;
- \$1.1 million increase in charges for service due to the increased participation in preschool and full-day kindergarten tuition-based programs;
- \$1.1 million increase in miscellaneous revenue due to the sale of retired iPad minis and increased e-rate revenues;
- \$1.5 million increase in purchased services for additional school resource officers as well as increased insurance premiums and coverage;
- \$4.0 million decrease in supplies due to the reallocation of resources to cover debt service payments related to technology leases;
- \$3.0 million increase in capital outlay due to the inception of another technology lease;
- \$1.0 million increase in other contingency expenditures related to a new Project Launch literacy program;
- \$2.2 million decrease in charter school allocations due to actual enrollment being less than initial projections.

During the current fiscal year, the District received federal interest income of \$1.4 million as a subsidy from issuing Direct Pay Build America Bonds, Series 2010B.

NOTE 2: NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS

The schedules presented will illustrate a 10-year trend. However, since the District did not implement GASB Statement No. 68 until fiscal year 2015, only five years are presented in these prior schedules. As information is available, each subsequent year will be added until the full 10-year trend is compiled. *The Schedule of the District's Proportionate Share of the Net Pension Liability* presents amounts as determined at December 31st of each fiscal year. *The Schedule of District Contributions* presents amounts based on the District's fiscal year of June 30th.

NOTE 3: NET OPEB LIABILITY AND DISTRICT CONTRIBUTIONS

The schedules presented will illustrate a 10-year trend. However, since the District did not implement GASB Statement No. 75 until fiscal year 2018, only two years are presented in these prior schedules. As information is available, each subsequent year will be added until the full 10-year trend is compiled. *The Schedule of the District's Proportionate Share of the Net OPEB Liability* presents amounts as determined at December 31st of each fiscal year. *The Schedule of District Contributions* presents amounts based on the District's fiscal year of June 30th.

SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

Major Governmental Funds

Bond Redemption Fund – The *Bond Redemption Fund* is a debt service fund used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Building Fund – The *Building Fund* is a capital projects fund that 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. Although this fund no longer meets the minimum criteria to be reported as a major fund, the District has elected to report it as such.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 56,953,000	\$ 59,467,000	\$ 58,052,777	\$ (1,414,223)
Investment income	475,000	500,000	1,002,126	502,126
Total revenues	<u>57,428,000</u>	<u>59,967,000</u>	<u>59,054,903</u>	<u>(912,097)</u>
Expenditures				
Debt principal	25,345,000	42,730,000	42,730,000	-
Debt interest	24,421,264	26,106,920	26,106,920	-
Fiscal charges	15,000	20,000	15,594	4,406
Total expenditures	<u>49,781,264</u>	<u>68,856,920</u>	<u>68,852,514</u>	<u>4,406</u>
Net change in fund balances	<u>\$ 7,646,736</u>	(8,889,920)	(9,797,611)	<u>\$ (907,691)</u>
Fund balance, beginning		<u>62,572,848</u>	<u>62,572,848</u>	
Fund balance, ending		<u>\$ 53,682,928</u>	<u>\$ 52,775,237</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Building Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 2,400,000	\$ 2,400,000	\$ 3,171,352	\$ 771,352
Miscellaneous	-	5,000	301,944	296,944
Total revenues	<u>2,400,000</u>	<u>2,405,000</u>	<u>3,473,296</u>	<u>1,068,296</u>
Expenditures				
Salaries	610,000	550,000	461,074	88,926
Benefits	185,000	175,000	138,907	36,093
Purchased services	8,000,000	12,450,518	12,086,424	364,094
Supplies and materials	-	-	247,764	(247,764)
Capital outlay	70,490,247	125,000,000	30,333,570	94,666,430
Other	5,000	6,000	4,114	1,886
Total expenditures	<u>79,290,247</u>	<u>138,181,518</u>	<u>43,271,853</u>	<u>94,909,665</u>
Excess (deficiency) of revenues over (under) expenditures	(76,890,247)	(135,776,518)	(39,798,557)	95,977,961
Other Financing Sources				
Issuance of bonds	-	60,340,000	60,340,000	-
Premium received on issuance of bonds	-	3,415,401	3,415,401	-
Total other financing sources	<u>-</u>	<u>63,755,401</u>	<u>63,755,401</u>	<u>-</u>
Net change in fund balances	<u>\$ (76,890,247)</u>	<u>(72,021,117)</u>	<u>23,956,844</u>	<u>\$ 95,977,961</u>
Fund balance, beginning		<u>101,441,315</u>	<u>101,441,315</u>	
Fund balance, ending		<u>\$ 29,420,198</u>	<u>\$ 125,398,159</u>	

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

Nonmajor Capital Projects Fund

Capital Reserve Capital Projects Fund – This fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the ongoing capital outlay needs of the District, such as equipment purchases.

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources including those requiring separate accounting because of legal or regulatory provisions that legally restrict expenditures to specified purposes.

- *Community Education Fund* – This fund is used to record the tuition-based activities including driver's education, summer school, K-5 child care, PreK child care, and enrichment as well as community-based grants and awards.
- *Fair Contributions Fund* – In accordance with intergovernmental agreements, this fund is used to collect money for the acquisition, development, or expansion of public school sites based on impacts created by residential subdivisions.
- *Governmental Designated-Purpose Grants Fund* – This fund is used to account for restricted state or federal grants that are obtained primarily to provide for specific instructional programs.
- *Nutrition Services Fund* – The *Nutrition Services Fund* accounts for the financial transaction related to the food service operations of the District.
- *Student Activity Fund* – This fund is used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. Revenues of this fund are primarily from student fees, fund raising, gate receipts, and gifts.

St. Vrain Valley School District RE-1J

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Capital Reserve Capital Projects Fund
Assets	
Cash and investments	\$ 10,168,095
Accounts receivable	6,325
Grants receivable	-
Due from component units	-
Prepays	-
Inventories	-
	<hr/>
Total assets	\$ 10,174,420
	<hr/>
Liabilities	
Accounts payable	\$ 829,083
Due to other funds	-
Accrued salaries and benefits	-
Construction retainage payable	39,922
Unearned revenues	-
	<hr/>
Total liabilities	869,005
	<hr/>
Fund Balances	
Nonspendable: deposits, inventories, prepaids	-
Restricted: special revenue funds	-
Committed: capital projects	9,305,415
Committed: special revenue fund	-
	<hr/>
Total fund balances	9,305,415
	<hr/>
Total liabilities and fund balances	\$ 10,174,420
	<hr/>

See the accompanying Independent Auditors' Report.

PRELIMINARY DRAFT

Friday, October 18, 2019

Special Revenue Funds					
Community Education	Fair Contributions	Governmental Designated- Purpose Grants	Nutrition Services	Student Activity	Total Nonmajor Governmental Funds
\$ 3,903,983	\$ 7,591,821	\$ -	\$ 1,525,943	\$ 5,844,192	\$ 29,034,034
44,406	-	-	19,870	136,472	207,073
-	-	2,880,162	177,472	-	3,057,634
-	-	-	1,901	-	1,901
975	-	-	-	7,174	8,149
-	-	-	560,042	-	560,042
<u>\$ 3,949,364</u>	<u>\$ 7,591,821</u>	<u>\$ 2,880,162</u>	<u>\$ 2,285,228</u>	<u>\$ 5,987,838</u>	<u>\$ 32,868,833</u>
\$ 59,387	\$ -	\$ 59,773	\$ 49,130	\$ 98,360	\$ 1,095,733
-	-	1,306,407	-	370,201	1,676,608
399,607	-	578,277	177,114	5,159	1,160,157
-	-	-	-	-	39,922
44,700	-	935,705	-	845	981,250
<u>503,694</u>	<u>-</u>	<u>2,880,162</u>	<u>226,244</u>	<u>474,565</u>	<u>4,953,670</u>
975	-	-	560,042	7,174	568,191
3,444,695	-	-	1,498,942	5,506,099	10,449,736
-	-	-	-	-	9,305,415
-	7,591,821	-	-	-	7,591,821
<u>3,445,670</u>	<u>7,591,821</u>	<u>-</u>	<u>2,058,984</u>	<u>5,513,273</u>	<u>27,915,163</u>
<u>\$ 3,949,364</u>	<u>\$ 7,591,821</u>	<u>\$ 2,880,162</u>	<u>\$ 2,285,228</u>	<u>\$ 5,987,838</u>	<u>\$ 32,868,833</u>

See the accompanying Independent Auditors' Report.

PRELIMINARY DRAFT

Friday, October 18, 2019

St. Vrain Valley School District RE-1J

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019**

	Capital Reserve Capital Projects Fund
Revenues	
Intergovernmental	\$ 9,912,533
Investment income	202,522
Charges for services	-
Pupil activities	-
Miscellaneous	310,461
State intergovernmental	-
Federal intergovernmental	-
Total revenues	<u>10,425,516</u>
Expenditures	
Instruction	10,530
Supporting services	3,969,017
Food service operations	-
Capital outlay	4,854,743
Debt service	
Principal	-
Interest	-
Total expenditures	<u>8,834,290</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>1,591,226</u>
Other Financing Sources (Uses)	
Transfers in	-
Transfers out	-
Total other financing sources (uses)	<u>-</u>
Net changes in fund balances	1,591,226
Fund balances, beginning	<u>7,714,189</u>
Fund balances, ending	<u><u>\$ 9,305,415</u></u>

See the accompanying Independent Auditors' Report.

PRELIMINARY DRAFT

Friday, October 18, 2019

Special Revenue Funds					
Community Education	Fair Contributions	Governmental Designated- Purpose Grants	Nutrition Services	Student Activity	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,912,533
89,639	153,364	-	25,467	132,164	603,156
7,264,693	-	-	3,938,154	-	11,202,847
-	-	-	-	7,529,059	7,529,059
-	2,587,132	-	63,284	-	2,960,877
-	-	843,892	195,319	-	1,039,211
-	-	8,856,183	5,809,873	-	14,666,056
7,354,332	2,740,496	9,700,075	10,032,097	7,661,223	47,913,739
5,070,242	-	5,365,848	-	6,768,789	17,215,409
2,070,931	360,261	4,249,111	-	529,938	11,179,258
-	-	-	10,273,923	-	10,273,923
52,931	167,130	85,116	20,691	72,273	5,252,884
52,206	-	-	-	-	52,206
1,741	-	-	-	-	1,741
7,248,051	527,391	9,700,075	10,294,614	7,371,000	43,975,421
106,281	2,213,105	-	(262,517)	290,223	3,938,318
11,020	-	-	-	-	11,020
-	-	-	-	(11,020)	(11,020)
11,020	-	-	-	(11,020)	-
117,301	2,213,105	-	(262,517)	279,203	3,938,318
3,328,369	5,378,716	-	2,321,501	5,234,070	23,976,845
\$ 3,445,670	\$ 7,591,821	\$ -	\$ 2,058,984	\$ 5,513,273	\$ 27,915,163

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Reserve Capital Projects Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Allocation from General Fund	\$ 6,008,177	\$ 9,910,361	\$ 9,912,533	\$ 2,172
Investment income	100,000	165,000	202,522	37,522
Miscellaneous	75,000	75,000	310,461	235,461
Total revenues	<u>6,183,177</u>	<u>10,150,361</u>	<u>10,425,516</u>	<u>275,155</u>
Expenditures				
Capital expenditures	<u>9,500,000</u>	<u>9,960,000</u>	<u>8,834,290</u>	<u>1,125,710</u>
Total expenditures	<u>9,500,000</u>	<u>9,960,000</u>	<u>8,834,290</u>	<u>1,125,710</u>
Net change in fund balances	<u>\$ (3,316,823)</u>	190,361	1,591,226	<u>\$ 1,400,865</u>
Fund balance, beginning		<u>7,714,189</u>	<u>7,714,189</u>	
Fund balance, ending		<u>\$ 7,904,550</u>	<u>\$ 9,305,415</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Education Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 41,000	\$ 80,000	\$ 89,639	\$ 9,639
Charges for services	7,044,000	7,214,000	7,264,693	50,693
Total revenues	7,085,000	7,294,000	7,354,332	60,332
Expenditures				
Instruction	5,350,000	5,150,000	5,124,189	25,811
Support services	1,343,000	1,850,000	2,070,931	(220,931)
Capital outlay	100,000	100,000	52,931	47,069
Contingency reserve	3,280,813	3,522,369	-	3,522,369
Total expenditures	10,073,813	10,622,369	7,248,051	3,374,318
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(2,988,813)	(3,328,369)	106,281	3,434,650
Other Financing Sources				
Transfers in	-	-	11,020	11,020
Net change in fund balances	(2,988,813)	(3,328,369)	117,301	3,445,670
Fund balance, beginning	2,988,813	3,328,369	3,328,369	-
Fund balance, ending	\$ -	\$ -	\$ 3,445,670	\$ 3,445,670

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fair Contributions Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 95,000	\$ 75,000	\$ 153,364	\$ 78,364
Cash in lieu	<u>1,600,000</u>	<u>2,100,000</u>	<u>2,587,132</u>	<u>487,132</u>
Total revenues	<u>1,695,000</u>	<u>2,175,000</u>	<u>2,740,496</u>	<u>565,496</u>
Expenditures				
Purchased services	500,000	500,000	360,261	139,739
Capital outlay	<u>7,608,737</u>	<u>2,000,000</u>	<u>167,130</u>	<u>1,832,870</u>
Total expenditures	<u>8,108,737</u>	<u>2,500,000</u>	<u>527,391</u>	<u>1,972,609</u>
Net change in fund balances	<u><u>\$ (6,413,737)</u></u>	(325,000)	2,213,105	<u><u>\$ 2,538,105</u></u>
Fund balance, beginning		<u>5,378,716</u>	<u>5,378,716</u>	
Fund balance, ending		<u><u>\$ 5,053,716</u></u>	<u><u>\$ 7,591,821</u></u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Governmental Designated-Purpose Grants
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
State grants	\$ 465,332	\$ 807,477	\$ 843,892	\$ 36,415
Federal grants	11,020,182	11,489,962	8,856,183	(2,633,779)
Total revenues	11,485,514	12,297,439	9,700,075	(2,597,364)
Expenditures				
Salaries	6,255,517	6,317,231	5,865,031	452,200
Benefits	2,130,429	2,162,686	1,922,409	240,277
Purchased services	296,755	701,218	595,333	105,885
Supplies and materials	1,851,164	2,253,946	562,515	1,691,431
Other	924,830	824,799	669,671	155,128
Capital outlay	26,819	37,559	85,116	(47,557)
Total expenditures	11,485,514	12,297,439	9,700,075	2,597,364
Net change in fund balances	<u>\$ -</u>	-	-	<u>\$ -</u>
Fund balance, beginning		-	-	
Fund balance, ending		<u>\$ -</u>	<u>\$ -</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nutrition Services Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 12,000	\$ 23,000	\$ 25,467	\$ 2,467
Charges for services	3,878,593	3,967,438	3,938,154	(29,284)
Other food service charges	60,000	60,000	63,284	3,284
State match	170,000	198,594	195,319	(3,275)
Commodities entitlement	651,949	666,806	725,715	58,909
National School Lunch/Breakfast Program	5,286,412	5,091,558	5,084,158	(7,400)
Total revenues	10,058,954	10,007,396	10,032,097	24,701
Expenditures				
Salaries	3,498,305	3,623,672	3,687,020	(63,348)
Benefits	1,364,339	1,446,006	1,511,071	(65,065)
Purchased services	140,000	135,000	121,104	13,896
Supplies and materials	4,876,949	4,882,806	4,854,728	28,078
Capital outlay	85,000	35,000	20,691	14,309
Other	100,000	100,000	100,000	-
Contingency reserve	2,241,835	2,106,413	-	2,106,413
Total expenditures	12,306,428	12,328,897	10,294,614	2,034,283
Net change in fund balances	(2,247,474)	(2,321,501)	(262,517)	2,058,984
Fund balance, beginning	2,247,474	2,321,501	2,321,501	-
Fund balance, ending	\$ -	\$ -	\$ 2,058,984	\$ 2,058,984

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activity Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 57,000	\$ 100,000	\$ 132,164	\$ 32,164
Athletic activities	2,638,000	2,800,000	2,869,002	69,002
Pupil activities	3,846,000	4,000,000	3,726,435	(273,565)
PTO/Gift activities	797,000	640,000	933,622	293,622
Total revenues	7,338,000	7,540,000	7,661,223	121,223
Expenditures				
Athletic activities	4,542,275	2,600,000	3,075,732	(475,732)
Pupil activities	6,603,189	3,800,000	3,557,603	242,397
PTO/Gift activities	1,475,651	800,000	737,665	62,335
Contingency reserve	-	5,574,070	-	5,574,070
Total expenditures	12,621,115	12,774,070	7,371,000	5,403,070
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(5,283,115)	(5,234,070)	290,223	5,524,293
Other Financing Uses				
Transfers out	-	-	(11,020)	(11,020)
Net change in fund balances	(5,283,115)	(5,234,070)	279,203	5,513,273
Fund balance, beginning	5,283,115	5,234,070	5,234,070	-
Fund balance, ending	\$ -	\$ -	\$ 5,513,273	\$ 5,513,273

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY SCHEDULES – PROPRIETARY FUND

Internal Service Fund

Internal Service Funds may be used to accumulate and allocate costs internally among governmental functions. The District's only internal service fund is the *Self Insurance Fund* which accounts for the specific medical and dental health plans of the District.

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual
Self Insurance Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 85,000	\$ 100,000	\$ 131,464	\$ 31,464
Charges for services	19,728,000	21,075,000	21,161,876	86,876
Miscellaneous	1,500	50,000	-	(50,000)
Total revenues	<u>19,814,500</u>	<u>21,225,000</u>	<u>21,293,340</u>	<u>68,340</u>
Expenditures				
Salaries	186,000	190,000	185,883	4,117
Benefits	53,000	55,000	55,728	(728)
Purchased services	2,644,000	2,669,000	2,694,947	(25,947)
Supplies and materials	5,000	5,000	-	5,000
Other	739,000	875,000	706,097	168,903
Claims paid	16,632,000	16,632,000	15,603,272	1,028,728
Total expenditures	<u>20,259,000</u>	<u>20,426,000</u>	<u>19,245,927</u>	<u>1,180,073</u>
Change in net position	<u>\$ (444,500)</u>	799,000	2,047,413	<u>\$ 1,248,413</u>
Net position, beginning		<u>4,447,290</u>	<u>4,447,290</u>	
Net position, ending		<u>\$ 5,246,290</u>	<u>\$ 6,494,703</u>	

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY SCHEDULES – FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. Of the four fiduciary funds categories (pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds), the District has the following:

- Private purpose trust funds 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 District's only trust fund is the *Student Scholarship Fund*.

The District has no custodial funds.

St. Vrain Valley School District RE-1J

Schedule of Additions, Deductions and Changes in Fiduciary Net Position - Budget and Actual
Student Scholarship Fund
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Additions				
Investment income	\$ 2,000	\$ 2,750	\$ 2,521	\$ (229)
Contributions	37,000	40,000	34,420	(5,580)
Total additions	39,000	42,750	36,941	(5,809)
Deductions				
Scholarships	39,000	42,750	31,246	11,504
Transfer to Education Foundation	-	-	236,945	(236,945)
Contingency reserve	225,512	231,250	-	231,250
Total deductions	264,512	274,000	268,191	5,809
Change in net position	(225,512)	(231,250)	(231,250)	-
Net position, beginning	225,512	231,250	231,250	-
Net position, ending	\$ -	\$ -	\$ -	\$ -

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY SCHEDULES – COMPONENT UNITS

Charter Schools

Aspen Ridge Preparatory School began operations in the fall of fiscal year 2012 to serve students in grades K through 5. In October 2014, the charter was renewed to serve grades K through 8. The school is located in Erie (Weld County).

Carbon Valley Academy, located in Frederick (Weld County), began operations in the fall of fiscal year 2006 to serve students in grades pre-K through 8. In 2009 the school opened a secondary academy with grade 9 and planned to add a grade each year until 12th grade. However, the secondary academy was closed in December 2010.

Flagstaff Academy also began operations in the fall of fiscal year 2006 serving students in grades pre-K through 8. The school is located in Longmont (Boulder County).

Imagine Charter School at Firestone (Weld County) began operations in the fall of fiscal year 2009 to serve students grades pre-K through 8.

St. Vrain Community Montessori School began operations in the fall of fiscal year 2009 serving students in grades K through 2. The school, currently located in Longmont (Boulder County), added a grade each year until 6th grade. In October 2013, the charter was renewed to serve grades pre-K through 8, adding grade 7 in fiscal year 2015 and grade 8 in fiscal year 2016.

Twin Peaks Charter Academy, located in Longmont (Boulder County), began operations in the fall of fiscal year 1998 to serve students in grades K through 8. In 2012, the school opened a secondary academy with grades 9 and 10 and added a grade each year until 12th grade.

St. Vrain Valley School District RE-1J

Combining Statement of Net Position
Component Units
June 30, 2019

	Aspen Ridge Preparatory School	Carbon Valley Academy	Flagstaff Academy
Assets			
Cash and investments	\$ 1,984,750	\$ 1,048,458	\$ 4,394,777
Accounts receivable	15,594	51,026	5,392
Prepays	96,965	4,696	6,337
Deposits	-	-	-
Restricted cash and investments	1,346,686	371,896	1,340,656
Capital assets,			
Non-depreciable	682,150	1,158,251	-
Depreciable, net	12,415,364	2,920,821	9,668,738
Total assets	16,541,509	5,555,148	15,415,900
Deferred outflows of resources			
Related to debt	-	-	1,346,661
Related to pension	2,488,887	1,132,744	4,836,365
Related to OPEB	65,926	9,105	64,701
Total deferred outflows of resources	2,554,813	1,141,849	6,247,727
Liabilities			
Accounts payable	60,697	46,867	181,069
Due to primary government	-	-	12,894
Accrued salaries and benefits	146,453	114,066	379,464
Accrued interest payable	270,700	12,218	223,245
Unearned revenue	900	-	49,340
Noncurrent liabilities			
Due within one year	195,000	87,475	250,000
Due in more than one year	10,670,000	4,161,187	13,300,342
Pension liability	6,057,190	3,703,874	13,837,483
OPEB liability	302,520	184,986	691,103
Total liabilities	17,703,460	8,310,673	28,924,940
Deferred inflows of resources			
Related to pension	4,171,313	3,358,523	10,546,622
Related to OPEB	461	8,505	1,052
Total deferred inflows of resources	4,171,774	3,367,028	10,547,674
Net Position			
Net investment in capital assets	2,232,514	(955,945)	(2,540,948)
Restricted for			
Emergencies	120,485	74,362	279,549
Debt service	1,015,047	-	-
Working capital	60,939	-	-
Unrestricted	(6,207,897)	(4,099,121)	(15,547,588)
Total net position	\$ (2,778,912)	\$ (4,980,704)	\$ (17,808,987)

See the accompanying Independent Auditors' Report.

PRELIMINARY DRAFT

Friday, October 18, 2019

			Component Units
Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	Total Charter Schools
\$ 2,462,683	\$ 997,635	\$ 3,351,801	\$ 14,240,104
43,178	1,157	20,308	136,655
2,000	39,037	-	149,035
-	13,841	-	13,841
-	-	2,513,296	5,572,534
-	-	2,542,130	4,382,531
-	121,896	19,721,436	44,848,255
2,507,861	1,173,566	28,148,971	69,342,955
-	-	2,736,834	4,083,495
2,274,843	1,316,490	3,564,168	15,613,497
24,715	33,024	24,449	221,920
2,299,558	1,349,514	6,325,451	19,918,912
1,359	32,910	74,927	397,829
30,315	405	-	43,614
174,277	11,094	353,534	1,178,888
-	-	200,351	706,514
40,585	114,862	-	205,687
-	-	505,000	1,037,475
-	-	24,540,273	52,671,802
7,448,238	4,189,303	11,900,735	47,136,823
371,994	209,230	594,369	2,354,202
8,066,768	4,557,804	38,169,189	105,732,834
6,199,107	2,605,296	10,545,334	37,426,195
566	318	29,974	40,876
6,199,673	2,605,614	10,575,308	37,467,071
-	121,896	(268,411)	(1,410,894)
184,570	76,000	240,000	974,966
-	-	-	1,015,047
-	-	830,722	891,661
(9,643,592)	(4,838,234)	(15,072,386)	(55,408,818)
\$ (9,459,022)	\$ (4,640,338)	\$ (14,270,075)	\$ (53,938,038)

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Combining Statement of Activities
Component Units
For the Year Ended June 30, 2019**

	Aspen Ridge Preparatory School	Carbon Valley Academy	Flagstaff Academy
Expenses			
Instruction	\$ 2,089,699	\$ 1,040,664	\$ 5,195,446
Supporting services	1,736,262	822,607	3,327,993
Interest expense	541,400	152,414	532,188
Total expenses	<u>4,367,361</u>	<u>2,015,685</u>	<u>9,055,627</u>
Program Revenues			
Charges for Services	386,392	110,600	1,173,312
Operating Grants and Contributions	42,768	118,385	244,656
Capital Grants and Contributions	1,685,217	58,462	250,034
Total program revenues	<u>2,114,377</u>	<u>287,447</u>	<u>1,668,002</u>
General Revenues			
Per pupil revenue	3,026,249	1,497,212	6,602,394
Mill levy override	150,984	635,123	1,112,926
Interest income	23,658	1,136	55,623
Other	100,022	28,801	9,216
Total general revenues	<u>3,300,913</u>	<u>2,162,272</u>	<u>7,780,159</u>
Change in net position	1,047,929	434,034	392,534
Net position, beginning	(3,826,841)	(5,414,738)	(18,201,521)
Restatement	-	-	-
Net position, restated	<u>(3,826,841)</u>	<u>(5,414,738)</u>	<u>(18,201,521)</u>
Net position, ending	<u>\$ (2,778,912)</u>	<u>\$ (4,980,704)</u>	<u>\$ (17,808,987)</u>

See the accompanying Independent Auditors' Report.

PRELIMINARY DRAFT

Friday, October 18, 2019

Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	Component Units
			Total Charter Schools
\$ 2,826,593	\$ 1,699,299	\$ 3,636,255	\$ 16,487,956
2,682,986	1,028,950	2,920,581	12,519,379
-	-	1,190,685	2,416,687
<u>5,509,579</u>	<u>2,728,249</u>	<u>7,747,521</u>	<u>31,424,022</u>
511,308	450,156	211,860	2,843,628
157,687	250,080	175,464	989,040
135,055	125,541	273,228	2,527,537
<u>804,050</u>	<u>825,777</u>	<u>660,552</u>	<u>6,360,205</u>
4,204,575	1,685,947	5,857,905	22,874,282
911,579	183,390	1,360,691	4,354,693
-	13,901	92,721	187,039
394,210	4,807	79,806	616,862
<u>5,510,364</u>	<u>1,888,045</u>	<u>7,391,123</u>	<u>28,032,876</u>
804,835	(14,427)	304,154	2,969,059
(10,263,857)	(4,625,911)	(14,736,264)	(57,069,132)
-	-	162,035	162,035
<u>(10,263,857)</u>	<u>(4,625,911)</u>	<u>(14,574,229)</u>	<u>(56,907,097)</u>
<u>\$ (9,459,022)</u>	<u>\$ (4,640,338)</u>	<u>\$ (14,270,075)</u>	<u>\$ (53,938,038)</u>

See the accompanying Independent Auditors' Report.



**STATISTICAL SECTION
(UNAUDITED)**

St. Vrain Valley School District RE-1J
STATISTICAL SECTION

This section of the District’s comprehensive annual financial report presents detailed information to provide readers of the financial statements, note disclosures, and required supplementary schedules an additional understanding with regard to the District’s overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends	
The schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	120 – 131
Revenue Capacity	
The schedules contain information to help the reader assess the District’s most significant local and state revenue sources.....	132 – 136
Debt Capacity	
The schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	137 – 141
Demographic and Economic Information	
The schedules offer demographic and economic indicators to help the reader understand the environment with which the District’s financial activities take place.	142 – 147
Operating Information	
The schedules contain information to help the reader understand the staffing of the District, student population it serves, and capital asset data.....	148 - 155

Sources: Unless otherwise noted, the information in the schedules is derived from the comprehensive annual financial reports for the relevant year.

St. Vrain Valley School District RE-1J
Financial Trends
Net Position by Component
Accrual Basis of Accounting
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	\$ 5,837,277	\$ 1,650,384	\$ (4,553,120)	\$ 5,975,997
Restricted	48,873,296	41,903,392	42,346,312	43,513,161
Unrestricted	41,983,603	49,879,868	52,817,264	74,351,302
Total governmental net position	<u>96,694,176</u>	<u>93,433,644</u>	<u>90,610,456</u>	<u>123,840,460</u>
Business-type activities (1)				
Net investment in capital assets	1,042,353	908,812	1,201,873	1,137,800
Restricted	-	-	-	-
Unrestricted	967,637	1,534,339	1,957,064	2,065,046
Total business-type net position	<u>2,009,990</u>	<u>2,443,151</u>	<u>3,158,937</u>	<u>3,202,846</u>
Primary government				
Net investment in capital assets	6,879,630	2,559,196	(3,351,247)	7,113,797
Restricted	48,873,296	41,903,392	42,346,312	43,513,161
Unrestricted	42,951,240	51,414,207	54,774,328	76,416,348
Total primary government net position	<u>\$ 98,704,166</u>	<u>\$ 95,876,795</u>	<u>\$ 93,769,393</u>	<u>\$ 127,043,306</u>

Note 1: Due to change in accounting effective July 1, 2014, Nutrition Services was no longer reported as a business-type activity but, rather, included in governmental activities.

Note 2: Due to the implementation of GASB Statements No. 68 and 71 in FY15, the District recognized its share of the net pension liability, resulting in a deficit net position.

Note 3: Due to the implementation of GASB Statement No. 75 in FY18, the District also recognized its share of the net OPEB liability, further adding to the deficit net position.

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015 (2)	2016	2017	2018 (3)	2019
\$ 4,819,681	\$ 4,340,004	\$ 6,071,204	\$ 11,775,724	\$ 23,251,521	\$ 58,385,613
47,616,074	50,736,515	62,443,429	281,601,451	88,422,987	79,323,629
75,262,484	(355,968,501)	(365,795,314)	(733,090,324)	(766,165,267)	(702,603,662)
127,698,239	(300,891,982)	(297,280,681)	(439,713,149)	(654,490,759)	(564,894,420)
1,046,337	-	-	-	-	-
-	-	-	-	-	-
2,226,743	-	-	-	-	-
3,273,080	-	-	-	-	-
5,866,018	4,340,004	6,071,204	11,775,724	23,251,521	58,385,613
47,616,074	50,736,515	62,443,429	281,601,451	88,422,987	79,323,629
77,489,227	(355,968,501)	(365,795,314)	(733,090,324)	(766,165,267)	(702,603,662)
\$ 130,971,319	\$ (300,891,982)	\$ (297,280,681)	\$ (439,713,149)	\$ (654,490,759)	\$ (564,894,420)

St. Vrain Valley School District RE-1J

Financial Trends

Changes in Net Position

Accrual Basis of Accounting

Last Ten Fiscal Years

(Unaudited)

	2010	2011	2012	2013
Expenses				
Governmental activities:				
Instruction	\$ 136,783,787	\$ 154,559,432	\$ 156,466,950	\$ 162,259,184
Supporting services	106,835,640	92,466,787	87,621,269	82,910,079
Interest	19,182,556	20,837,721	20,839,718	20,383,627
Total governmental activities expenses	<u>262,801,983</u>	<u>267,863,940</u>	<u>264,927,937</u>	<u>265,552,890</u>
Business-type activities:				
Food services	7,795,085	8,155,509	8,338,941	8,550,602
Total primary government expenses	<u>\$ 270,597,068</u>	<u>\$ 276,019,449</u>	<u>\$ 273,266,878</u>	<u>\$ 274,103,492</u>
Program Revenues				
Governmental activities:				
Charges for services				
Tuition and fees	\$ 11,324,592	\$ 10,924,440	\$ 12,478,933	\$ 14,190,837
Internal charges	2,033,494	1,594,055	1,731,141	1,557,178
Operating grants and contributions	19,607,144	26,905,761	19,577,033	19,285,254
Capital grants and contributions	452,712	334,803	514,826	742,088
Total governmental activities program revenues	<u>33,417,942</u>	<u>39,759,059</u>	<u>34,301,933</u>	<u>35,775,357</u>
Business-type activities: (1)				
Charges for services	3,911,304	3,709,186	3,804,775	3,448,430
Operating grants and contributions	4,206,325	4,878,818	4,884,351	5,035,106
Capital grants and contributions	135,146	-	364,451	109,033
Total business-type activities program revenues	<u>8,252,775</u>	<u>8,588,004</u>	<u>9,053,577</u>	<u>8,592,569</u>
Total primary government program revenues	<u>\$ 41,670,717</u>	<u>\$ 48,347,063</u>	<u>\$ 43,355,510</u>	<u>\$ 44,367,926</u>
Net (expense) / revenue				
Governmental activities	\$ (229,384,041)	\$ (228,104,881)	\$ (230,626,004)	\$ (229,777,533)
Business-type activities	457,690	432,495	714,636	41,967
Total primary government net expense	<u>\$ (228,926,351)</u>	<u>\$ (227,672,386)</u>	<u>\$ (229,911,368)</u>	<u>\$ (229,735,566)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 91,637,477	\$ 91,600,278	\$ 94,238,488	\$ 99,933,752
Specific ownership taxes	6,023,739	5,805,254	5,920,333	7,090,842
Mill levy override	17,385,887	17,180,635	17,108,522	31,646,447
State equalization	110,042,029	101,290,756	103,622,720	108,346,576
Investment income	1,361,173	2,014,620	952,516	770,928
Other	3,902,508	6,952,806	5,960,237	15,218,992
Total governmental activities	<u>230,352,813</u>	<u>224,844,349</u>	<u>227,802,816</u>	<u>263,007,537</u>
Business-type activities:				
Investment income	570	666	1,150	1,942
Total primary government	<u>\$ 230,353,383</u>	<u>\$ 224,845,015</u>	<u>\$ 227,803,966</u>	<u>\$ 263,009,479</u>
Change in Net Position				
Governmental activities	\$ 968,772	\$ (3,260,532)	\$ (2,823,188)	\$ 33,230,004
Business-type activities	458,260	433,161	715,786	43,909
Total primary government	<u>\$ 1,427,032</u>	<u>\$ (2,827,371)</u>	<u>\$ (2,107,402)</u>	<u>\$ 33,273,913</u>

Note 1: Due to change in accounting effective July 1, 2014, Nutrition Services was no longer reported as a business-type activity but, rather, included in governmental activities.

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015	2016	2017	2018	2019
\$ 178,639,344	\$ 201,741,825	\$ 218,636,924	\$ 347,824,746	\$ 397,860,921	\$ 169,531,944
102,775,349	122,353,964	122,197,878	158,628,561	169,476,857	152,783,575
19,739,295	13,866,228	14,561,966	20,528,709	24,293,242	13,515,669
301,153,988	337,962,017	355,396,768	526,982,016	591,631,020	335,831,188
8,878,049	-	-	-	-	-
\$ 310,032,037	\$ 337,962,017	\$ 355,396,768	\$ 526,982,016	\$ 591,631,020	\$ 335,831,188
\$ 15,704,630	\$ 19,348,384	\$ 20,154,234	\$ 21,956,420	\$ 22,860,452	\$ 23,944,204
1,517,636	1,469,687	1,438,908	1,520,960	1,465,093	1,564,115
25,359,439	34,241,186	33,671,661	34,163,283	30,979,447	32,630,274
1,022,765	1,078,391	1,302,197	1,157,140	1,600,684	3,494,645
43,604,470	56,137,648	56,567,000	58,797,803	56,905,676	61,633,238
3,879,122	-	-	-	-	-
5,052,608	-	-	-	-	-
15,396	-	-	-	-	-
8,947,126	-	-	-	-	-
\$ 52,551,596	\$ 56,137,648	\$ 56,567,000	\$ 58,797,803	\$ 56,905,676	\$ 61,633,238
\$ (257,549,518)	\$ (281,824,369)	\$ (298,829,768)	\$ (468,184,213)	\$ (534,725,344)	\$ (274,197,950)
69,077	-	-	-	-	-
\$ (257,480,441)	\$ (281,824,369)	\$ (298,829,768)	\$ (468,184,213)	\$ (534,725,344)	\$ (274,197,950)
\$ 96,794,464	\$ 97,352,334	\$ 117,616,184	\$ 130,381,255	\$ 139,219,380	\$ 143,756,930
8,241,096	8,253,685	7,938,746	9,904,649	11,588,740	11,830,477
32,675,735	31,932,829	38,998,710	40,087,329	43,332,885	44,545,572
119,131,699	133,584,264	132,980,049	137,977,278	139,726,941	147,896,140
447,054	370,277	537,862	2,192,308	4,866,216	7,598,755
6,677,328	4,889,519	4,369,518	5,208,926	6,503,076	8,166,415
263,967,376	276,382,908	302,441,069	325,751,745	345,237,238	363,794,289
1,157	-	-	-	-	-
\$ 263,968,533	\$ 276,382,908	\$ 302,441,069	\$ 325,751,745	\$ 345,237,238	\$ 363,794,289
\$ 6,417,858	\$ (5,441,461)	\$ 3,611,301	\$ (142,432,468)	\$ (189,488,106)	\$ 89,596,339
70,234	-	-	-	-	-
\$ 6,488,092	\$ (5,441,461)	\$ 3,611,301	\$ (142,432,468)	\$ (189,488,106)	\$ 89,596,339

St. Vrain Valley School District RE-1J
Financial Trends
Governmental Activities
Colorado Public School Finance Act Revenues by Source
Accrual Basis of Accounting
Last Ten Fiscal Years
(Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
Property taxes	\$ 91,637,477	\$ 91,600,278	\$ 94,238,488	\$ 99,933,752
Specific ownership taxes	6,023,739	5,805,254	5,920,333	7,090,842
State equalization	110,042,029	101,290,756	103,622,720	108,346,576
Total finance act revenues	<u>\$ 207,703,245</u>	<u>\$ 198,696,288</u>	<u>\$ 203,781,541</u>	<u>\$ 215,371,170</u>
 Total governmental activities revenues (1)	 \$ 263,770,755	 \$ 264,603,408	 \$ 262,104,749	 \$ 298,782,894
 Public School Finance Act revenues as percentage of total governmental activities revenues	 78.7%	 75.1%	 77.7%	 72.1%

Note 1: Governmental activities revenues are a combination of
program revenues and general revenues as shown on page 122-123

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015	2016	2017	2018	2019
\$ 96,794,464	\$ 97,352,334	\$ 117,616,184	\$ 130,381,255	\$ 139,219,380	\$ 143,756,930
8,241,096	8,253,685	7,938,746	9,904,649	11,588,740	11,830,477
119,131,699	133,584,264	132,980,049	137,977,278	139,726,941	147,896,140
<u>\$ 224,167,259</u>	<u>\$ 239,190,283</u>	<u>\$ 258,534,979</u>	<u>\$ 278,263,182</u>	<u>\$ 290,535,061</u>	<u>\$ 303,483,547</u>
\$ 307,571,846	\$ 332,520,556	\$ 359,008,069	\$ 384,549,548	\$ 402,142,914	\$ 425,427,527
72.9%	71.9%	72.0%	72.4%	72.2%	71.3%

St. Vrain Valley School District RE-1J
Financial Trends
Fund Balances of Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years (1)
(Unaudited)

	2010	2011 (2)	2012	2013
General Fund				
Nonspendable	\$ 368,341	\$ 412,819	\$ 436,926	\$ 1,093,153
Restricted	7,012,090	7,152,152	7,058,536	7,253,916
Committed	6,448,562	6,797,608	12,435,243	14,714,696
Assigned	22,768,212	23,713,563	24,551,891	37,334,057
Unassigned	5,750,977	8,526,501	5,409,629	4,126,286
Total General Fund	<u>\$ 42,348,182</u>	<u>\$ 46,602,643</u>	<u>\$ 49,892,225</u>	<u>\$ 64,522,108</u>
All Other Governmental Funds				
Nonspendable	\$ 42,257	\$ 42,257	\$ 14,537	\$ 14,537
Restricted	41,861,206	34,751,240	35,287,776	36,259,245
Committed	162,632,220	104,057,163	78,979,099	46,545,871
Assigned	-	1,712,983	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 204,535,683</u>	<u>\$ 140,563,643</u>	<u>\$ 114,281,412</u>	<u>\$ 82,819,653</u>

Note 1: The District implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during FY11. However, the classifications of fund balance per GASB 54 are presented retroactively.

Note 2: The District transferred the Capital Reserve Fund from a special revenue fund type to a capital projects fund type during FY11 which impacted the reporting of some fund balance classifications within that fund.

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015	2016	2017	2018	2019
\$ 550,152	\$ 564,695	\$ 602,083	\$ 635,580	\$ 1,418,518	\$ 1,680,314
8,255,777	8,581,421	9,102,103	12,208,279	13,730,473	14,410,652
16,712,437	17,356,755	19,457,385	18,671,797	23,135,360	25,816,425
29,144,534	30,313,348	38,441,989	48,397,718	54,751,578	59,163,644
11,494,113	22,041,660	28,127,324	30,688,810	27,529,981	23,177,907
<u>\$ 66,157,013</u>	<u>\$ 78,857,879</u>	<u>\$ 95,730,884</u>	<u>\$ 110,602,184</u>	<u>\$ 120,565,910</u>	<u>\$ 124,248,942</u>
\$ 606,233	\$ 886,069	\$ 500,271	\$ 533,832	\$ 536,550	\$ 645,461
39,360,297	42,155,094	51,997,880	267,784,641	174,361,833	188,545,862
38,120,748	26,529,450	21,133,257	13,903,920	13,092,625	16,897,236
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 78,087,278</u>	<u>\$ 69,570,613</u>	<u>\$ 73,631,408</u>	<u>\$ 282,222,393</u>	<u>\$ 187,991,008</u>	<u>\$ 206,088,559</u>

St. Vrain Valley School District RE-1J
Financial Trends
Changes in Fund Balances of Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013
Revenues				
Property taxes	\$ 92,597,766	\$ 92,576,990	\$ 94,084,083	\$ 97,617,286
Specific ownership taxes	6,023,739	5,805,254	5,920,333	7,090,842
Mill levy override	17,385,887	17,180,635	17,108,522	31,646,447
Investment income	1,361,173	2,014,620	952,516	768,369
Charges for service	7,492,878	7,572,312	8,823,864	9,657,975
Student activities	5,865,208	5,273,683	5,386,210	6,090,040
Miscellaneous	4,210,074	6,398,209	5,962,833	5,870,507
Local intergovernmental	10,000	889,400	147,779	149,260
State intergovernmental	116,754,564	108,561,877	111,631,898	115,745,102
Federal intergovernmental	12,894,609	19,634,640	11,567,855	11,886,728
Total revenues	<u>\$ 264,595,898</u>	<u>\$ 265,907,620</u>	<u>\$ 261,585,893</u>	<u>\$ 286,522,556</u>
Expenditures				
Instruction	\$ 136,127,577	\$ 137,948,105	\$ 135,709,381	\$ 139,805,061
Supporting services	106,358,121	82,318,652	80,315,183	80,357,118
Student activities	5,588,472	5,351,321	4,544,634	5,047,925
Food service operations (1)	-	-	-	-
Capital outlay	11,933,633	63,702,969	28,764,568	39,198,675
Debt service				
Principal	11,695,000	12,560,000	13,060,000	13,870,000
Interest, bond issuance costs, fiscal charges	19,906,806	23,023,214	22,209,181	21,597,766
Total expenditures	<u>\$ 291,609,609</u>	<u>\$ 324,904,261</u>	<u>\$ 284,602,947</u>	<u>\$ 299,876,545</u>
Excess of revenues over (under) expenditures	<u>(27,013,711)</u>	<u>(58,996,641)</u>	<u>(23,017,054)</u>	<u>(13,353,989)</u>
Other financing sources (uses)				
Issuance of bonds, coupons	\$ 85,000,000	\$ 65,505,000	\$ 35,395,000	\$ -
Premium on issuance of bonds	1,191,756	8,370,336	4,224,186	-
Paid to bond agent	-	(74,596,274)	(39,594,781)	-
Capital lease	-	-	-	-
Transfers in (2)	675,521	5,034,643	217,592	3,972
Transfers out (2)	(675,521)	(5,034,643)	(217,592)	(3,481,859)
Total other financing sources (uses)	<u>\$ 86,191,756</u>	<u>\$ (720,938)</u>	<u>\$ 24,405</u>	<u>\$ (3,477,887)</u>
Net change in fund balances	<u>\$ 59,178,045</u>	<u>\$ (59,717,579)</u>	<u>\$ (22,992,649)</u>	<u>\$ (16,831,876)</u>
Debt service as percentage of noncapital expenditures	<u>11.7%</u>	<u>13.5%</u>	<u>13.1%</u>	<u>13.2%</u>

Note 1: Due to change in accounting effective July 1, 2014, Nutrition Services was no longer reported as a business-type activity but, rather, included in governmental activities.

Note 2: Transfers in may not equal transfers out due to transfers between governmental funds and other fund types.

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015	2016	2017	2018	2019
\$ 97,868,432	\$ 95,556,636	\$ 117,473,228	\$ 130,020,812	\$ 138,986,222	\$ 141,207,583
8,241,096	8,253,685	7,938,746	9,904,649	11,588,740	11,830,477
32,675,735	31,932,829	38,998,710	40,087,329	43,332,885	44,545,572
441,771	364,441	518,599	2,146,529	4,784,368	7,467,291
11,233,462	13,976,867	15,193,163	16,250,156	16,844,541	17,979,260
5,988,804	6,841,204	6,399,979	7,227,224	7,481,004	7,529,059
7,684,697	5,815,650	5,671,715	6,137,826	7,997,715	10,832,136
-	152,260	-	-	-	-
129,412,975	145,784,457	144,672,380	150,399,060	152,620,247	167,516,676
15,078,163	22,040,993	21,979,330	21,741,501	18,086,141	18,100,812
<u>\$ 308,625,135</u>	<u>\$ 330,719,022</u>	<u>\$ 358,845,850</u>	<u>\$ 383,915,086</u>	<u>\$ 401,721,863</u>	<u>\$ 427,008,866</u>
\$ 155,545,205	\$ 160,954,003	\$ 175,857,230	\$ 179,215,964	\$ 185,265,606	\$ 198,038,352
100,099,062	103,793,219	105,198,115	119,633,203	128,750,175	141,894,744
5,737,781	6,416,414	5,969,981	6,694,866	7,015,509	7,371,001
-	8,960,303	9,184,944	9,447,360	9,774,731	10,273,923
16,466,640	14,786,624	8,167,677	28,619,854	111,786,879	40,638,822
13,360,000	14,205,000	15,225,000	18,145,000	28,238,714	46,690,949
20,513,917	19,139,633	17,946,933	22,124,449	25,506,559	26,819,103
<u>\$ 311,722,605</u>	<u>\$ 328,255,196</u>	<u>\$ 337,549,880</u>	<u>\$ 383,880,696</u>	<u>\$ 496,338,173</u>	<u>\$ 471,726,894</u>
<u>(3,097,470)</u>	<u>2,463,826</u>	<u>21,295,970</u>	<u>34,390</u>	<u>(94,616,310)</u>	<u>(44,718,028)</u>
\$ -	\$ 50,355,000	\$ 115,155,000	\$ 214,390,000	\$ -	\$ 60,340,000
-	10,821,491	12,871,395	26,070,242	-	3,415,401
-	(61,682,860)	(128,498,887)	(17,032,347)	-	-
-	-	110,322	-	10,348,651	2,743,210
50,123	6,669	7,620	2,340	63,365	11,020
(50,123)	(6,669)	(7,620)	(2,340)	(63,365)	(11,020)
<u>\$ -</u>	<u>\$ (506,369)</u>	<u>\$ (362,170)</u>	<u>\$ 223,427,895</u>	<u>\$ 10,348,651</u>	<u>\$ 66,498,611</u>
<u>\$ (3,097,470)</u>	<u>\$ 1,957,457</u>	<u>\$ 20,933,800</u>	<u>\$ 223,462,285</u>	<u>\$ (84,267,659)</u>	<u>\$ 21,780,583</u>
<u>11.2%</u>	<u>10.3%</u>	<u>9.8%</u>	<u>11.3%</u>	<u>13.9%</u>	<u>16.9%</u>

St. Vrain Valley School District RE-1J
Financial Trends
Governmental Activities
Colorado Public School Finance Act Revenues by Source
Modified Accrual Basis of Accounting
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013
Governmental activities:				
Property taxes	\$ 92,597,766	\$ 92,576,990	\$ 94,084,083	\$ 97,617,286
Specific ownership taxes	6,023,739	5,805,254	5,920,333	7,090,842
State equalization	110,042,029	101,290,756	103,622,720	108,346,576
Total finance act revenues	<u>\$ 208,663,534</u>	<u>\$ 199,673,000</u>	<u>\$ 203,627,136</u>	<u>\$ 213,054,704</u>
 Total revenues (1)	 \$ 264,595,898	 \$ 265,907,620	 \$ 261,585,893	 \$ 286,522,556
 Public School Finance Act revenues as percentage of total governmental funds revenues	 78.9%	 75.1%	 77.8%	 74.4%

Note 1: As shown on the Changes in Fund Balances of Governmental Funds schedule, pages 128-129

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015	2016	2017	2018	2019
\$ 97,868,432	\$ 95,556,636	\$ 117,473,228	\$ 130,020,812	\$ 138,986,222	\$ 141,207,583
8,241,096	8,253,685	7,938,746	9,904,649	11,588,740	11,830,477
119,131,699	133,584,264	132,980,049	137,977,278	139,726,941	147,896,140
<u>\$ 225,241,227</u>	<u>\$ 237,394,585</u>	<u>\$ 258,392,023</u>	<u>\$ 277,902,739</u>	<u>\$ 290,301,903</u>	<u>\$ 300,934,200</u>
\$ 308,625,135	\$ 330,719,022	\$ 358,845,850	\$ 383,915,086	\$ 401,721,863	\$ 427,008,866
73.0%	71.8%	72.0%	72.4%	72.3%	70.5%

St. Vrain Valley School District RE-1J
Revenue Capacity
Assessed Value and Estimated Actual Value of Taxable Property
(in thousands)
Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	Residential Property	Commercial Property	Industrial Property	Vacant Property	Oil & Gas	Public Utilities
2009	2010	\$ 1,177,329	\$ 498,179	\$ 291,190	\$ 102,235	\$ 266,758	\$ 42,434
2010	2011	1,187,067	570,059	220,668	98,862	217,263	44,690
2011	2012	1,143,172	550,254	205,539	76,411	312,960	48,052
2012	2013	1,007,602	573,511	178,137	53,144	484,467	141,099
2013	2014	1,158,066	557,650	209,886	69,100	359,581	54,164
2014	2015	957,810	537,785	174,325	48,086	547,850	122,912
2015	2016	1,411,528	619,463	209,403	100,063	481,547	81,294
2016	2017	1,209,020	594,681	297,679	58,793	683,730	163,107
2017	2018	1,322,718	690,343	336,823	64,555	690,836	167,430
2018	2019	1,372,835	701,637	345,853	63,293	867,218	161,003

Note 1: Includes the override mill levy approved by voters at the 2008 Election

Note 2: Includes the override mill levy approved by voters at the 2008 and 2012 Elections

Source: Assessors' Offices of Boulder, Larimer, and Weld Counties, and City and County of Broomfield

PRELIMINARY DRAFT

Friday, October 18, 2019

			Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
Agriculture	Natural Resources					
\$ 17,168	\$ 6,995	\$ 2,402,288	\$ 46.268 (1)	\$ 18,423,291	13.04%	
16,517	5,174	2,360,300	46.837 (1)	18,488,567	12.77%	
18,526	4,894	2,359,808	47.614 (1)	17,863,544	13.21%	
20,548	2,204	2,460,712	53.500 (2)	18,121,027	13.58%	
21,464	5,035	2,434,946	53.679 (2)	18,177,477	13.40%	
18,342	8,272	2,415,382	53.673 (2)	18,333,472	13.17%	
29,086	5,112	2,937,496	53.887 (2)	21,989,300	13.36%	
30,392	4,676	3,042,078	56.945 (2)	22,561,109	13.48%	
30,686	4,959	3,308,350	56.394 (2)	27,512,870	12.02%	
32,294	6,095	3,550,228	56.385 (2)	28,521,756	12.45%	

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

Levy Year	Collection Year	General Operating Millage	Debt Service Millage	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage	Total County Millage	City of Longmont Millage
2009	2010	32.398	13.870	46.268	23.667	16.804	22.435	28.968	91.874	13.420
2010	2011	32.537	14.300	46.837	24.645	16.804	22.524	28.968	92.941	13.420
2011	2012	32.474	15.140	47.614	24.645	16.804	22.472	28.968	92.889	13.420
2012	2013	38.700	14.800	53.500	24.645	16.804	22.520	28.968	92.937	13.420
2013	2014	38.879	14.800	53.679	25.120	16.804	22.424	28.968	93.316	13.420
2014	2015	38.873	14.800	53.673	24.794	15.800	22.459	28.968	92.021	13.420
2015	2016	39.087	14.800	53.887	22.624	15.800	21.882	28.968	89.274	13.420
2016	2017	39.395	17.550	56.945	24.064	15.800	22.521	28.968	91.353	13.420
2017	2018	38.844	17.550	56.394	22.726	15.800	22.092	28.968	89.586	13.420
2018	2019	38.835	17.550	56.385	24.026	15.038	22.403	28.968	90.435	13.420

Source: Assessors' Offices of Boulder, Larimer, and Weld Counties, and
Central Records Office of the City and County of Broomfield

St. Vrain Valley School District RE-1J
Revenue Capacity
Principal Taxpayers of the Boulder/Longmont Area
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2010			2019		
	2009 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (2)	2018 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (2)
Crestone Peak Resources				\$ 256,036,630	1	7.44%
Kerr-McGee Rocky Mtn. Corp.	\$ 106,129,250	1	4.45%	224,062,400	2	6.51%
Encana Oil & Gas (USA) Inc.	98,583,060	2	4.13%			
Extraction Oil & Gas LLC				72,863,280	3	2.12%
Noble Energy, Inc.	33,815,440	3	1.42%			
Amgen Inc.	33,621,480	4	1.41%			
Cub Creek Energy LLC				33,065,140	4	0.96%
GCC Longmont Holdings LP				21,562,260	5	0.63%
Public Service Co. nka Xcel Energy	10,372,530	10	0.44%	20,665,470	6	0.60%
Ramco-Gershenson Properties LP				18,031,507	7	0.52%
Seagate Technology LLC	26,213,560	5	1.10%	15,586,299	8	0.45%
Great Western Oil & Gas				15,343,950	9	0.45%
AstraZeneca Pharmaceuticals LP				14,400,925	10	0.42%
Qwest Corporation	11,567,800	6	0.49%			
Longmont Woodhaven LLC	10,783,580	7	0.45%			
Longmont Sandstone LLC	10,783,580	8	0.45%			
Hub Properties Trust	10,592,630	9	0.44%			
Subtotal of largest taxpayers	352,462,910		14.78%	691,617,861		20.10%
Assessed value of other taxpayers	2,031,989,327		85.22%	2,748,432,974		79.90%
Total Assessed Value	<u>\$ 2,384,452,237</u>		<u>100.00%</u>	<u>\$ 3,440,050,835</u>		<u>100.00%</u>

Note 1: Based on a 2009 certified assessed valuation of \$2,384,452,237

Note 2: Based on a 2018 certified assessed valuation of \$3,440,050,835

Source: Assessors' Offices of Boulder, Larimer, and Weld Counties, and
Central Records Office of the City and County of Broomfield

St. Vrain Valley School District RE-1J
Revenue Capacity
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 (1), (2)
2009	2010	\$ 110,323,836	\$ 106,309,890	96.36%	\$ 3,305,101	\$ 109,614,992	99.36%	\$ 4,013,945
2010	2011	109,541,888	106,266,524	97.01%	3,185,425	109,451,949	99.92%	3,275,364
2011	2012	111,346,454	107,891,736	96.90%	2,892,256	110,783,992	99.49%	3,454,718
2012	2013	130,357,471	124,794,137	95.73%	2,314,277	127,108,414	97.51%	5,563,334
2013	2014	129,922,153	125,627,203	96.69%	2,459,347	128,086,550	98.59%	4,294,950
2014	2015	128,222,707	123,353,818	96.20%	1,600,853	124,954,671	97.45%	4,868,889
2015	2016	156,721,715	151,709,870	96.80%	1,889,241	153,599,111	98.01%	5,011,845
2016	2017	170,078,874	164,706,586	96.84%	1,720,288	166,426,874	97.85%	5,372,288
2017	2018	182,150,457	176,545,011	96.92%	1,727,654	178,272,665	97.87%	5,605,446
2018	2019	193,967,267	183,982,625	94.85%	1,419,585	185,402,210	95.58%	9,984,642

Note 1: Outstanding delinquent taxes are considered relatively minor and are not obtainable from the county treasurers.

Note 2: These outstanding delinquent taxes are included in property taxes receivable.

Source: Assessors' Offices of Boulder, Weld and Larimer Counties, Central Records Office of the City and County of Broomfield, and St. Vrain Valley School District RE-1J

St. Vrain Valley School District RE-1J
Debt Capacity
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities					Percentage of Average Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Deferred Bond Premium	Registered Coupons & Related Discount	Capital Lease	Total		
2010	\$ 465,295,000	\$ 16,669,299	\$ -	\$ 755,927	\$ 482,720,226	5.4%	\$ 3,135
2011	451,865,000	21,730,908	-	-	473,595,908	5.0%	3,016
2012	438,795,000	24,459,386	678,773	-	463,933,159	4.6%	2,918
2013	424,925,000	23,517,074	280,437	924,117	449,646,628	4.2%	2,766
2014	411,565,000	22,771,053	280,437	736,161	435,352,651	3.6%	2,664
2015	391,800,000	28,337,919	280,437	548,205	420,966,561	3.3%	2,564
2016	375,995,000	37,988,881	280,437	463,558	414,727,876	3.1%	2,481
2017	555,565,000	60,893,703	-	240,084	616,698,787	4.3%	3,638
2018	531,080,000	58,009,761	-	6,835,021	595,924,782	(1)	3,452
2019	548,690,000	41,787,573	-	5,617,288	596,094,861	(1)	3,399

Note 1: Personal income data for 2018 and 2019 not available

Note 2: Personal Income and Per Capita data from the Demographic and Economic Information on pages 142-143

Source: District's financial records

St. Vrain Valley School District RE-1J
Debt Capacity
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	General Obligation Bonds	Deferred Bond Premium	Registered Coupons & Related Discount	Less Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
2009	2010	\$ 465,295,000	\$ 16,669,299	\$ -	\$ 32,890,953	\$ 449,073,346	2.44%	2,917
2010	2011	451,865,000	21,730,908	-	30,081,745	443,514,163	2.40%	2,824
2011	2012	438,795,000	24,459,386	678,773	30,163,653	433,769,506	2.43%	2,728
2012	2013	424,925,000	23,517,074	280,437	30,558,380	418,164,131	2.31%	2,572
2013	2014	411,565,000	22,771,053	280,437	32,700,504	401,915,986	2.21%	2,460
2014	2015	391,800,000	28,337,919	280,437	34,035,743	386,382,613	2.11%	2,353
2015	2016	375,995,000	37,988,881	280,437	43,375,929	370,888,389	1.69%	2,218
2016	2017	555,565,000	60,893,703	-	55,195,386	561,263,317	2.49%	3,311
2017	2018	531,080,000	58,009,761	-	62,572,848	526,516,913	1.91%	3,050
2018	2019	548,690,000	41,787,573	-	52,775,237	537,702,336	1.89%	3,066

Note 1: Refer to Assessed and Estimated Actual Values of Taxable Property schedule on page 132-133

Note 2: Population data is in the Demographic and Economic Information on page 142-143

Source: District's financial records

St. Vrain Valley School District RE-1J
Debt Capacity
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
(Unaudited)

Name of Overlapping Entity	2018 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	372,636,840	\$ 150,000	19.56%	\$ 29,340
City of Boulder	3,659,652,896	14,087,000	1.29%	181,722
Brennan Metropolitan District	2,970,788	1,701,000	100.00%	1,701,000
Carbon Valley Park & Recreation District	688,234,850	2,975,000	78.83%	2,345,193
Carriage Hills Metropolitan District	5,926,980	4,960,000	100.00%	4,960,000
Central Colorado Water Conservancy	3,317,863,120	26,856,787	0.03%	8,057
Central Colorado Water Conservancy- Groundwater Mgmt Subdistrict	2,639,289,370	48,700,000	0.05%	24,350
Colliers Hill Metro District No. 1	18,370,720	32,092,359	100.00%	32,092,359
Colliers Hill Metro District No. 2	2,071,270	24,126,000	100.00%	24,126,000
City of Dacono	77,539,810	1,382,316	76.01%	1,050,698
Town of Erie	409,785,769	14,960,000	78.91%	11,804,936
Erie Commons Metro District No. 1	10	22,130,000	100.00%	22,130,000
Erie Highlands Metro District No. 1	9,410,490	9,156,000	100.00%	9,156,000
Fort Lupton Fire Protection District	1,082,195,560	1,865,000	3.78%	70,497
Frederick-Firestone Fire Protection Dist.	555,972,760	1,175,000	91.43%	1,074,303
Front Range Fire Rescue Fire Prot. Dist.	452,674,200	695,000	0.23%	1,599
Godding Hollow Metropolitan District	853,540	2,845,000	100.00%	2,845,000
Greens Metropolitan District	1,785,860	2,460,000	100.00%	2,460,000
Harvest Junction Metropolitan District	33,453,504	8,100,000	100.00%	8,100,000
Highlands Metropolitan District No. 2	1,948,370	17,144,000	100.00%	17,144,000
Left Hand Water & Sanitation District	1,855,024,221	12,477	100.00%	12,477
Liberty Ranch Metropolitan District	10,881,630	11,007,000	100.00%	11,007,000
Lost Creek Farms Metropolitan Dist.	2,519,902	1,492,000	100.00%	1,492,000
Lyons Fire Protection District	55,674,617	400,000	99.53%	398,120
Mead Western Meadows Metro District	4,720,610	1,925,000	100.00%	1,925,000
Mountain Shadows Metropolitan Dist.	3,920,490	2,815,000	100.00%	2,815,000
North Metro Fire Rescue Authority	1,808,512,157	15,685,000	0.12%	18,822
Northern Colorado Water Cons. District	19,123,083,589	17,135,238	16.04%	2,748,492
NP125 Metropolitan District	4,485,040	3,465,000	100.00%	3,465,000
Palisade Metropolitan District No. 2	209,070	26,240,000	100.00%	26,240,000
Palisade Park North Metro. Dist. No. 1	37,908	5,205,000	100.00%	5,205,000
Palisade Park North Metro. Dist. No. 2	36	4,290,000	100.00%	4,290,000
St. Vrain Lakes Metro. District No. 2	3,966,070	48,207,000	100.00%	48,207,000
Stoneridge Metropolitan District	8,821,810	3,600,000	99.33%	3,575,880
Sweetgrass Metropolitan District No. 2	9,441,360	9,970,000	0.05%	4,985
Vista Ridge Metropolitan District	71,924,910	41,110,420	100.00%	41,110,420
Wildflower Metropolitan District No. 1	174,550	4,100	100.00%	4,100
Wyndham Hill Metropolitan District No. 2	24,195,650	21,845,898	100.00%	21,845,898
Total overlapping debt				315,670,248
Direct debt of the District				596,094,861
Total direct and overlapping debt				<u>\$ 911,765,109</u>

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2018, 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
Debt Capacity
Legal Debt Margin
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013
Debt Limit	\$ 480,457,607	\$ 472,060,055	\$ 471,961,545	\$ 492,142,370
Total net debt applicable to limit	465,295,000	451,865,000	438,795,000	424,925,000
Legal debt margin	<u>\$ 15,162,607</u>	<u>\$ 20,195,055</u>	<u>\$ 33,166,545</u>	<u>\$ 67,217,370</u>
Total net debt applicable to the limit as a percentage of debt limit	96.8%	95.7%	93.0%	86.3%

Fiscal Year 2019 Calculation

Under the Colorado Public School Finance Act of 1994, per Colorado Revised Statute 22-42-104, the limitation on bonded indebtedness is the greater of 20 percent** of assessed value or 6 percent of actual value.

	Assessed Value	Actual Value
Assessed or Estimated Actual Value	\$ 3,440,050,835 (1)	\$ 28,521,756,046
Debt Limit Percentage **	<u>20.00% (2)</u>	<u>6.00%</u>
Legal debt limit	688,010,167	1,711,305,363
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2019	<u>548,690,000</u>	<u>548,690,000</u>
Legal debt margin	<u>\$ 139,320,167</u>	<u>\$ 1,162,615,363</u>

** Per section 1.3, in years of high growth as defined in the statute, the debt limit can be raised to 25%

Note 1: The assessed valuation shown here includes \$110,172,265 of assessed valuation attributable to tax increment financing districts (including, but not limited to, Longmont Downtown Development Authority, Broomfield URA, Erie URA, Firestone URA and Mead URA) located within the District. An additional slight difference is due to adjustment to the various County Assessors' compilations of the above information.

Note 2: Although the District has qualified for the legal debt margin based on 6% of the actual value, it has taken a conservative posture by limiting its debt based on 20% (or 25% as applicable) of the assessed value.

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

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015	2016	2017	2018	2019
\$ 484,070,694	\$ 477,792,210	\$ 727,084,991	\$ 597,344,359	\$ 645,992,330	\$ 688,010,167
411,565,000	391,800,000	375,995,000	555,565,000	531,080,000	548,690,000
<u>\$ 72,505,694</u>	<u>\$ 85,992,210</u>	<u>\$ 351,089,991</u>	<u>\$ 41,779,359</u>	<u>\$ 114,912,330</u>	<u>\$ 139,320,167</u>
85.0%	82.0%	51.7%	93.0%	82.2%	79.8%

St. Vrain Valley School District RE-1J
Demographic and Economic Information
Last Ten Years (as available)
(Unaudited)

Population District-wide

	2010	2011	2012	2013
	153,967	157,047	159,000	162,579

Source: Estimates compiled by District Planning Office using data from the Colorado Department of Local Affairs, Denver Regional Council of Governments, US Census Bureau, and various local governments.

Personal Income (expressed in thousands) by County

	2010	2011	2012	2013
Boulder	\$ 14,786,545	\$ 15,535,659	\$ 16,417,561	\$ 17,043,764
Broomfield	2,115,979	2,345,227	2,701,856	2,906,192
Larimer	11,585,090	12,149,896	12,826,581	13,545,018
Weld	7,326,422	7,755,562	8,347,637	9,008,919
Average	<u>\$ 8,953,509</u>	<u>\$ 9,446,586</u>	<u>\$ 10,073,409</u>	<u>\$ 10,625,973</u>

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2017 and beyond.

Annual Per Capita Personal Income by County

	2010	2011	2012	2013
Boulder	\$ 50,095	\$ 51,893	\$ 53,772	\$ 54,968
Broomfield	37,709	40,892	46,346	48,867
Larimer	38,546	39,767	41,311	42,866
Weld	28,817	29,986	31,657	33,393
Average	<u>\$ 38,792</u>	<u>\$ 40,635</u>	<u>\$ 43,272</u>	<u>\$ 45,024</u>

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2018 and beyond.

Note: Prior years' income has been modified by the Bureau based on updated information and can substantially change from one year to the next. However, data above is shown as it was reported in previous CAFRs.

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015	2016	2017	2018	2019
163,400	164,205	167,182	169,500	172,614	175,366

2014	2015	2016	2017
\$ 18,369,741	\$ 19,232,516	\$ 20,528,122	\$ 21,939,604
4,786,503	4,756,725	4,865,203	4,346,242
14,126,667	15,116,879	16,019,414	17,384,075
10,735,917	12,201,617	12,593,779	13,428,252
<u>\$ 12,004,707</u>	<u>\$ 12,826,934</u>	<u>\$ 13,501,630</u>	<u>\$ 14,274,543</u>

2014	2015	2016	2017
\$ 58,627	\$ 60,220	\$ 63,707	\$ 68,027
77,030	73,107	73,129	63,596
43,584	45,318	47,117	50,539
38,664	42,787	42,701	44,080
<u>\$ 54,476</u>	<u>\$ 55,358</u>	<u>\$ 56,664</u>	<u>\$ 56,561</u>

St. Vrain Valley School District RE-1J
Demographic and Economic Information (continued)
Last Ten Years
(Unaudited)

Median Age by County

	2010	2011	2012	2013	2014
Boulder	37.0	37.3	36.5	36.6	37.2
Broomfield	35.8	36.1	36.9	37.0	37.3
Larimer	36.3	36.7	35.8	35.9	36.4
Weld	32.4	32.6	33.6	33.8	33.9

Source: Colorado Department of Local Affairs, Division of Local Government

Annual Unemployment Rate by County (1)

		2010	2011	2012	2013	2014
Boulder	(2)	7.1%	6.6%	6.1%	6.1%	4.1%
Broomfield	(3)	7.9%	7.7%	7.1%	7.1%	4.3%
Larimer	(4)	7.4%	6.9%	6.4%	6.2%	4.3%
Weld	(5)	10.2%	9.7%	8.7%	8.3%	4.5%

Note 1: Figures for the Counties are not seasonally adjusted

Note 2: Boulder County includes Boulder-Longmont Metropolitan Statistical Area (MSA)

Note 3: Broomfield County, which was formed in November 2001, includes City of Broomfield

Note 4: Larimer County includes the Ft Collins/Loveland MSA

Note 5: Weld County includes the Greeley MSA

Note 6: Information is based on mid-calendar year calculation, not annual averages

Source: U.S. or Colorado Department of Labor & Employment, Labor Force Averages

PRELIMINARY DRAFT

Friday, October 18, 2019

2015	2016	2017	2018	2019
37.5	37.7	38.0	38.3	38.5
37.5	37.6	37.4	37.4	37.5
36.8	36.8	36.9	37.1	37.2
34.0	33.8	33.9	33.9	33.9

2015	2016 (6)	2017 (6)	2018 (6)	2019 (6)
3.2%	3.4%	2.3%	2.7%	2.8%
3.3%	3.6%	2.4%	2.7%	2.9%
3.3%	3.4%	2.1%	2.5%	2.8%
3.8%	4.2%	2.5%	2.8%	3.0%

St. Vrain Valley School District RE-1J
Demographic and Economic Information
Major Private and Public Employers (1)
Northern Colorado
Current Year and Nine Years Ago
(Unaudited)

Employer	Product of Service	2010			2019		
		Estimated Number of Employees (2)	Rank	Percentage of Total Employment (3)	Estimated Number of Employees (2)	Rank	Percentage of Total Employment (3)
St. Vrain Valley School District	Public education	3,959	1	2.1%	3,696	1	1.7%
Medtronic PLC	Medical devices and products				2,470	2	1.1%
Boulder Community Hospital	Healthcare	1,813	7	1.0%	2,440	3	1.1%
CenturyLink	Communication and Internet Systems				2,220	4	1.0%
University of Colorado, Boulder	Public university	2,111	5	1.1%			
Level 3 Communications Inc.	Communication/fiber optic network	2,000	6	1.1%			
Vestas	Wind turbine manufacturing				1,980	5	0.9%
Oracle Corp.	Network computer systems/software	3,200	2	1.7%	1,800	6	0.8%
Broadcom Ltd.	Surgical solution products				1,690	7	0.8%
Ball Aerospace & Technologies Corp.	Aerospace instruments and data systems	2,673	4	1.4%	1,680	8	0.8%
IBM Corp.	Computer systems and services	2,800	3	1.5%	1,670	9	0.8%
City of Longmont	City Government				1,625	10	0.7%
Exempla Good Samaritan Medical	Healthcare	1,364	8	0.7%			
City of Boulder	Local government	1,289	9	0.7%			
Centura Health: Longmont United and Avist Adventist	Healthcare	1,048	10	0.6%			
		<u>22,257</u>		<u>11.9%</u>	<u>21,271</u>		<u>9.7%</u>

Note 1: Data in prior year represents how it was presented at that time.

Note 2: Figures reflect early or mid-year calendar year employment data and are not restricted to full-time employees only.

Note 3: Percentage of the employment is based on 187,248 and 219,440 employers in 2010 and 2019, respectively.

Source: 2019 data from Development Research Partners & Longmont Economic Development Partnership
2010 data from The Boulder County Business Report, "Book of Lists," January 2010

St. Vrain Valley School District RE-1J
Operating Information
Full-Time Equivalent (FTE) District Employees by Function (1)
Last Ten Fiscal Years
(Unaudited)

Function (2)	Description	2010	2011	2012
Direct Instruction	Classroom teachers, special education and English as a Second Language teachers, teachers' aides, librarians, counselors	1,612	1,589	1,535
Classroom Support	Librarians, counselors, school principals and assistant principals, support staff including speech services, attendance, and extra-curricular activities	366	388	406
Building Support	Student transportation, utilities, maintenance, custodial services, printing, purchasing, technology services, etc.	336	338	354
Central Support/ Administration	Human resources, finance, payroll, budgeting, legal, clerical support, supervision of instruction, public information, superintendent's office, etc.	32	34	36
Total FTE		<u>2,346</u>	<u>2,349</u>	<u>2,331</u>

Note 1: Numbers above are from the Employee Management System for the General Fund as of June 30 and do not take into account staffing fluctuations during the year or vacancies at year-end. However, beginning with fiscal year 2014, a mid-year approach was deemed more accurate and stable than a year end calculation.

Note 2: Although the above table represents FTE for the General Fund only, additional FTE were supported by federally funded grants as follows: 62, 49, 56 and 56 FTE for direct instruction; 36, 44, 34 and 41 FTE for classroom support; and 2 for building support for fiscal years 2010, 2011, 2012, and 2013, respectively. In addition to grants funds, all other funds supported additional FTE of 364, 399, 427, 401, 378 and 385 for fiscal years 2014, 2015, 2016, 2017, 2018 and 2019, respectively.

Source: District's Human Resources Department

PRELIMINARY DRAFT

Friday, October 18, 2019

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
1,549	1,813	1,844	1,892	1,927	1,993	2,083
382	401	430	444	474	500	522
374	386	398	416	432	442	478
37	36	38	38	38	41	46
<u>2,342</u>	<u>2,636</u>	<u>2,710</u>	<u>2,790</u>	<u>2,871</u>	<u>2,976</u>	<u>3,129</u>

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

Fiscal Year	Student Membership/ Enrollment (1)	Student Funded Pupil Count (FPC) As of October 1 (2)
2010	26,724.0	24,905.9
2011	27,379.0	25,493.3
2012	28,109.0	26,120.2
2013	29,382.0	27,207.8
2014	30,195.0	28,011.8
2015	31,076.0	28,740.5
2016	31,777.0	29,373.5
2017	32,171.0	29,821.6
2018	32,421.0	30,032.3
2019	32,639.0	30,188.5

Note 1: Student membership/enrollment represents the actual number of students attending St. Vrain Valley School District RE-1J.

Note 2: Student Funded Pupil Count (FPC) represents the eligibility of funding based on students' individual academic schedules. For example, students considered part time are 0.5 FPC, full time are 1.0 FPC, and Kindergarten are 0.58 FPC.

Source: District's Records Management

St. Vrain Valley School District RE-1J
Operating Information
Other Student Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Expenses (1)	Enrollment (2)	Cost per Pupil	Pupil Teacher Ratio (3,5)	Number of Free and Reduced Students (4)	Percent of Free and Reduced Students in Lunch Program
2010	\$ 262,801,983	26,724.0	\$ 9,834	24.0:1	9,083	34.0%
2011	267,863,940	27,379.0	9,784	24.0:1	9,358	34.2%
2012	264,927,937	28,109.0	9,425	25.0:1	9,586	34.1%
2013	265,552,890	29,382.0	9,038	25.4:1	9,433	32.1%
2014	301,153,988	30,195.0	9,974	25.4:1	10,879	36.0%
2015	337,962,017	31,076.0	10,875	25.4:1	8,937	28.8%
2016	355,396,768	31,777.0	11,184	25.4:1	9,701	30.5%
2017	526,982,016	32,171.0	16,381	25.4:1	9,651	30.0%
2018	591,631,020	32,421.0	18,248	25.4:1	9,484	29.3%
2019	335,831,188	32,639.0	10,289	25.4:1	8,429	25.8%

Note 1: Expenses for governmental activities from Changes in Net Position schedule

Note 2: Enrollment (total membership) from the Student Count schedule

Note 3: Provided by the Human Resources Department

Note 4: Provided by Nutrition Services / Student Count schedule

Note 5: Ratio based on an average standard which can be further impacted by other variables including the number of free & reduced students, literacy programs, focus programs, academic assistance, and Title schools

Source: District's financial records

St. Vrain Valley School District RE-1J
Operating Information
District Buildings
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013	2014
Elementary schools (2,4)	25	26	26	26	23
Total square feet	1,232,741	1,305,337	1,305,337	1,305,337	1,227,732
Total program capacity	11,641	12,291	12,336	12,065	11,068
Enrollment	11,776	11,996	12,045	12,256	11,335
Percent capacity	101%	98%	98%	102%	102%
(P)K-8 schools (3,4)					2
Total square feet					284,649
Total program capacity					2,150
Enrollment					1,760
Percent capacity					82%
Middle schools	9	9	9	9	8
Total square feet	908,105	908,105	908,105	922,105	828,025
Total program capacity	6,331	6,392	5,740	6,200	5,558
Enrollment	5,065	5,081	5,122	5,365	5,075
Percent capacity	80%	79%	89%	87%	91%
High schools	8	8	9	8	8
Total square feet	1,246,227	1,301,849	1,492,200	1,372,591	1,379,891
Total program capacity	7,721	8,413	8,738	8,834	8,834
Enrollment	7,175	7,288	7,463	7,719	7,929
Percent capacity	93%	87%	85%	87%	90%
Alternative schools (1)	2	2	2	2	1
Total square feet	152,516	152,516	152,516	152,516	81,600
Enrollment	306	281	328	667	678
Charter schools	5	5	6	6	6
Enrollment	2,402	2,733	3,151	3,375	3,418
Other District Facilities (4)					
Total square feet	169,672	169,672	185,720	305,329	271,318

Note 1: Includes alternative programs in addition to alternative schools. In 2013, the District reassessed which programs to include. In 2014, one program closed. In 2015, the District included the online academy and homeschool.

Note 2 : Elementary school square feet include a standalone preschool which opened during fiscal year 2014.

Note 3 : A PreK-8 school and a K-8 school were operational as of July 1, 2013 and converted from existing elementary and middle schools.

Note 4 : Construction of an elementary school was completed by June 30, 2018, and included in the total number and square footage in FY18. A PK-8 and Innovation Center were completed after June 30, 2018, and were added in FY19. Capacity and enrollment numbers for the new schools are included in FY19.

Source: District's Planning, Operations & Maintenance, and Records Management Departments

PRELIMINARY DRAFT

Friday, October 18, 2019

2015	2016	2017	2018	2019
23	23	23	24	24
1,240,032	1,238,072	1,238,072	1,320,197	1,323,521
11,068	11,068	11,277	11,577	12,501
11,507	11,693	11,662	11,489	10,963
104%	106%	103%	99%	88%
2	2	2	2	3
284,649	284,649	284,649	284,649	417,649
2,150	2,150	2,150	2,150	3,250
1,810	1,844	1,829	1,859	2,897
84%	86%	85%	86%	89%
8	8	8	8	8
828,025	831,766	830,846	835,166	836,606
5,640	5,640	5,640	5,640	5,850
5,241	5,453	5,514	5,746	5,322
93%	97%	98%	102%	91%
8	8	8	8	8
1,379,891	1,381,331	1,382,771	1,477,331	1,474,451
8,890	8,890	8,890	8,890	11,306
8,169	8,381	8,790	8,895	9,318
92%	94%	99%	100%	82%
3	3	3	3	3
81,600	81,600	81,600	81,600	81,600
864	1,009	1,011	1,029	945
6	6	6	6	6
3,485	3,397	3,365	3,403	3,194
272,482	272,482	271,042	271,042	322,248

St. Vrain Valley School District RE-1J
Operating Information
Capital Assets by Type
Last Ten Fiscal Years
(Unaudited)

	2010	2011	2012	2013
General Capital Assets Group / Governmental Activities				
Land/Sites	\$ 19,792,539	\$ 20,073,379	\$ 20,073,379	\$ 20,073,379
Projects in progress	25,144,438	70,274,929	23,008,224	46,882,404
Water rights	4,943,227	1,095,578	1,095,578	1,095,578
Capital assets not depreciated	<u>49,880,204</u>	<u>91,443,886</u>	<u>44,177,181</u>	<u>68,051,361</u>
Land Improvements	20,178,134	23,402,497	23,402,497	24,051,471
Buildings	246,727,350	249,187,029	300,679,143	301,587,741
Building Improvements	100,398,102	112,542,642	130,861,657	135,461,032
Equipment	29,210,118	30,357,183	24,868,107	25,752,447
Capital assets depreciated	<u>396,513,704</u>	<u>415,489,351</u>	<u>479,811,404</u>	<u>486,852,691</u>
Less: accumulated depreciation				
Land Improvements	9,298,853	10,271,324	11,308,292	12,366,859
Buildings	51,412,991	56,207,902	61,282,240	66,768,318
Building Improvements	35,740,474	39,379,006	43,833,351	48,617,140
Equipment	20,548,985	22,192,475	18,069,528	17,801,645
Total accumulated depreciation	<u>117,001,303</u>	<u>128,050,707</u>	<u>134,493,411</u>	<u>145,553,962</u>
Capital assets depreciated, net	<u>279,512,401</u>	<u>287,438,644</u>	<u>345,317,993</u>	<u>341,298,729</u>
Total capital assets, General Capital Assets Group / Governmental Activities	<u>\$ 329,392,605</u>	<u>\$ 378,882,530</u>	<u>\$ 389,495,174</u>	<u>\$ 409,350,090</u>
Enterprise Fund / Business-type Activities				
Equipment	\$ 2,756,630	\$ 2,823,299	\$ 3,291,862	\$ 3,377,603
Less: accumulated depreciation	<u>1,714,277</u>	<u>1,914,487</u>	<u>2,089,989</u>	<u>2,239,803</u>
Total	<u>\$ 1,042,353</u>	<u>\$ 908,812</u>	<u>\$ 1,201,873</u>	<u>\$ 1,137,800</u>

Note 1: Due to change in accounting effective July 1, 2014, Nutrition Services was no longer reported as a business-type activity but, rather, included in governmental activities.

Source: District's financial records

PRELIMINARY DRAFT

Friday, October 18, 2019

2014	2015 (1)	2016	2017	2018	2019
\$ 20,053,379	\$ 20,053,379	\$ 20,846,495	\$ 20,846,495	\$ 20,846,495	\$ 20,846,495
6,542,968	12,080,092	554,037	24,831,369	87,477,669	31,016,164
1,083,578	1,083,578	1,083,578	1,083,578	1,083,578	1,091,078
27,679,925	33,217,049	22,484,110	46,761,442	109,407,742	52,953,737
24,106,959	24,106,959	24,106,959	24,217,045	28,667,562	29,300,771
301,936,554	302,473,799	303,749,153	304,012,383	326,780,045	388,186,141
183,639,236	185,061,854	198,300,747	198,300,747	205,261,080	231,543,514
27,311,492	32,364,256	34,863,265	40,602,430	53,819,973	61,160,619
536,994,241	544,006,868	561,020,124	567,132,605	614,528,660	710,191,045
13,412,046	14,460,119	15,501,629	16,544,368	17,644,786	18,866,625
71,843,136	77,325,154	83,118,454	88,610,850	94,209,877	101,179,304
54,690,125	61,727,094	68,838,373	76,468,106	84,380,456	93,378,945
19,292,822	22,781,556	24,558,788	26,272,425	27,602,918	31,511,302
159,238,129	176,293,923	192,017,244	207,895,749	223,838,037	244,936,176
377,756,112	367,712,945	369,002,880	359,236,856	390,690,623	465,254,869
\$ 405,436,037	\$ 400,929,994	\$ 391,486,990	\$ 405,998,298	\$ 500,098,365	\$ 518,208,606
\$ 3,402,259	\$ -	\$ -	\$ -	\$ -	\$ -
2,355,922	-	-	-	-	-
\$ 1,046,337	\$ -	\$ -	\$ -	\$ -	\$ -



MEMORANDUM

DATE: October 23, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Request to Grant an Exception to Board Policy GBEA – Staff Ethics/Conflict of Interest – Victor Cordero
Strategic Priority – Student and Staff Well-Being

RECOMMENDATION

That the Board of Education allow an exception to the current Board Policy GBEA – Staff Ethics/Conflict of Interest. This exception would enable Victor Cordero to provide psychological services and assessments to individuals within the District.

BACKGROUND

Board Policy GBEA – Staff Ethics/Conflict of Interest, states, "No school district employee or firm owned by a school district employee shall be allowed to sell to the school district or its schools or staff goods or services of any kind without the express prior written consent of the Board of Education."

Victor Cordero is the husband of Olga Cordero, Coordinator of Education Equity and Community Engagement. Dr. Cordero is a psychologist and will be providing psychological services including, but not limited to, psychological testing and assessment at various locations throughout the District. Because Dr. Cordero is the husband of a District employee, he is requesting a waiver from Board Policy GBEA, so that he can provide his services to the St. Vrain Valley School District.

Administration recommends approval of this exception, with services for the 2019-2020 school year not to exceed \$5,000. If his services should exceed \$5,000, his exception will be brought back to the Board of Education for additional approval.

MEMORANDUM

DATE: October 23, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Request to Grant an Exception to Board Policy GBEA – Staff Ethics/Conflict of Interest – Faith Halverson-Ramos
Strategic Priority – Student and Staff Well-Being

RECOMMENDATION

That the Board of Education allow an exception to the current Board Policy GBEA – Staff Ethics/Conflict of Interest. This exception would enable Faith Halverson-Ramos to provide music classes at Main Street School as well as music therapy sessions.

BACKGROUND

Board Policy GBEA – Staff Ethics/Conflict of Interest, states, "No school district employee or firm owned by a school district employee shall be allowed to sell to the school district or its schools or staff goods or services of any kind without the express prior written consent of the Board of Education."

Faith Halverson-Ramos is a substitute teacher for the District. Ms. Halverson-Ramos is also a musician and will be providing music classes and therapy sessions at Main Street School. Because Ms. Halverson-Ramos is also a District employee, she is requesting a waiver from Board Policy GBEA, so that she can provide her services to the St. Vrain Valley School District.

Administration recommends approval of this exception, with services for the 2019-2020 school year not to exceed \$9,240. If her services should exceed \$9,240, her exception will be brought back to the Board of Education for additional approval.

MEMORANDUM

DATE: October 23, 2019
TO: Board of Education
FROM: Dr. Don Haddad, Superintendent of Schools
SUBJECT: Board Reports
Strategic Priority – High Functioning School Board

PURPOSE

To provide the Board of Education with the opportunity to share recognitions.

BACKGROUND

Board members will have the opportunity to share recognitions, commendations of staff/ students, committee reports and events they have attended.