

NOTICE OF REGULAR MEETING AND AGENDA



November 13, 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:

5:00 pm Reception for Board Members
6:00 pm Regular Business Meeting

2. ADDENDUMS/CHANGES TO THE AGENDA:

3. AUDIENCE PARTICIPATION:

4. VISITORS:

5. SUPERINTENDENT REPORT:

6. REPORTS:

1. Frederick High School Student Advisory Council Feeder Report

7. CONSENT ITEMS:

1. Approval: Staff Terminations/Leaves
2. Approval: Staff Appointments
3. Approval: Approval of Minutes for the October 9, 2019 Regular Meeting, the October 16, 2019 Study Session, and the October 23, 2019 Regular Meeting
4. Approval: First Reading, Adoption, Board Policy DEA – Funds from Local Tax Sources
5. Approval: Approval of Delayed School Openings
6. Approval: Approval of Change Order 2 to Construction Manager/General Contractor (CMGC) Contract for the Burlington Elementary School RTU Replacement Project
7. Approval: Approval of Change Order 1 to the CMGC Contract for the East Bus Facility Modular Project
8. Approval: Approval of Contract Award for the School Security Disbursement Grant Project
9. Approval: Approval of Contract Award for Sanborn Elementary School Lighting Upgrade Project

8. ACTION ITEMS:

1. Recommendation: Adoption of Resolution Proclaiming American Education Week, November 18-22, 2019
2. Recommendation: Acceptance of the 2019 FY Comprehensive Annual Financial Report
3. Recommendation: Acceptance of District's Charter Schools' 2019 FY Assurances for Financial Accreditation

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- 4. Recommendation: Approval of District's 2019 FY Assurances for Financial Accreditation
- 5. Recommendation: Approval of Firestone Urban Renewal Authority Intergovernmental Agreement-Bighorn Urban Renewal TIF Area
- 6. Recommendation: Approval of New District Directors and Oath of Office for New Board Members
- 7. Recommendation: Election of Board President
- 8. Recommendation: Election of Board Vice President
- 9. Recommendation: Appointment of Secretary of the Board
- 10. Recommendation: Appointment of Assistant Secretary of the Board
- 11. Recommendation: Appointment of Treasurer of the Board
- 12. Recommendation: Appointment of Assistant Treasurer and Secretary to the Board
- 13. Recommendation: Adoption of Resolution for Signature Authorization

9. DISCUSSION ITEMS:

- 1. Board Member Signing of Code of Ethics/Confidentiality Affidavit

10. ADJOURNMENT:

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

Wednesday, November 20	6:00 – 8:00 pm Study Session
Wednesday, December 11	5:30 pm 1 st Quarter Financials
	6:00 pm Regular Meeting

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Frederick 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 on the successes of Frederick High School to the Board of Education.

BACKGROUND

Chosen by teachers and administrators, the Student Advisory Council is comprised of 4-5 students from each of our high schools. Lauren Leitner will be representing Frederick High School at this Board Meeting. The Student Advisory Council was started by Dr. Haddad thirteen years ago so students had the opportunity to share their perspective on the District with our Superintendent and Board of Education.

November 13, 2019
Terminations/Leaves of Absence

EFFECTIVE	NAME	POSITION/LOCATION	FMLA	NON-FMLA MEDICAL	PERSONAL	EXTENDED	RESIGNED	RETIRED	COMMENTS
	ADMINISTRATIVE/PROFESSIONAL/TECHNICAL								
11/8/2019	Caldwell, William	Manager - Terminal Ops / Transportation					X		
11/15/2019	Foster, Kristy	Facilities Coordinator / District Support	X						
12/31/2019	Gahagen, Stacy	Director - Security & Emergency/Risk Mgmt					X		
6/28/2019	Money, Joanna	Specialist / Innovation Center							Inactive Assignment
	LICENSED								
10/23/2019	Annino, Louis	Special Education Teacher/Main Street					X		
12/2/2019	Astras, Philip	Math Teacher / Skyline HS	X						
11/8/2019	Bennett, Lindsey	Science Teacher / Westview MS					X		
9/30/2019	Coniglio, Matthew	Dean of Students / Trail Ridge MS	X						
9/30/2019	Felix, Ana	Bilingual Kindergarten Teacher/Timberline PK-8	X						
11/4/2019	Kervan, Lindsay	Math Teacher / Erie MS	X			X			
10/30/2019	Lingelbach, Susan	Occupational Therapist / Student Services					X		
9/30/2019	Mandia, Nicholas	Physical Education Teacher / Erie HS	X						
9/30/2019	Miehe, Sarah	1st Grade Teacher / Grand View ES	X						
11/15/2019	Mitchell, Carolyn	5th Grade Teacher / Centennial ES	X						
10/7/2019	Padilla, Halie	Elementary Music Teacher/Blue Mountain ES	X						
10/14/2019	Reed, Grant	Science Teacher / Erie MS	X						
9/16/2019	Sanford, Elizabeth	Psychologist / Student Services		X					
10/4/2019	Soister, Hannah	1st Grade Teacher / Thunder Valley K-8					X		
9/25/2019	Telfer, Laura	ECSE & Preschool Teacher / Timberline PK-8	X						
10/8/2019	Warren, Erin	Social Studies & Language Arts Teacher/Mead HS	X						
10/22/2019	Whisman, Dillon	Math Teacher / Longs Peak MS	X						
12/2/2019	Wills, Melissa	2nd Grade Teacher / Fall River ES	X						
	CLASSIFIED								
10/3/2019	Adams, Aimee	Specialized Program Para / Eagle Crest ES					X		
11/1/2019	Arroyo Rodriguez, Elizabeth	Non-Instructional Para / Silver Creek HS					X		
10/8/2019	Bellomy, Dana	Preschool Para / Spark PS					X		
10/8/2019	Brown, Madison	Instructional Paraeducator / Centennial ES		X					
9/25/2019	Buchalla, Kellyann	Instructional Para / Central ES					X		
10/23/2019	Burton, Maria	Special Education Para / Hygiene ES					X		
11/22/2019	Chavez, Sarah	Attendance Clerk / Prairie Ridge ES	X						
9/20/2019	Cooper, Deborah	Special Education Para / Altona MS					X		

November 13, 2019
Terminations/Leaves of Absence

EFFECTIVE	NAME	POSITION/LOCATION	FMLA	NON-FMLA MEDICAL	PERSONAL	EXTENDED	RESIGNED	RETIRED	COMMENTS
10/3/2019	Decker, Ethan	Child Care Director / Sanborn ES		X					
10/11/2019	Dodenhoeft, Jamie	Campus Supervisor / Thunder Valley K-8					X		
11/1/2019	Ellison-Shaver, Deanna	Principal Secretary / Timberline PK-8	X						
10/17/2019	Encinia, Victoria	Non-Instructional Para / Career Technical Educ					X		
10/11/2019	Fernandez, Sherry	Secondary Kitchen Manager/Nutrition Services					X		
11/8/2019	Green, Kelly Jo	Bus Assistant - Sped / Transportation					X		
11/29/2019	Havel, Jennifer	Attendance Clerk / Central ES					X		
10/11/2019	James, Cynthia	Specialized Program Para / Skyline HS		X					
12/31/2019	Jennings, Jean	Department Secretary / Learning Services						X	32 Years
10/4/2019	Johnson, Nancy	Instructional Para / Niwot ES						X	21 Years
10/14/2019	Martinez, Benny	Custodian / Westview MS		X					
9/30/2019	Menendez, Stephanie	Bus Driver / Transportation	X						
11/8/2019	Padilla, Steven	HVAC Technician / Operations & Maintenance	X						
10/3/2019	Parker, D'Ann	Clerk / Student Services	X						
9/24/2019	Prentiss, Rebecca	Nutrition Services - Worker/Nutrition Services					X		
10/11/2019	Reger, Teri	Department Secretary / Student Services					X		
10/24/2019	Reid, Shannon	Instructional Para / Longmont Estates ES					X		
9/20/2019	Rinn, Thomas	Bus Driver / Transportation	X						
5/21/2019	Rowcliffe, Simon	Nutrition Services - Worker / Nutrition Services					X		
10/2/2019	Ruiz, Esperanza	Custodian / Auxiliary Services					X		
11/1/2019	Saenz, Andres	Custodian / Westview MS			X				
10/14/2019	Schuller, Allyson	Special Education Para / Niwot HS		X					
10/24/2019	Simmons, Julie	APEX Instructor / APEX Program		X					
10/14/2019	Sullivan, Lisa	Nutrition Services - Worker / Nutrition Services					X		
10/22/2019	Tirado, Jesse	Bus Driver / Transportation					X		
11/1/2019	Villalobos, Raquel	Health Clerk / Thunder Valley K-8					X		
10/11/2019	Weins, Charity	Nutrition Services - Worker / Nutrition Services					X		
10/22/2019	Whisman, Megan	Special Education Para / Longs Peak MS	X						
12/20/2019	Young, Barrett	Head Custodian / APEX					X		

*Will work a 110 Day Contract for 2019-2020

November 13, 2019
Staff Appointments

HIRE DATE	NAME	POSITION	LOCATION	NEW POSITION	REPLACEMENT
	ADMINISTRATIVE/PROFESSIONAL/TECHNICAL				
10/7/2019	Polson, Shauna	Instructional Technology Coordinator	Learning Services		X
	LICENSED				
10/16/2019	Benson, Mackenzie	1st Grade Teacher	Thunder Valley K-8		X
10/3/2019	Cummings, Robin	1st Grade Teacher	Erie ES	X	
9/30/2019	Delisa-Ludwig, Anthony	Coordinator - Mental Health	Student Assistance Services		X
9/16/2019	Jones, Margarete	Special Education Teacher	Thunder Valley K-8		X
10/7/2019	Larkin, Julie	Occupational Therapist	Student Services		X
10/7/2019	Parker, Jamie	Psychologist	Student Services		X
11/4/2019	Raleigh, Sally	2nd Grade Teacher	Hygiene ES		X
10/21/2019	Tuhari-Katz, Nathalie	Autism Specialist	Student Services		X
11/4/2019	Watkins, Haley	Physical Education Teacher	Frederick HS	X	
10/4/2019	Weber, Heather	2nd Grade & ESL Teacher	Red Hawk ES & Erie ES		X
	CLASSIFIED				
10/30/2019	Bade, Hannah	Specialized Program Para	Eagle Crest ES		X
9/27/2019	Beckerman, Mary	Special Education Para	Blue Mountain ES		X
10/7/2019	Berens, William	Mechanic I - Fleet Maintenance	Transportation		X
10/14/2019	Buller, Anthony	Instructional Para	Black Rock ES	X	
10/9/2019	Duley, Lana	Instructional Para	Longmont Estates ES	X	
10/14/2019	Gloyd, Heather	Bus Driver	Transportation		X
10/4/2019	Granados, Ismael	Custodian	Niwot HS	X	
10/8/2019	Hassett, Carrie	Instructional Para	Black Rock ES	X	
10/28/2019	Howlett, SuzAnne	Instructional Para	Longmont Estates ES	X	
10/14/2019	Kelley, Sarah	Specialized Program Para	Prairie Ridge ES		X
10/8/2019	Kester, Cynthia	Instructional Para	Black Rock ES	X	
10/10/2019	Lawson, Lamikia	Campus Supervisor	Longmont HS		X
10/22/2019	Logan, Julie	Specialized Program Para	Soaring Heights PK-8		X
11/4/2019	Lopez Castaneda, Lizbeth	Non-Instructional Para	Olde Columbine HS and CDC		X
10/7/2019	McKittrick, Wanda	Preschool Para	Spark PS	X	
11/11/2019	Najera, Christopher	Campus Supervisor	Skyline HS		X
10/2/2019	Neely, Chelsea	Specialized Program Para	Longmont Estates ES		X
11/11/2019	O'Neill, Krystin	Instructional Para	Central ES		X
10/24/2019	Ortiz, Rachel	Specialized Program Para	Soaring Heights PK-8		X
10/25/2019	Rosado, DeSean	Special Education Para	Blue Mountain ES		X
9/23/2019	Rosenbaum, Alexis	Specialized Program Para	Frederick HS		X
9/23/2019	Setlik Wilson, Amanda	Accompanist	Skyline HS		X
9/30/2019	Shick, Kory	Behavior Coach	Main Street School		X
9/30/2019	Sible, Kyana	Specialized Program Para	Timberline PK-8		X

MEMORANDUM

DATE: November 13, 2019
TO: Board of Education
FROM: Dr. Don Haddad, Superintendent of Schools
SUBJECT: Approval of Board of Education Meeting Minutes
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education approve the minutes from the October Board Meetings.

BACKGROUND

The Board will be asked to approve the minutes from the October 9, 2019 Regular Meeting, the October 16, 2019 Study Session, and the October 23, 2019 Regular Meeting.

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: First Reading, Adoption, Board Policy DEA – Funds from Local Tax Sources
Strategic Priority – Strong District Finances

RECOMMENDATION

For the Board of Education to adopt revisions to Board Policy DEA – Funds from Local Tax Sources.

BACKGROUND

This Board policy has had revisions to reflect changes in law and recommendations made by Colorado Association of School Boards, administration and District legal counsel.

Board Policy BG – School Board Policy Process states, “Policy revision shall be accomplished in the same manner as policy adoption, except that revisions mandated by changes in law shall not require a second reading and may be adopted upon majority vote of the Board.”

Funds from Local Tax Sources

Mill levies

If the Board of Education is of the opinion that revenues in excess of those provided through equalization program funding are necessary to provide for the needs of the district, the Board may seek authorization at an election to raise additional local property tax revenues. The district shall cooperate with district charter schools regarding any such election in accordance with the requirements of state law. The requested amount shall not exceed 25 percent of the district's total program funding for the current budget year.

The Board shall call an election to raise additional local revenues if an initiative petition containing signatures of at least five percent of the registered electors in the district is properly submitted to the Board. An initiative petition shall be submitted at least 90 days prior to the election date in order to be valid.

Such elections shall be held on the first Tuesday in November in odd-numbered years in conjunction with the regular biennial school election or on general election day in even-numbered years. The election shall be conducted by the county clerk and recorder in accordance with applicable law.

Beginning in the 2019-2020 fiscal year, additional mill levy revenue shall be distributed to the district's charter schools and innovation schools in accordance with the plan adopted by the Board pursuant to C.R.S. 22-32-108.5 (4) and subject to any other purpose specifically approved by the voters. Such plan shall be reviewed and updated as necessary in accordance with applicable state law.

Transportation mill levies

The Board of Education may submit the question of whether to impose a mill levy for the payment of excess transportation costs at an election held in conjunction with the regular biennial election in odd-numbered years or with the general election in even-numbered years. The term "excess transportation costs" is defined in state law and generally means the district's operating and capital expenditures for the transportation program that are not reimbursed by the state.

If the measure passes, the district shall deposit the resulting revenue in the transportation fund.

Kindergarten mill levy

The Board of Education may submit the question of whether to impose a mill levy for additional local property tax revenues to provide funding for excess full-day kindergarten program costs. The Board may include a question of whether to impose an additional mill levy of a stated amount and limited duration to meet the initial capital construction needs of the district associated with a full-day kindergarten program. "Excess full-day kindergarten program costs" are defined in state law as the costs that exceed the revenues the district receives from the school funding formula for kindergarten.

Bonded indebtedness

Upon the approval of the electorate, the Board may incur a bonded indebtedness which does not exceed amounts specified by law.

The Board may authorize the issuance of debt to achieve the following goals and objectives:

1. To provide capital improvements which satisfy the district's physical plant needs.
2. To provide the capability of financing district equipment needs.
3. To refinance existing debt when it is in the best interests of the district.

To accomplish these goals, the Board has developed the following guidelines for managing the district's debt:

1. The superintendent and a designee shall be responsible for implementing this policy and its procedures.
2. The superintendent and a designee shall serve as the district's liaison with the investment banking community and will keep the Board informed about investment banking activities, changes in laws which affect the issuance of debt, and any topics which bear on the district's financial activities and needs.
3. When developing the district's financial plan, the superintendent shall analyze the need for financial advisory or investment banking assistance in defining the district's financial goals and objectives, establishing its financial plan and preparing for the issuance of debt or the refinancing of existing debt. Based on that analysis, the superintendent may recommend that the district secure the services of financial advisory and/or investment bankers.
4. The type of financial advisory or investment banking services and the method of selecting the firm or firms to provide such services shall be determined by the Board.
5. All investment banking firms or financial advisors employed by the district shall comply with the provisions and rules of the Municipal Securities Regulatory Board when performing services for the district.
6. The superintendent and chief financial officer shall recommend to the Board whether to use a competitive bid or negotiated sale method for each transaction. All financing completed by the district shall be conducted in compliance with state and federal statutes and regulations.

Notice to public

At least 20 days prior to any election wherein the Board has submitted a ballot issue concerning the creation of any debt or other financial obligation, the district shall post on its website a notice regarding financial information as specified in state law. This notice is in addition to other notices required by law.

Adopted: December 14, 1994

Revised: March 10, 2004

Revised: August 10, 2005

Revised: February 9, 2011

Revised: October 28, 2015

LEGAL REFS.: Constitution of Colorado, Article X, Section 20

C.R.S. 1-1-101 through 1-13-108 *et seq.* (Uniform Election Code of 1992)

C.R.S. 1-7-908 (financial information district must post prior to any financial election)

C.R.S. 1-45-117 (Fair Campaign Practices Act)

C.R.S. 22-30.5-118 (inclusion of charter schools in district mill levy elections)

C.R.S. 22-30.5-119 (mill levy for charter school operating revenues)

C.R.S. 22-32-108.5 (additional mill levy revenue sharing with charter schools and innovation schools)

C.R.S. 22-42-101 *et seq.* (bonded indebtedness)

C.R.S. 22-54-108 (authorization of additional local revenues)

C.R.S. 22-54-108.5 (mill levy to fund full-day kindergarten)

CROSS REFS.: DBG, Budget Adoption
EEA, Student Transportation
FA, Facilities Development Goals/Priority Objectives
FB, Facilities Planning
FBC*, Prioritization of Facility Improvements
FD, Facilities Funding
FDA, Bond Campaigns

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

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of 2.5-Hour Delayed Start of All Schools on October 28, October 30, and November 11, 2019
Strategic Priority – Student and Staff Well-Being

RECOMMENDATION

That the Board of Education approve the 2.5-hour delayed start of all schools on Monday, October 28, 2019, the cancellation of all evening District events on Tuesday, October 29, 2019, and the 2.5-hour delayed start of all schools on Wednesday, October 30, 2019, and Monday, November 11, 2019, due to safety concerns.

BACKGROUND

This recommendation is based on Colorado Revised Statute 22-32-109 (II) (A) “closing deemed by the Board to be necessary for the health, safety and welfare of the students”. It was necessary for the St. Vrain Valley School District to delay the opening of all schools on Monday, October 28, 2019, the cancellation of all evening District events on Tuesday, October 29, 2019, and the delay of opening all schools on Wednesday, October 30, 2019, and Monday, November 11, 2019, due to safety concerns.

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Change Order 2 to the Construction Manager/General Contractor (CMGC) Contract for the Burlington Elementary School RTU Replacement Project
Strategic Priority – Student and Staff Well-Being

RECOMMENDATION

That the Board of Education approve Change Order 2 for \$3,140 to the RTU Replacement Project contract with Reliant Heating and Air Conditioning at Burlington Elementary School for a total contract value of \$180,830. Further, that the Board authorize Brian Lamer, Assistant Superintendent of Operations, to sign contract documents and initiate scope changes in accordance with Board of Education policy.

BACKGROUND

This Change Order includes the cost associated with the arc flash study resolution per final DORA electrical inspection comments.

Funding for the project comes from the 2019 Capital Reserve fund. This item is being brought forth because it exceeds the previously approved contract value.

Original Agreement Amount (a)	\$ 161,540
Previous change orders (b)	\$ 16,150
Current change order (c)	\$ 3,140
Total changes (previous + current) (d)	\$ 19,290
New contract amount (e)	\$ 180,830
Increase to Original Agreement Amount	\$ 19,290

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Change Order 1 to Construction Manager/General Contractor (CMGC) Contract for the East Bus Facility Modular Project
Strategic Priority – Student and Staff Well-Being

RECOMMENDATION

That the Board of Education approve Change Order 1 for the amount of \$7,688 to the Construction Manager/General Contractor (CMGC) contract with Fransen Pittman Construction Co., Inc., for the East Bus Facility Modular project for a total contract value of \$156,692. Further, that the Board authorize Brian Lamer, Assistant Superintendent of Operations, to sign contract documents and change orders up to the above-referenced amount, in accordance with Board of Education policy.

BACKGROUND

This Change Order includes the cost of site work necessary to complete the project.

This project is funded through Capital Reserve funds, and is being brought forth because it exceeds the previously approved contract value.

Original Agreement Amount	\$ 149,004
Previous change orders	\$ 0
Current change order	\$ 7,688
Total changes (previous + current)	\$ 7,688
New contract amount	\$ 156,692

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Contract Award for School Security Disbursement Grant Project
Strategic Priority – District-Wide Safety and Security

RECOMMENDATION

That the Board of Education approve the contract award for the School Security Disbursement (SSD) Grant Project to Interconnex for a total contract value of \$287,000. This includes a base bid value of \$199,696 for lock boxes and a unit cost of \$1,475 for security cameras, for the total SSD Grant award. Further, to authorize Brian Lamer, Assistant Superintendent of Operations, to sign contract documents and initiate scope changes up to the approved amounts in accordance with Board of Education policy.

BACKGROUND

Security lock boxes will provide law enforcement with hard keys to access classrooms and other locked doors in the event of an emergency. There will be two lock boxes per school, installed in strategic areas, as approved by local law enforcement. Cameras will be installed to monitor the lock boxes, as needed, per the SSD Grant proposal.

This project is funded through the School Security Disbursement Grant. This item is being brought forth to comply with Board policy FEG stating any items over \$100,000 must have Board approval.

Bids were received and opened on October 14, 2019. See bid tabulation 2020-013.



BID TABULATION SHEET
 ITB 2020-013
 INTEGRATED AVIGILON ACM LOCK BOXES
 OCTOBER 10, 2019 2:00 P.M.

Recommend for Award	HSS Inc.	Netronix Integration	Interconnex
Signed Bid	Y	Y	Y
Immigrant Worker Regulation	Y	Y	Y
Bid Bond (if applicable)	Y	N	Y
Insurance	Y	Y	Y
Addendum #1	Y	Y	Y

Description	PRICE		
DRYWALL MOUNTED 50 Lock Boxes fully installed and operational per specifications	\$ 132,000.00	\$ 119,003.00	\$ 103,407.00
BRICK MOUNTED 47 Lock Boxes fully installed and operational per specifications	\$ 115,855.00	\$ 114,716.41	\$ 96,289.00
TOTAL BASE BID:	\$ 247,855.00	\$ 233,719.41	\$ 199,696.00

Description	UNIT PRICE		
Avigilon 3.0C-H4A-D1 H4 HD indoor dome camera w/ Self-Learning Video Analytics; drop and license added to the existing ACC system (each)	\$ 1,355.00	\$ 1,254.28	\$ 1,475.00

Non- Responsive - No Bid Bond

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Contract Award for the Sanborn Elementary School Lighting Upgrade Project
Strategic Priority – Student and Staff Well-Being

RECOMMENDATION

That the Board of Education approve the contract award for the Sanborn Elementary School Lighting Upgrade Project to Unify Energy Solutions for a total contract value of \$158,773. Further, to authorize Brian Lamer, Assistant Superintendent of Operations, to sign contract documents and initiate scope changes up to the approved amounts in accordance with Board of Education policy.

BACKGROUND

This project includes the installation of high efficiency LED fixtures that are dimmable and controlled by sensors as well as the removal of old fixtures and proper recycling of old equipment. The project will significantly improve the learning environment and working conditions at Sanborn Elementary School by offering better lighting comfort and flexibility. In addition, the District will benefit from energy savings due to the efficient replacement lighting.

This project is funded through Capital Reserve funds. This item is being brought forth to comply with Board policy FEG stating any items over \$100,000 must have Board approval.

Bids were received and opened on October 30, 2019. See bid tabulation 2020-018.



BID TABULATION
ITB 2020-018
LIGHTING PROJECT--SANBORN ELEMENTARY
OCTOBER 30, 2019 2:00 P.M.

Unify Energy's total

Recommend for Award		A Diversified Electric Inc	DenverLED Direct	Financial Energy Management Inc.	McBride Lighting Inc.	Next Step Energy Solutions	Skyline Lighting & Electric	Southpaw Electric	Unify Energy Solutions
Signed Bid		Y	Y	Y	Y	Y	Y	Y	Y
Adendum #1		Y	Y	Y	Y	Y	Y	N	Y
Bid Bond		N	Y	Y	Y	Y	Y	Y	Y
Immigrant Worker Regulations		Y	Y	Y	Y	Y	Y	Y	Y
Insurance		Y	Y	Y	Y	Y	Y	Y	Y

NON-RESPONSIVE

FIXTURES	QTY	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price
EPANL 2X4 4000LM SOCRI 40K MINI NLIGHT MVOLT NLTAIR2 RIO	12	\$ -	\$ -	\$ 156.00	\$ 1,872.00	\$ 281.81	\$ 3,381.72	\$ 398.59	\$ 4,783.08	\$ 237.07	\$ 2,844.84	\$ 158.04	\$ 1,896.48	\$ 134.33	\$ 1,611.96	\$ 227.35	\$ 2,728.20		
XVML L48 3500LM MVOLT 40K SOCRI	31	\$ -	\$ -	\$ 61.00	\$ 1,891.00	\$ 193.02	\$ 5,983.62	\$ 227.43	\$ 7,050.33	\$ 151.08	\$ 4,683.48	\$ 100.72	\$ 3,122.32	\$ 85.61	\$ 2,653.91	\$ 234.52	\$ 7,270.12		
SBL4 LP840	7	\$ -	\$ -	\$ 113.00	\$ 791.00	\$ 193.02	\$ 1,351.14	\$ 223.92	\$ 1,567.44	\$ 147.75	\$ 1,034.25	\$ 98.49	\$ 689.43	\$ 83.72	\$ 586.04	\$ 168.97	\$ 1,182.79		
BLTAR 20LADP EZI LP840 NLTAIR2 RES7PDT	27	\$ -	\$ -	\$ 141.00	\$ 3,807.00	\$ 300.19	\$ 8,105.13	\$ 387.64	\$ 10,466.28	\$ 226.47	\$ 6,114.69	\$ 150.98	\$ 4,076.46	\$ 128.33	\$ 3,464.91	\$ 187.97	\$ 5,075.19		
LDN9RV 40/05 LR9AR LSS MVOLT GZIO	4	\$ -	\$ -	\$ 113.00	\$ 452.00	\$ 332.82	\$ 1,331.28	\$ 279.39	\$ 1,117.56	\$ 172.15	\$ 688.60	\$ 114.78	\$ 459.12	\$ 97.56	\$ 390.24	\$ 163.98	\$ 655.92		
LDNSRV 40/10 LRSAR LSS MVOLT GZIO	11	\$ -	\$ -	\$ 136.00	\$ 1,496.00	\$ 333.02	\$ 3,663.22	\$ 314.22	\$ 3,456.42	\$ 205.58	\$ 2,261.38	\$ 137.06	\$ 1,507.66	\$ 116.50	\$ 1,281.50	\$ 157.23	\$ 1,729.53		
LDN9RV 40/30 LR9AR LSS 120 ELV	6	\$ -	\$ -	\$ 177.00	\$ 1,062.00	\$ 332.82	\$ 1,996.92	\$ 379.92	\$ 2,279.52	\$ 268.63	\$ 1,611.78	\$ 179.02	\$ 1,074.12	\$ 152.17	\$ 913.02	\$ 172.08	\$ 1,032.48		
EPANL 2X4 3000LM SOCRI 40K MINI NLIGHT MVOLT NLTAIR2 RIO	425	\$ -	\$ -	\$ 156.00	\$ 66,300.00	\$ 281.61	\$ 119,684.25	\$ 361.64	\$ 153,697.00	\$ 201.52	\$ 85,646.00	\$ 137.58	\$ 58,471.50	\$ 114.19	\$ 48,530.75	\$ 227.35	\$ 96,623.75		
UCEL 24IN 30K 90CRI SWR WH M6 8 UNDER CABINET LED	1	\$ -	\$ -	\$ 61.00	\$ 61.00	\$ 129.94	\$ 129.94	\$ 150.69	\$ 150.69	\$ 101.47	\$ 101.47	\$ 67.65	\$ 67.65	\$ 57.50	\$ 57.50	\$ 201.43	\$ 201.43		
2WRTL G L48 10000LM OAW AFL MVOLT GZI 40K 80CRI	20	\$ -	\$ -	\$ 490.00	\$ 9,800.00	\$ 524.97	\$ 10,499.40	\$ 921.97	\$ 18,439.40	\$ 738.63	\$ 14,772.60	\$ 492.42	\$ 9,848.40	\$ 418.56	\$ 8,371.20	\$ 250.43	\$ 5,008.60		
TOTAL FIXTURES:		\$ -	\$ -	\$ 87,532.00	\$ 156,126.62	\$ 203,007.72	\$ 119,759.09	\$ 81,213.14	\$ 67,861.03	\$ 121,508.01									

DRIVERS	QTY	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price
21378-LED/DR/D2L/LW	35	\$ -	\$ -	\$ 26.00	\$ 910.00	\$ 30.37	\$ 1,062.95	\$ 46.78	\$ 1,637.30	\$ 24.52	\$ 858.20	\$ 17.31	\$ 605.85	\$ 13.89	\$ 486.15	\$ 52.29	\$ 1,830.15		
21379-LED/DR/D4L/LW	29	\$ -	\$ -	\$ 35.00	\$ 1,015.00	\$ 48.73	\$ 1,413.17	\$ 65.49	\$ 1,899.21	\$ 34.32	\$ 995.28	\$ 24.22	\$ 702.38	\$ 19.44	\$ 563.76	\$ 63.09	\$ 1,829.61		
TOTAL DRIVERS:		\$ -	\$ -	\$ 1,925.00	\$ 2,476.12	\$ 3,536.51	\$ 1,853.48	\$ 1,308.23	\$ 1,049.91	\$ 3,659.76									

LAMPS	QTY	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price
34235 LEDT8/LC/G/4/840	181	\$ -	\$ -	\$ 11.50	\$ 2,081.50	\$ 6.79	\$ 1,228.99	\$ 22.44	\$ 4,061.64	\$ 11.27	\$ 2,039.87	\$ 7.95	\$ 1,438.95	\$ 6.39	\$ 1,156.59	\$ 100.74	\$ 18,233.94		
GE LE12A21/850FE	4	\$ -	\$ -	\$ 17.00	\$ 68.00	\$ 13.67	\$ 54.68	\$ 12.00	\$ 48.00	\$ 14.70	\$ 58.80	\$ 10.38	\$ 41.52	\$ 8.33	\$ 33.32	\$ 100.54	\$ 402.16		
TOTAL LAMPS:		\$ -	\$ -	\$ 2,149.50	\$ 1,283.67	\$ 4,109.64	\$ 2,098.67	\$ 1,480.47	\$ 1,189.91	\$ 18,636.10									

SWITCHES AND CONTROLS	QTY	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price	Unit Price	Extended Price
RPODL MVOLT 2P DX WH G2	32	\$ -	\$ -	\$ 52.00	\$ 1,664.00	\$ 236.93	\$ 7,581.76	\$ 409.10	\$ 13,091.20	\$ -	INCLUDED	\$ -	\$ -	\$ -	\$ -	\$ 108.32	\$ 3,466.24		
RPODL MVOLT OX WH G2	26	\$ -	\$ -	\$ 52.00	\$ 1,352.00	\$ 201.20	\$ 5,231.20	\$ 409.10	\$ 10,636.60	\$ -	INCLUDED	\$ -	\$ -	\$ -	\$ -	\$ 105.35	\$ 2,739.10		
RCMS 9 G2 W/RPP20 D/DS G2	6	\$ -	\$ -	\$ 121.00	\$ 726.00	\$ 249.08	\$ 1,494.48	\$ 462.10	\$ 2,772.60	\$ -	INCLUDED	\$ -	\$ -	\$ -	\$ -	\$ 140.99	\$ 845.94		
RCMS PS 150 PDT9 G2	33	\$ -	\$ -	\$ 183.00	\$ 6,039.00	\$ 249.08	\$ 8,219.64	\$ 462.10	\$ 15,249.30	\$ -	INCLUDED	\$ -	\$ -	\$ -	\$ -	\$ 143.96	\$ 4,750.68		
RCMS PS150 PDT10 G2	22	\$ -	\$ -	\$ 183.00	\$ 4,026.00	\$ 249.08	\$ 5,479.76	\$ 462.10	\$ 10,166.20	\$ -	INCLUDED	\$ -	\$ -	\$ -	\$ -	\$ 143.96	\$ 3,167.12		
TOTAL SWITCHES AND CONTROLS:		\$ -	\$ -	\$ 13,807.00	\$ 28,006.84	\$ 51,915.90	\$ 41,541.67	\$ 29,323.53	\$ 23,550.00	\$ 14,969.08									

TOTAL OF EXTENDED UNIT PRICES:	NON-RESPONSIVE	\$ 105,413.50	\$ 187,893.25	\$ 262,569.77	\$ 165,252.91	\$ 113,325.37	\$ 93,650.85	\$ 158,772.95											
PRICE (Includes all labor to remove and install fixtures including disposal costs):	NON-RESPONSIVE	\$ 61,506.00	\$ 5,963.76	\$ -	\$ 79,395.00	\$ 54,613.64	\$ 178,170.12	Included											
GRAND TOTAL:		\$ 225,817.00	\$ 166,919.50	\$ 193,857.00	\$ 262,569.77	\$ 244,647.91	\$ 167,939.01	\$ 271,820.79	\$ 158,772.95										

Battery Back up

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Resolution Proclaiming American Education Week, November 18-22, 2019
Strategic Priority – Student Achievement and Global Success

RECOMMENDATION

That the Board of Education approves the resolution proclaiming November 18-22, 2019 as American Education Week.

BACKGROUND

To make our schools the best they can be requires a commitment from every member of the community, from retired citizens to parents, from business leaders to school board members. The goal of American Education Week is to increase public understanding and appreciation of the nation's schools, to encourage parents and non-parents to visit schools, to build civic and community pride, and support education.

RESOLUTION

AMERICAN EDUCATION WEEK November 18-22, 2019

- WHEREAS**, public schools are the backbone of our democracy, providing young people with the tools they need to maintain our nation's precious values of freedom, civility, and equality; and
- WHEREAS**, by equipping young Americans with both practice skills and broader intellectual abilities, schools give them hope for, and access to, a productive future; and
- WHEREAS**, education employees – be they custodians or teachers, bus drivers or librarians – work tirelessly to serve our children and communities with care and professionalism; and
- WHEREAS**, schools are community linchpins, bringing together adults and children, educators and volunteers, business leaders and elected officials in a common enterprise; and
- WHEREAS**, our nation is celebrating the week of November 18-22, 2019 as **AMERICAN EDUCATION WEEK**. In the St. Vrain Valley Schools, we encourage community members to support our local schools by participating in school-sponsored activities and by volunteering to help with those activities.

BOARD OF EDUCATION

John Ahrens
Chico Garcia
Dr. Richard Martyr
Paula Peairs
Karen Ragland
Joie Siegrist
Robert J. Smith

SUPERINTENDENT OF SCHOOLS

Dr. Don Haddad

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

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

RECOMMENDATION

That the Board of Education accept the 2019 Fiscal Year Comprehensive Annual Financial Report, as presented.

BACKGROUND

The 2019 Fiscal Year Comprehensive Annual Financial Report (CAFR) was audited by the certified public accounting firm of CliftonLarsonAllen (CLA). At the work session prior to the October 23, 2019 Regular Board Meeting, Paul Niedermuller from CLA reviewed the 2019 CAFR with the Board in detail and was available for questions. The CAFR was issued final on October 29, 2019 and there were no significant changes from the preliminary draft submitted on October 23, 2019.


ST. VRAIN VALLEY SCHOOLS
academic excellence by design

Student Achievement • Well-Being • Partnerships

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2019



395 South Pratt Parkway • Longmont CO • 80501-6499



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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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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October 29, 2019

Board of Education Members
and Citizens of the
St. Vrain Valley School District RE-1J
395 South Pratt Parkway
Longmont, CO 80501

We are pleased to submit to the Board of Education, parents, taxpayers, and community members the Comprehensive Annual Financial Report (CAFR) of the St. Vrain Valley School District RE-1J (the District) for the year ended June 30, 2019. State law requires that the District publish within six months of the close of each fiscal year a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (US GAAS), by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the District as measured by the financial activity of its various funds, and contains all disclosures necessary to enable the reader to gain an understanding of the District's financial activities for the year ended June 30, 2019.

The District's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with US GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This is in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Uniform Guidance. Information

related to this single audit, including a schedule of expenditures of federal awards, the Independent Auditors' Reports related thereto, and a schedule of findings and questioned costs are included in this document.

The Comprehensive Annual Financial Report is presented in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This reporting standard is intended to parallel private sector reporting by consolidating governmental activities and business-type activities into a single total column for government-wide activities. GASB Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found in the Financial Section immediately following the Independent Auditors' Report.

PROFILE OF THE GOVERNMENT – The District and Its Services

The St. Vrain Valley School District RE-1J is a body corporate and a political subdivision of the State, governed by an elected seven-member board, and was organized in 1961 for the purpose of operating and maintaining an educational program for the school-age children residing within its boundaries. The District was formed as a result of the consolidation of a number of smaller school districts within its boundaries. The District's boundaries have been substantially stable since the consolidation.

The District provides a full range of educational programs and services authorized by Colorado Statutes. These include pre-K through 14 education in elementary, middle, and high schools; P-TECH program; special education for students with disabilities; vocational education; multicultural education; and, numerous other programs.

St. Vrain Valley School District is the educational home of nearly 33,000 of Colorado's students. St. Vrain Valley is the seventh largest school district in the state according to the Colorado Department of Education's 2018-19 District Ranking by Pupil Membership. St. Vrain Valley operates 57 schools and programs that are spread over 411 square miles. The makeup includes: 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 homeschool enrichment school, 1 P-TECH program, 1 Innovation Center program, 1 Main Street Special Education program, 1 Career Development Center program, and 6 charter schools. Located approximately 30 miles north of Denver, the District is geographically diverse. Its physical boundaries extend from the Continental Divide into the plains of Colorado. Adding to its scenic setting are historic downtown Longmont and the backdrop of Rocky Mountain National Park and Longs Peak. The District includes approximately 175,366 residents. There are 13 different communities that make up St. Vrain Valley School District: eastern Boulder, Broomfield, Dacono, Erie, Firestone, Frederick, Hygiene, Longmont, Lyons, Mead, Niwot, Peaceful Valley, and Raymond. Parts of Boulder, Broomfield, Larimer, and Weld Counties fall within its boundaries.

The District's Board of Education is empowered to levy a property tax on both real and personal properties located within its boundaries.

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, state and nation. He is united with his administration, staff, and the Board of Education in the mission and strategic priorities for the District.

The Financial Services department is led by Chief Financial Officer Greg Fieth who has nine years of experience with St. Vrain Valley Schools. Other key staff members include Executive Director of Budget

and Finance Tony Whiteley who has nine years of experience with the District, and Comptroller Jane Frederick who has been with the District almost sixteen years.

The District is the reporting entity for financial reporting purposes and is not included in any other governmental reporting entity. The financial statements of the District include all funds that are controlled by the publicly elected Board of Education. The Board of Education adopts the budget, authorizes expenditures, selects management, significantly influences operations, and is primarily accountable for fiscal matters.

The annual budget serves as the foundation of the District's financial planning and control. The District maintains extensive budgetary controls to ensure compliance with legal requirements, Board of Education policies, and District administration guidelines. The legal level of budgetary control is the fund level. The District's budget must be adopted by June 30 prior to the budget year, but may be revised for any reason prior to January 31st of the budget year. Budgets are developed and monitored for compensation costs, utilities and other fixed costs at the District level, and for discretionary (site based) spending at the department or school level.

Staffing levels are authorized for each site and are tracked monthly to ensure usage within budgeted limits. On-line budget inquiry access is provided to each site's administrative staff, to allow monitoring of their discretionary budgets.

Budgetary control is also maintained through the use of an encumbrance accounting system. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for US GAAP purposes, but are reported as assignments of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over. This system fosters responsible spending and allows site management to develop longer range spending plans. Schools' discretionary budgets also include a share of revenues generated from building rentals, and budgets contingent upon site management's compliance with District accountability policies. Under state law, each school is required to involve each employee group, the Board of Education, and the District Accountability Committee in the budget development process.

As required by accounting principles generally accepted in the United States of America, these financial statements present St. Vrain Valley School District RE-1J (the primary government) and its component units. As of June 30, 2019 there were six component units (Charter Schools). The inclusion or exclusion of component units is based on a determination of the elected official's accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government and discretely presented component units. The criteria used for determining whether an entity should be included – either blended or discretely presented – includes, but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

As of June 30, 2019, the District's Board of Education has approved six charter schools. The six charter schools – Aspen Ridge Preparatory School; Carbon Valley Academy; Flagstaff Academy; Imagine Charter School at Firestone; St. Vrain Community Montessori School; and Twin Peaks Charter Academy – were operational during the year ended June 30, 2019. The respective members of the Charter Schools' Governing Boards are appointed separately from the District's Board of Education. The Charter Schools are deemed to be fiscally dependent upon the District since the District provides the majority of support to the Charter Schools in the form of per pupil revenue (PPR); therefore, the Charter Schools' financial information has been presented as discretely presented component units. No new charter applications were received during the fiscal year 2019.

The information included in the financial statements is perhaps best understood when it is considered from a broader perspective of the national, state and local environment within which the District operates.

ECONOMIC CONDITION AND OUTLOOK

National Economy

This summary of national economic conditions is derived from information posted on the Congressional Budget Office (CBO) website at www.cbo.gov. Specific documents cited are *An Update to the Budget and Economic Outlook: 2019 to 2029*; *The CBO's Updated Economic Forecast for the 2019 to 2029 Period*; and, *The Effects of Tariffs and Trade Barriers in CBO's Projections*.

Economic growth is expected to slow in 2019 to 2.3%, a rate that is below its long-run historical average. The CBO projects the federal budget deficit to expand to \$960 billion in 2019. Over the coming decade, deficits are expected to fluctuate between 4.4% and 4.8% of gross domestic product (GDP), well above the average over the past 50 years. As a result of those deficits, federal debt held by the public will reach its highest level since just after World War II and peak at 95% of GDP in 2029.

Both low unemployment and rising wages support strong labor market conditions in 2019. After 2019, annual output growth is projected to slow, averaging 1.8% annually – primarily because the labor force is expected to grow more slowly than it has previously. In addition, consumer spending and purchases of goods and services by federal, state, and local governments are also projected to grow at a slower pace.

Another factor expected to reduce the U.S. GDP by roughly 0.3% by 2020 are the higher trade barriers, in particular, the increase in tariff rates implemented by the United States and its trading partners beginning in January 2018. The tariffs increase domestic prices, thereby reducing the purchasing power of domestic consumers and increasing the cost of business investment. The tariffs impact business investment by increasing businesses' uncertainty about future barriers to trade and thus their perceptions of risks associated with investment in the United States and abroad. Tariffs impact the U.S. economic activity in several ways, including making consumer goods and capital goods more expensive, thereby reducing the purchasing power of U.S. consumers and businesses. In addition they prompt retaliatory tariffs by U.S. trading partners, which reduce U.S. exports by making them more expensive for foreign purchasers.

Total revenues as a share of GDP are projected to rise over the next decade, primarily because of the increase in individual income taxes. The largest of those increases stem from the expiration of certain provisions of the 2017 tax act at the end of 2025 and movement into higher tax brackets as taxable income increases. An increase in mandatory outlays (particularly Social Security and Medicare) is driven by the aging population and the rising costs of health care. Outlays for discretionary programs fall in relation to GDP because rates of inflation, which are used to project future funding, are lower than the rate of economic growth. Net interest costs rise because of accumulating debt and rising interest rates.

State Economy

The Colorado Outlook – September 2019 report by the Office of State Planning and Budgeting (OSPB) presents the OSPB forecasts for Colorado economic and demographic indicators. These include employment and unemployment, inflation, wages and income, population, and migration. A summary of this information is presented here. The full report can be found at www.colorado.gov.

Colorado's economy has strengthened in recent months, but growth is expected to slow over the forecast period. Employment and wage growth have been strong – encouraging consumer activity. However, the tight labor market is constraining business growth. Lower housing and energy price growth are reducing inflation.

General Fund revenue grew 7.3% in fiscal year (FY) 2018-19 and is expected to grow another 4.1% in FY 2019-20. The General Fund revenue projection for FY 2019-20 was revised down from the June forecast by \$144.1 million, or 0.3%, due largely to weaker growth expectations from corporate profits. The forecast for FY 2020-21 was reduced by \$109.5 million, or 0.8%. Continued economic growth and base-broadening tax policy changes will contribute to continued General Fund revenue growth throughout the forecast period.

Revenue subject to TABOR exceeded the Referendum C cap by \$428.3 million in FY 2018-19 and is projected to exceed the cap by \$348.1 million in FY 2019-20 and \$551.6 million in FY 2020-21. The FY 2018-19 surplus will be distributed to taxpayers via the Homestead Exemption and a temporary income tax rate reduction in FY 2019-20.

Colorado's job growth has accelerated, from an average of 3,600 jobs per month in the first quarter of 2019 to an average of 8,000 jobs per month in the second quarter. This represents the strongest quarterly job growth since 2016. Wage growth has slowed slightly over the same period, from 6.3% in January to 5.4% in July. Boulder, Colorado Springs, and Grand Junction are the metro areas experiencing the strongest job growth in the state.

During 2019 export activity in Colorado has declined amid escalating tariffs and trade policy uncertainty. The value of exports was down 6% through July as compared to 2018. Major exports from the state include beef, computers, other electronics, medical instruments, and aircraft parts. Colorado is the 49th most export-dependent economy in the nation; therefore, it may be more resilient to trade pressure than other states.

In FY 2018-19, the State Education Fund's year-end balance is projected to have fallen from its FY 2017-18 level of \$208.7 million to \$176 million. This decrease is the result of a higher level of State Education Fund expenditures in FY 2018-19, which reduced the need for General Fund appropriations for funding K-12 public education.

Risks to the budget outlook are balanced to the downside. State revenues are currently above the voter-approved revenue cap and are expected to remain steady throughout the forecast period, therefore better than expected economic conditions and revenue collections will not benefit the state. The state budget remains vulnerable to downside risks-an economic slowdown or recession could reduce revenue collections and result in less budget capacity.

Local Economy

As reported in the [City of Longmont's](#) 2018 Comprehensive Annual Finance Report, the population of Longmont, the largest community within the District, grew to 96,192 residents. The City's economic picture showed continued growth in 2018 with an increase in sales and use tax and an increase in primary jobs compared to 2017. The area unemployment rate was reported at 2.9% in December 2018, as compared to 3.0% in December 2017.

The City issued 373 building permits in 2018 for single-family residences; 244 permits were issued for multifamily units. In 2019, new construction permits for 124 single-family homes, 43 multi-family units, and 2 commercial/industrial properties have been issued through April. There were 150 new jobs created by new primary employers in the area. Longmont's primary employers represent a mixture of industries including: software, semiconductors, aerospace, biotech, energy, communications, and medical instruments.

An issue of importance to area businesses and the District alike is the availability of affordable housing. According to Kyle Snyder, Account Executive at First American Title, the cost of homes has been on the rise throughout Boulder County. Snyder predicts that home costs will continue to rise in 2019 with the average price of a single-family home being \$490,000, which is an approximate 6% increase from last year. In an attempt to address affordable housing shortages, in December 2018, Longmont City Council approved an ordinance imposing affordable housing requirements on builders and developers. The inclusionary housing ordinance generally requires that 12% of the available square footage in a new residential development be dedicated as units affordable to low-and moderate-income buyers and renters.

Continued Enrollment Growth

The District continues to grow in enrollment. Since 2009, enrollment growth has averaged just under 689 student per year with an annual average growth rate of 2.41%. This totals an increase of 6,888 students in the district since 2009. The Planning Department projects that enrollment will continue to increase by an average of approximately 322 students per year over the next five years, to 34,250 by the fall of 2023.

School Financial Issues

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes, specific ownership taxes from vehicle registration, and state equalization, was approximately 83% of the District's Government wide general revenues for fiscal year 2018-2019.

The District received \$7,917 per funded pupil count (FPC) as per pupil revenue (PPR) for FY19. This compares to \$7,492 for FY18, an increase of \$425. In FY10, the year prior to large rescissions in per pupil funding, the District received \$7,109.

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 public safety cause significant issues with the State of Colorado's budget. It is unknown at this time how these conflicts will be resolved and the impact to school district funding.

In addition, 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. The most recent adjustment to the residential rate was to set the rate to 7.15%. The resulting effect on the District and State may potentially impact per-pupil revenue.

In November 2008, District voters approved a \$189 million bond for district-wide capital building repairs, infrastructure upgrades, the construction of a new high school in the Carbon Valley area, and the ability to respond to pockets of overcrowding in the District. Savings in the bond projects because of lower than anticipated construction costs helped the District expand the project scope.

The District voters also approved a \$16.5 million mill levy override in 2008. The override was for a fixed mill rate that will grow and fall with the District's assessed valuation. This override has been a significant factor in both mitigating state cuts and improving the District's educational performance. The District passed a second mill levy override in November 2012 to mitigate state cuts. The \$14.8 million 2012 mill levy request is also set as a fixed mill override. The 2012 override is being used to recruit and retain highly-qualified staff, maintain class sizes, standardize and refresh technology, expand early childhood education and provide additional support to District charter schools. The District now has short-term budget stability and good indicators for continued growth.

In November 2016, the Board of Education placed a \$260.34 million capital construction question on the ballot. Approximately 69% of the bond funds would go toward providing additional classroom space with the remaining 31% of the funds addressing school safety and security upgrades, repairs and renovations to existing school facilities. The November 2016 bond election passed with over 59% of the voters supporting the initiative. The District has completed approximately 83% of the identified projects – including

a new elementary school, a pre-k through 8 school, and a new state of the art innovation center – from the first series of bonds issued.

MAJOR INITIATIVES

In its continued efforts to increase student achievement and success, the District's Board and administrative leadership have developed a comprehensive District-wide plan including a hierarchy designed to ensure the success of every student. The strategic priorities of the hierarchy include strong district finances; a high functioning school board; strong/visionary leadership; outstanding teachers and staff; student and staff well-being; districtwide safety and security; cutting-edge technology and innovation; outstanding communication and collaboration with community and corporate partners; rigorous well-aligned standards, curriculum, instruction and assessment; and a portfolio of 21st century instructional focus schools and robust co-curricular opportunities. These areas of focus (strategic priorities) will support specific, measurable District goals in the areas of 1st grade school readiness, 3rd grade reading proficiency, 5th grade reading proficiency, 8th grade algebra participation and successful completion, PSAT and SAT achievement, enrollment in advanced coursework at the secondary level, and graduation rates.

Further, in order to enhance student achievement and ensure school and District accreditation, there will continue to be an emphasis on attracting and retaining superior teachers, administrators, and staff by offering a competitive compensation package and maintaining a safe, positive, and collaborative working environment. The District and the St. Vrain Valley Education Association agreed to implement a new salary schedule starting in the 2015-16 school year. The new salary schedule increased the base for new teachers, but stabilized the cost of recognizing a year of experience (step) in future years. This enables the District to increase the base salary of a new teacher more quickly in subsequent years. 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.

To achieve these goals, the District has made a concerted effort to seek grants, gifts and donations. The District was successful in the 2010 Investing in Innovation (i3) ARRA Grant competition and received \$3.6 million over five years, ending in December 2015. This grant expanded the implementation of, and investment in, innovative practices that are demonstrated to have an impact on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, and increasing high school graduation rates. Successful preliminary data results helped the District win the Race to the Top District (RTT-D) Grant award. St. Vrain Valley Schools were selected for a Race to the Top District award for \$16.6 million in December 2012. The purpose of this grant is improving student achievement, closing achievement gaps, decreasing dropout rates, and increasing high school graduation rates in the Skyline High School feeder group by focusing on STEM education, summer intervention, and individual academic plans. This is a four year grant that ended in July 2017. The District developed a sustainability plan for key personnel and operations to continue the essential aspects upon the conclusion of both the i3 and RTT-D grants.

In the 2013-14 school year, the District implemented its Learning Technology Plan (LTP). Through the LTP, students and teachers have the tools they need to **investigate, communicate, collaborate, create, model, and explore** concepts and content in authentic contexts. An essential part of the LTP is providing all secondary students with a take-home device. The use of this device has enabled learning to be extended to the home and potentially include the entire family. The devices were implemented in two middle schools in 2013-14, with the remaining middle school students receiving devices in 2014-15. Half of the high school students received devices in 2015-16, with the remaining secondary students receiving the devices in 2016-17. Elementary classrooms received a set of ten iPad minis in the 2017-18 school year. To date, the implementation has been extremely successful, and indicators are positive that the remaining implementation will enable the LTP to be a success. The District has moved to a lease-purchase model that refreshes all take-home devices to the same product, model, and software version to ensure student equity, staff and technical efficiencies, and ease of distribution.

In January 2013, in an attempt to slow rising health care costs, the District moved to a self-funded model. Districts of a similar size have implemented this model and reduced health care costs by retaining the premiums and paying out claims. In this situation, the District assumes some of the risk (although the District maintains both an individual stop loss policy and an overall aggregate stop loss policy), but also retains the premiums not paid out in claims or administrative fees. Generally most insurance companies are looking to achieve a claims loss ratio of 85%. The goal of the District is to retain those premiums to reduce future costs. Additional efforts to improve the quality of care offered include establishing relationships with local physicians and medical practices who provide high value services and improve patient outcomes. In January 2018, a third plan option was introduced that offered employees and their dependents access to direct primary care physicians outside of the traditional fee-for-service model. To date, it appears to have been successful in both employee satisfaction and in the reduction of overall costs.

Since 1997, all Colorado school districts have been required by State law to participate in the Colorado Student Assessment Program (CSAP and TCAP) which has now transitioned to Colorado Measures of Academic Success (CMAS). All public school students are given standardized tests in grades 3-11. The tests are designed to measure student achievement in relation to the Colorado Academic Standards. The standards are expectations specifying what students should know, understand and be able to do over a given timer period. CMAS provides a series of snapshots of student achievement in English Language Arts and mathematics as they move through grades 3-8. A separate grade 5, 8 and 11 science test is given at all schools, and a grade 4 and 7 social studies test is also administered to one-third of schools each year. A college entrance exam (SAT) is administered to all grade 11 students across Colorado, and a college readiness exam (PSAT) is administered to grades 9 and 10 students. CMAS and college entrance and readiness test results are an important part of statewide school accountability and accreditation. These – coupled with 1st grade readiness, 3rd grade reading levels, 5th grade reading levels, successful participation and completion in 8th grade algebra, secondary enrollment in advanced level courses, and the overall graduation rate – are indicators of the District's student achievement goals.

In 2001, the Colorado Department of Education (CDE) began assigning individual schools a rating based upon CSAP scores. The rating system was revised in 2009 for the 2010-11 fiscal year and was revised again for the 2016-17 fiscal year. Under the current plan, the State Board of Education adopts targets related to three key state performance indicators: (1) student achievement, (2) student academic growth, and (3) postsecondary and workforce readiness. Using the three key performance indicators, CDE assigns accreditation levels to districts and recommends school plan (accreditation) levels to districts, and produces a detailed data document for each school and district (School Performance Framework and District Performance Framework).

School Facilities

The continuing growth in student enrollment in the District requires ongoing construction to provide adequate District school facilities. The Planning Department projects that enrollment will continue to increase by an average of approximately 322 students per year over the next five years, to 34,250 by the fall of 2023.

The \$189 million bond passed in 2008 provided funds for two new schools that included Frederick High School and Red Hawk Elementary School, as well as additions and renovations to existing schools to increase capacity. Reduced costs due to favorable construction market conditions allowed the District to outperform on the 2008 bond initiative by \$22 million, and that money was used to fund other projects needed within the District.

With significant growth continuing to occur 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.

After selling \$200 million in bonds in December 2016, the District began the construction process on several buildings. The major initiatives derived from the Bond passage were two new elementary schools, a

Preschool through 8th grade school, a District-wide Innovation Center, and additions and renovations on other schools. Sixty-nine percent of the total Bond program is directed to relieve growth in the St Vrain area. To date, one elementary school, the pre-K through 8th grade school, and the Innovation Center opened in the Fall of 2018, and major additions and renovations to many schools have been completed. The District sold the remaining \$60.34 million in the Fall of 2018, allowing the District to begin projects to help enhance safety and security, educational programs, and building preservation.

Approximately 61% of district buildings are 30 years or older.

District Awards and Recognitions

The District has received numerous state, national, and international awards and recognitions. The awards include John Irwin Schools of Excellence Awards for the state's top 8% performing schools, numerous Governor's Distinguished Improvement awards, Colorado Trailblazer 'Schools to Watch' awards, Apple Distinguished School awards, and Colorado Succeeds Prizes for the state's top STEM School and for Transformative Impact in Technology-Enabled Learning. District schools have also received awards for co-curricular activities including fine arts, choir, band, orchestra, and athletics, and students from St. Vrain high schools have received scholarships from prestigious universities, foundations, and corporations, such as Boettcher, Daniels, and National Merit. In addition, St. Vrain has been named by the federal Office of Educational Technology as a Future Ready district, and has received recent accolades for its robust one-to-one Learning Technology Plan and its commitment to digital curriculum, including the International Society for Technology in Education (ISTE) District of Distinction award and the Consortium for School Networking Team Award. St. Vrain has also been recognized for its significant impact to the community as Innovative Business of the Year by the Boulder Chamber, the Chair Award by the Longmont Economic Development Partnership, and Large Business of the Year by both the Longmont Chamber and the Carbon Valley Chamber.

FINANCIAL INFORMATION

As of June 30, 2019, the District had a fund balance of \$124.2 million in the General Fund (including its sub-funds). The increase of \$3.7 million is primarily the result of increased revenues and conservative budgeting. As a result of the various classifications of fund balance, the ending unassigned General Fund balance is \$23.2 million.

Accounting Policies: Detailed descriptions of the District's accounting policies are contained in the Notes to Financial Statements on pages 33-81, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information.

Per state statute, the District may amend the adopted budget for any reason prior to January 31. After January 31, the Board may amend the budget only as authorized by state law.

FINANCIAL AWARDS and ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The District has achieved these prestigious awards consecutively since fiscal year ending June 30, 2004. In order to be awarded a Certificate of Achievement and a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report also satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Certificate of Achievement and Certificate of Excellence are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement and Certificate of Excellence programs' requirements and we are submitting it to GFOA and ASBO, respectively, to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the team of professionals in the Financial Services Department, as well as the independent auditors, and other administrative staff called upon to provide information and assistance. We would like to express our appreciation to all staff members who assisted and contributed to its preparation, with special thanks to Comptroller Jane Frederick, CPA; Executive Director of Budget and Finance Tony Whiteley, CPA; Senior District Accountant Shelly Murphy; and, District Accountant Jennifer Orvis, without whom we could not have met our very aggressive timeline.

We would also like to thank the members of the Finance & Audit Committee and the Board of Education of the St. Vrain Valley School District RE-1J for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

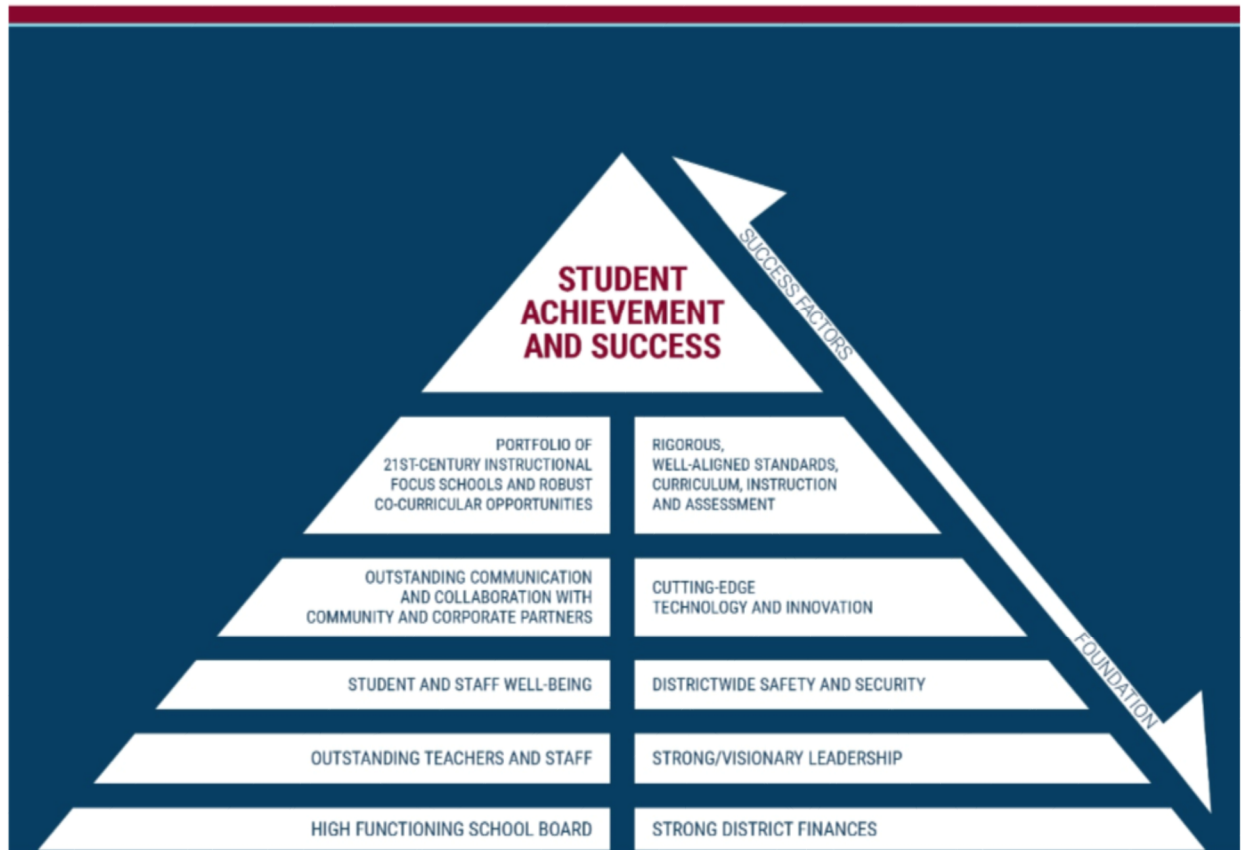
Respectfully submitted,

(signatures on file)

Don Haddad, Ed.D.
Superintendent of Schools

Gregory A. Fieth
Chief Financial Officer

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 Wohleber'.

Tom Wohleber, 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

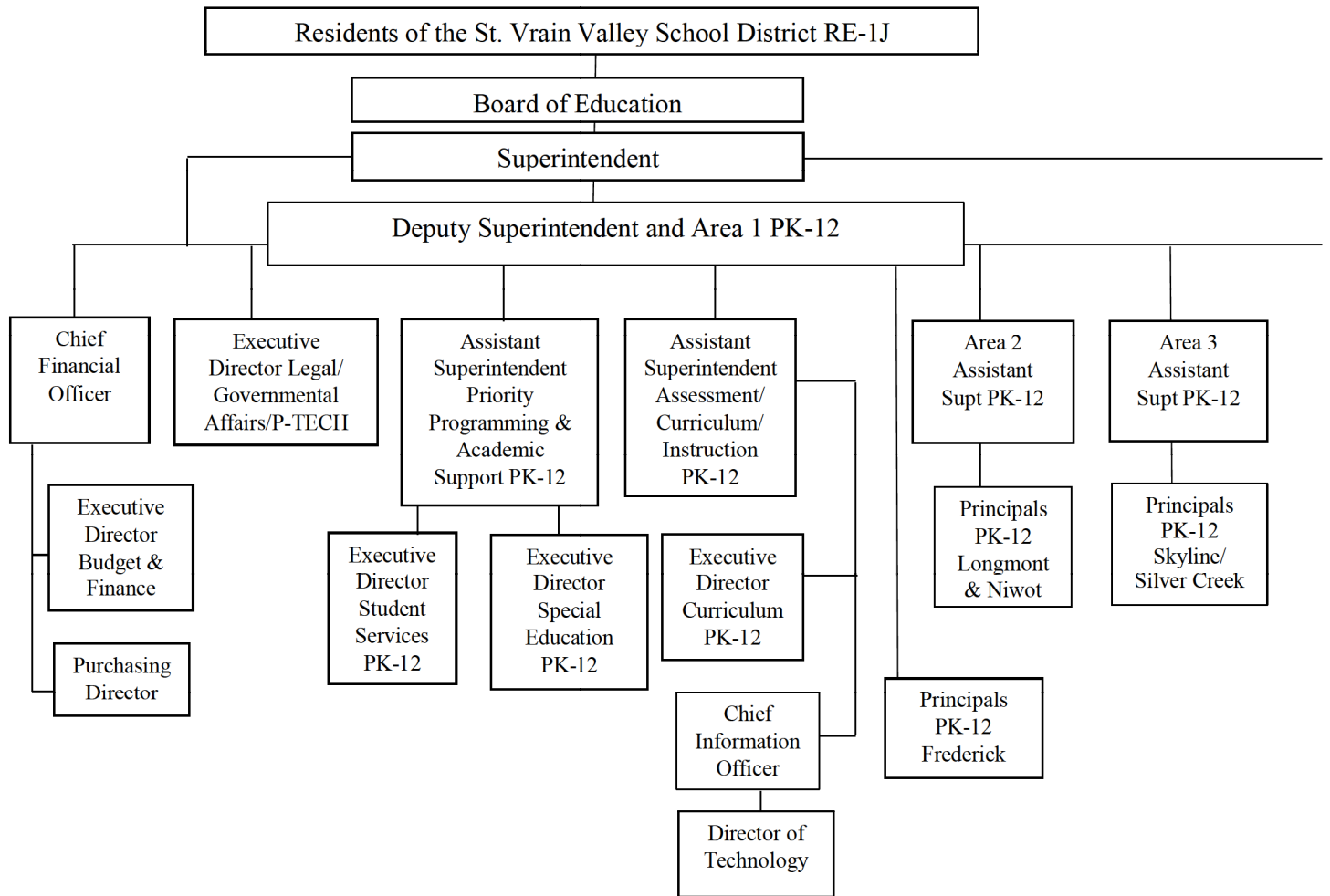
For its Comprehensive Annual
Financial Report for the
Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

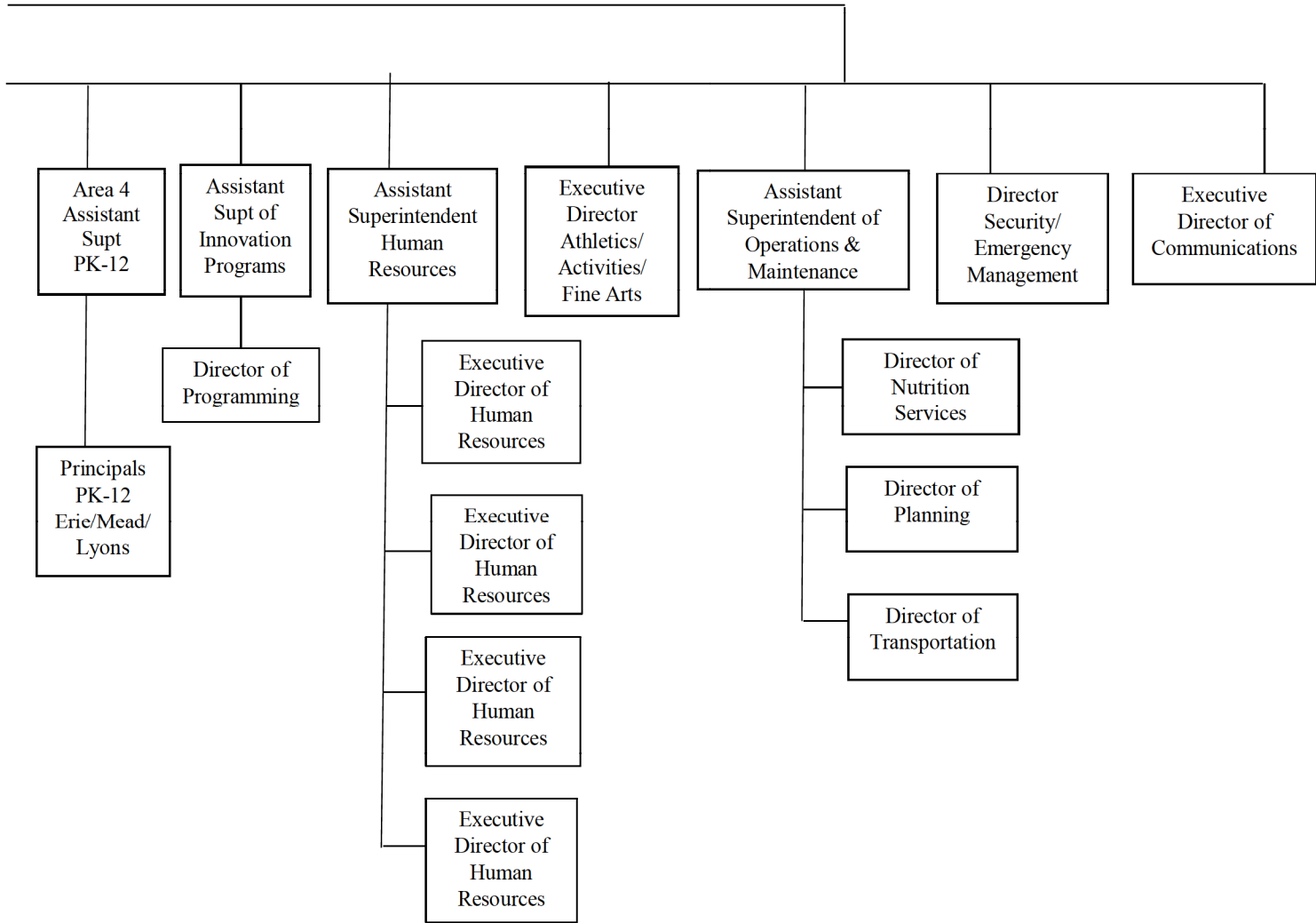
**St. Vrain Valley School District RE-1J
ORGANIZATIONAL CHART
June 30, 2019**



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.



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



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Vrain Valley School District RE-1J, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Aspen Ridge Preparatory School, Carbon Valley Academy, Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School and Twin Peaks Charter Academy, which are reported as and comprise 100 percent of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Aspen Ridge Preparatory School, Carbon Valley Academy, Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School and Twin Peaks Charter Academy were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Vrain Valley School District RE-1J as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Vrain Valley School District RE-1J's basic financial statements. The combining and individual major and nonmajor fund financial statements and schedules and the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The combining and individual major and nonmajor fund financial statements and schedules, the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2019, on our consideration of St. Vrain Valley School District RE-1J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of St. Vrain Valley School District RE-1J's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Vrain Valley School District RE-1J's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 29, 2019

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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 \$564.0 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 \$90.5 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.

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-type 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

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.

As of June 30, 2019, the liabilities plus deferred inflows exceed assets plus deferred outflows of the primary government's governmental activities by \$564.0 million with an unrestricted deficit net position of \$701.7 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	\$ 328,926	\$ 300,724	\$ 28,202	9.38%
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>902,853</u>	<u>866,627</u>	<u>36,226</u>	4.18%
Deferred outflows of resources	<u>190,407</u>	<u>386,801</u>	<u>(196,394)</u>	-50.77%
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>	-33.43%
Deferred inflows of resources	<u>423,915</u>	<u>70,989</u>	<u>352,926</u>	497.16%
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	(701,744)	(765,142)	63,398	-8.29%
Total net position	<u>\$ (564,034)</u>	<u>\$ (654,491)</u>	<u>\$ 90,457</u>	-13.34%

Government-wide Activities

Governmental activities increased the net position of the District \$90.5 million during the year ended June 30, 2019. While general revenues increased \$19.4 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	Total
	2019	2018	Change	Percentage
			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	200,994	194,141	6,853	3.53%
State equalization	147,896	139,727	8,169	5.85%
Other	15,765	11,369	4,396	38.67%
Total revenues	<u>426,288</u>	<u>402,143</u>	<u>24,145</u>	6.00%
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	<u>335,831</u>	<u>591,631</u>	<u>(255,800)</u>	-43.24%
Increase (decrease) in net position	90,457	(189,488)	279,945	147.74%
Net position - 7/1	(654,491)	(439,713)	(214,778)	48.85%
Restatement **	-	(25,290)	25,290	-100.00%
Net position, restated	<u>(654,491)</u>	<u>(465,003)</u>	<u>(189,488)</u>	40.75%
Net position - 6/30	<u>\$ (564,034)</u>	<u>\$ (654,491)</u>	<u>\$ 90,457</u>	-13.82%

** 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.

The governmental activities' total assets increased by \$36.2 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	10,587,104	7,077,432	3,509,672
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>\$ 902,853,377</u>	<u>\$ 866,627,831</u>	<u>\$ 36,225,546</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 \$3.5 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.

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.

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 \$364.7 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 \$426.3 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		Total Dollar Change 2018 - 2019	Total Percentage Change 2018 - 2019
	Activities			
	2019	2018		
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)

			Increase (Decrease)
	2019	2018	
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 through 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,

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%.

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

	Primary Government	Component Units
	Governmental Activities	Charter Schools
Assets		
Cash and investments	\$ 309,314,373	\$ 14,371,069
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	10,587,104	-
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	902,853,377	69,473,920
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	405,754
Due to primary government	-	166,654
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	
Compenated 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	105,863,799
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	979,894
Debt service	54,463,241	1,015,047
Component units' capital projects	-	891,661
Specific federal contract	3,127,149	-
Colorado Preschool Fund	800,737	-
Extracurricular, community programs	10,449,736	-
Unrestricted	(701,743,649)	(55,413,746)
Total net position	\$ (564,034,407)	\$ (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**

Functions / Programs	Expenses	Program Revenues		
		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	\$ 964,885	\$ -
Supporting services	12,519,379	-	-	2,551,692
Interest expense	2,416,687	-	-	-
Total component units	<u>\$ 31,424,022</u>	<u>\$ 2,843,628</u>	<u>\$ 964,885</u>	<u>\$ 2,551,692</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

Restatement

Net position, restated

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)	-
<u>(274,197,950)</u>	<u>-</u>
-	(12,679,443)
-	(9,967,687)
-	<u>(2,416,687)</u>
-	<u>(25,063,817)</u>
144,616,943	-
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
<u>364,654,302</u>	<u>28,032,876</u>
90,456,352	2,969,059
(654,490,759)	(57,069,132)
-	162,035
<u>(654,490,759)</u>	<u>(56,907,097)</u>
<u>\$ (564,034,407)</u>	<u>\$ (53,938,038)</u>

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

St. Vrain Valley School District RE-1J

**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	\$ 154,914,163	\$ 55,529,467	\$ 134,415,131	\$ 32,868,833	\$ 377,727,594
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	24,404,645	-	9,016,972	4,953,670	38,375,287
Deferred inflows of resources					
Unavailable property tax revenue	6,260,576	2,754,230	-	-	9,014,806
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	124,248,942	52,775,237	125,398,159	27,915,163	330,337,501
Total liabilities, deferred inflows, and fund balances	\$ 154,914,163	\$ 55,529,467	\$ 134,415,131	\$ 32,868,833	\$ 377,727,594

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 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.	9,014,806
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>\$ (564,034,407)</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.

St. Vrain Valley School District RE-1J

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 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>3,409,360</u>	16,310,319

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 \$ 90,456,352

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
	<u>Internal Service Fund</u>
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	
Restricted for contractual obligations	3,783,613
Unrestricted	<u>2,711,090</u>
Total net position	<u>\$ 6,494,703</u>

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

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

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
	<u>Internal Service Fund</u>
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>\$ 4,665,625</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	(103,000)
Net cash provided by operating activities	<u>\$ 2,551,584</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**

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

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**

	<u>Private Purpose Trust - Student Scholarship</u>
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.

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 amortized cost, 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, except for property taxes receivable which are presented net of an allowance for uncollectable taxes. 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 estimated 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 a minimum 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*. Total allocations were \$9,912,533 and \$4,113,891, respectively, during the fiscal year.

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>\$ 19,943,603</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	\$ 15,788,406
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>\$ 19,943,603</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, certain U.S. Agency securities, and World Bank
- 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	<u>1,306,407</u>
		<u><u>\$ 1,676,608</u></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	<u>\$ 11,020</u>
Total governmental funds		<u><u>\$ 11,020</u></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	<u>109,407,742</u>	<u>32,155,465</u>	<u>-</u>	<u>(88,609,470)</u>	<u>52,953,737</u>
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	<u>614,528,660</u>	<u>7,825,570</u>	<u>(772,655)</u>	<u>88,609,470</u>	<u>710,191,045</u>
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	<u>223,838,037</u>	<u>21,792,055</u>	<u>(693,916)</u>	<u>-</u>	<u>244,936,176</u>
Total depreciable assets, net	<u>390,690,623</u>	<u>(13,966,485)</u>	<u>(78,739)</u>	<u>88,609,470</u>	<u>465,254,869</u>
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	<u>2,976,420</u>
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:

	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Reclassifications & Deletions</u>	<u>Balance 6/30/2019</u>
Component units				
Non-depreciable assets				
Land	\$ 4,355,006	\$ -	\$ -	\$ 4,355,006
Construction in progress	<u>4,812,477</u>	<u>1,622,031</u>	<u>(6,406,983)</u>	<u>27,525</u>
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	<u>29,432</u>	<u>-</u>	<u>-</u>	<u>29,432</u>
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	<u>1,160,157</u>
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	\$ 599,312,935	\$ 68,733,409	\$ (66,841,742)	\$ 601,204,602	\$ 40,190,292

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. 42,955,000

Total general obligation bonds payable \$ 548,690,000

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	\$ 548,690,000	\$ 227,651,733	\$ 776,341,733

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	\$ 5,933,187
Less: amount representing interest	315,905
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.

	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/2019</u>	<u>Due within one year</u>
Component units					
Revenue bonds, refunding notes	\$ 53,678,488	\$ -	\$ (1,004,826)	\$ 52,673,662	\$ 1,037,475
Premium	1,074,719	-	(39,104)	1,035,615	-
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:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,220,878	1,942,531	3,163,409
2025-2029	10,152,217	7,558,852	17,711,069
2030-2034	8,160,000	6,704,647	14,864,647
2035-2039	10,100,000	4,775,024	14,875,024
2040-2044	13,215,000	2,415,599	15,630,599
2045-2047	5,415,000	266,001	5,681,001
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:

	<u>2019</u>	<u>2018</u>
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	<u>(876,461)</u>	<u>(982,341)</u>
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:

	<u>2019</u>	<u>2018</u>
Beginning fiscal year liability	\$ 1,716,000	\$ 1,534,961
Current year claims and adjustments**	15,603,272	15,325,748
Claims paid**	<u>(15,706,272)</u>	<u>(15,144,709)</u>
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	<u>19.13 %</u>	<u>19.13 %</u>

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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
Total	<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%)
	<hr/>	<hr/>	<hr/>
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 \$1,243,028.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 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, 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	\$ (3,991,614)
2021	(12,231,410)
2022	(8,461,197)
2023	1,503,447
Total	<u>\$ (23,180,774)</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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>Discount Rate</u>	<u>(8.25%)</u>
	<u>(6.25%)</u>	<u>(7.25%)</u>	<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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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
Total	<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:

<u>Medicare Plan</u>	<u>Cost for Members Without Medicare Part A</u>
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:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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 <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
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 \$203,362.

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	\$ 221,920	\$ 40,876

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
Total	<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: RESTATEMENT OF NET POSITION

The component units' beginning net position of their governmental activities were increased by \$162,035 as a charter school ceased to have an Agency Fund at June 30, 2018. Remaining funds were added to the charter school's general fund.

NOTE 17: DEFICIT NET POSITION

The net position of the District's governmental activities is a deficit of \$564,034,407 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.



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	<u>150,875,979</u>	<u>159,406,219</u>	<u>156,300,306</u>	<u>(3,105,913)</u>	<u>3,300</u>	<u>10,000</u>	<u>17,665</u>	<u>7,665</u>
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	<u>151,879,477</u>	<u>145,450,966</u>	<u>150,751,227</u>	<u>5,300,261</u>	<u>1,631,869</u>	<u>1,653,862</u>	<u>1,699,814</u>	<u>45,952</u>
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	<u>2,704,999</u>	<u>2,896,009</u>	<u>3,434,756</u>	<u>538,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>305,460,455</u>	<u>307,753,194</u>	<u>310,486,289</u>	<u>2,733,095</u>	<u>1,635,169</u>	<u>1,663,862</u>	<u>1,717,479</u>	<u>53,617</u>
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	<u>314,344,268</u>	<u>316,731,676</u>	<u>310,828,423</u>	<u>5,903,253</u>	<u>1,788,454</u>	<u>1,784,871</u>	<u>1,583,446</u>	<u>201,425</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>(8,883,813)</u>	<u>(8,978,482)</u>	<u>(342,134)</u>	<u>8,636,348</u>	<u>(153,285)</u>	<u>(121,009)</u>	<u>134,033</u>	<u>255,042</u>
Other Financing Sources								
Proceeds on capital lease	-	2,743,210	2,743,210	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>2,743,210</u>	<u>2,743,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources uses	<u>\$ (8,883,813)</u>	<u>\$ (6,235,272)</u>	<u>2,401,076</u>	<u>\$ 8,636,348</u>	<u>\$ (153,285)</u>	<u>\$ (121,009)</u>	<u>134,033</u>	<u>\$ 255,042</u>
Fund balance, beginning			<u>113,932,789</u>				<u>666,704</u>	
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 ##	-	-	-	-	77,108,048
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.

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 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 **

	2018	2019
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)	\$ -	\$ -
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.

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**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Property taxes	\$ 56,953,000	\$ 59,467,000	\$ 58,052,777	\$ (1,414,223)
Investment income	<u>475,000</u>	<u>500,000</u>	<u>1,002,126</u>	<u>502,126</u>
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	<u>15,000</u>	<u>20,000</u>	<u>15,594</u>	<u>4,406</u>
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
	<u>Fund</u>
Assets	
Cash and investments	\$ 10,168,095
Accounts receivable	6,325
Grants receivable	-
Due from component units	-
Prepays	-
Inventories	-
	<u> </u>
Total assets	<u>\$ 10,174,420</u>
 Liabilities	
Accounts payable	\$ 829,083
Due to other funds	-
Accrued salaries and benefits	-
Construction retainage payable	39,922
Unearned revenues	-
	<u> </u>
Total liabilities	<u>869,005</u>
 Fund Balances	
Nonspendable: deposits, inventories, prepaids	-
Restricted: special revenue funds	-
Committed: capital projects	9,305,415
Committed: special revenue fund	-
	<u> </u>
Total fund balances	<u>9,305,415</u>
Total liabilities and fund balances	<u>\$ 10,174,420</u>

See the accompanying Independent Auditors' Report.

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.

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
	<u> </u>
Revenues	
Intergovernmental	\$ 9,912,533
Investment income	202,522
Charges for services	-
Pupil activities	-
Miscellaneous	310,461
State intergovernmental	-
Federal intergovernmental	-
	<u> </u>
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	-
	<u> </u>
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	-
	<u> </u>
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.

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
<u>7,354,332</u>	<u>2,740,496</u>	<u>9,700,075</u>	<u>10,032,097</u>	<u>7,661,223</u>	<u>47,913,739</u>
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
<u>7,248,051</u>	<u>527,391</u>	<u>9,700,075</u>	<u>10,294,614</u>	<u>7,371,000</u>	<u>43,975,421</u>
<u>106,281</u>	<u>2,213,105</u>	<u>-</u>	<u>(262,517)</u>	<u>290,223</u>	<u>3,938,318</u>
11,020	-	-	-	-	11,020
-	-	-	-	(11,020)	(11,020)
<u>11,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,020)</u>	<u>-</u>
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
<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>

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**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
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	<u>75,000</u>	<u>75,000</u>	<u>310,461</u>	<u>235,461</u>
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**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues				
Investment income	\$ 41,000	\$ 80,000	\$ 89,639	\$ 9,639
Charges for services	<u>7,044,000</u>	<u>7,214,000</u>	<u>7,264,693</u>	<u>50,693</u>
Total revenues	<u>7,085,000</u>	<u>7,294,000</u>	<u>7,354,332</u>	<u>60,332</u>
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	<u>3,280,813</u>	<u>3,522,369</u>	<u>-</u>	<u>3,522,369</u>
Total expenditures	<u>10,073,813</u>	<u>10,622,369</u>	<u>7,248,051</u>	<u>3,374,318</u>
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	<u>-</u>	<u>-</u>	<u>11,020</u>	<u>11,020</u>
Net change in fund balances	(2,988,813)	(3,328,369)	117,301	3,445,670
Fund balance, beginning	<u>2,988,813</u>	<u>3,328,369</u>	<u>3,328,369</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,445,670</u></u>	<u><u>\$ 3,445,670</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
Fair Contributions Fund
For the Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
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**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	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	<u>11,485,514</u>	<u>12,297,439</u>	<u>9,700,075</u>	<u>(2,597,364)</u>
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	<u>26,819</u>	<u>37,559</u>	<u>85,116</u>	<u>(47,557)</u>
Total expenditures	<u>11,485,514</u>	<u>12,297,439</u>	<u>9,700,075</u>	<u>2,597,364</u>
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**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	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	<u>5,286,412</u>	<u>5,091,558</u>	<u>5,084,158</u>	<u>(7,400)</u>
Total revenues	<u>10,058,954</u>	<u>10,007,396</u>	<u>10,032,097</u>	<u>24,701</u>
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	<u>2,241,835</u>	<u>2,106,413</u>	<u>-</u>	<u>2,106,413</u>
Total expenditures	<u>12,306,428</u>	<u>12,328,897</u>	<u>10,294,614</u>	<u>2,034,283</u>
Net change in fund balances	(2,247,474)	(2,321,501)	(262,517)	2,058,984
Fund balance, beginning	<u>2,247,474</u>	<u>2,321,501</u>	<u>2,321,501</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,058,984</u>	<u>\$ 2,058,984</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
Student Activity Fund
For the Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
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	<u>797,000</u>	<u>640,000</u>	<u>933,622</u>	<u>293,622</u>
Total revenues	<u>7,338,000</u>	<u>7,540,000</u>	<u>7,661,223</u>	<u>121,223</u>
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	<u>-</u>	<u>5,574,070</u>	<u>-</u>	<u>5,574,070</u>
Total expenditures	<u>12,621,115</u>	<u>12,774,070</u>	<u>7,371,000</u>	<u>5,403,070</u>
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	<u>-</u>	<u>-</u>	<u>(11,020)</u>	<u>(11,020)</u>
Net change in fund balances	(5,283,115)	(5,234,070)	279,203	5,513,273
Fund balance, beginning	<u>5,283,115</u>	<u>5,234,070</u>	<u>5,234,070</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,513,273</u>	<u>\$ 5,513,273</u>

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**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
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	<u>1,500</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
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	<u>16,632,000</u>	<u>16,632,000</u>	<u>15,603,272</u>	<u>1,028,728</u>
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**

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

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
	<u> </u>	<u> </u>	<u> </u>
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	<u>12,415,364</u>	<u>2,920,821</u>	<u>9,668,738</u>
Total assets	<u>16,541,509</u>	<u>5,555,148</u>	<u>15,415,900</u>
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	<u>65,926</u>	<u>9,105</u>	<u>64,701</u>
Total deferred outflows of resources	<u>2,554,813</u>	<u>1,141,849</u>	<u>6,247,727</u>
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	<u>302,520</u>	<u>184,986</u>	<u>691,103</u>
Total liabilities	<u>17,703,460</u>	<u>8,310,673</u>	<u>28,924,940</u>
Deferred inflows of resources			
Related to pension	4,171,313	3,358,523	10,546,622
Related to OPEB	<u>461</u>	<u>8,505</u>	<u>1,052</u>
Total deferred inflows of resources	<u>4,171,774</u>	<u>3,367,028</u>	<u>10,547,674</u>
Net Position			
Net investment in capital assets	2,232,514	(955,945)	(2,540,948)
Restricted for			
Emergencies	120,485	74,362	284,477
Debt service	1,015,047	-	-
Capital projects	60,939	-	-
Unrestricted	<u>(6,207,897)</u>	<u>(4,099,121)</u>	<u>(15,552,516)</u>
Total net position	<u>\$ (2,778,912)</u>	<u>\$ (4,980,704)</u>	<u>\$ (17,808,987)</u>

See the accompanying Independent Auditors' Report.

Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	Component Units Total Charter Schools
\$ 2,462,683	\$ 997,635	\$ 3,482,766	\$ 14,371,069
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
<u>2,507,861</u>	<u>1,173,566</u>	<u>28,279,936</u>	<u>69,473,920</u>
-	-	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
<u>2,299,558</u>	<u>1,349,514</u>	<u>6,325,451</u>	<u>19,918,912</u>
14,841	32,910	69,370	405,754
16,833	405	136,522	166,654
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
<u>8,066,768</u>	<u>4,557,804</u>	<u>38,300,154</u>	<u>105,863,799</u>
6,199,107	2,605,296	10,545,334	37,426,195
566	318	29,974	40,876
<u>6,199,673</u>	<u>2,605,614</u>	<u>10,575,308</u>	<u>37,467,071</u>
-	121,896	(268,411)	(1,410,894)
184,570	76,000	240,000	979,894
-	-	-	1,015,047
-	-	830,722	891,661
<u>(9,643,592)</u>	<u>(4,838,234)</u>	<u>(15,072,386)</u>	<u>(55,413,746)</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.

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	<u>541,400</u>	<u>152,414</u>	<u>532,188</u>
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	<u>1,685,217</u>	<u>58,462</u>	<u>250,034</u>
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	<u>100,022</u>	<u>28,801</u>	<u>9,216</u>
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.

			Component Units
Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	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
133,532	250,080	175,464	964,885
159,210	125,541	273,228	2,551,692
<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.

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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)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
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	<u>41,983,603</u>	<u>49,879,868</u>	<u>52,817,264</u>	<u>74,351,302</u>
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	<u>967,637</u>	<u>1,534,339</u>	<u>1,957,064</u>	<u>2,065,046</u>
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	<u>42,951,240</u>	<u>51,414,207</u>	<u>54,774,328</u>	<u>76,416,348</u>
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.

<u>2014</u>	<u>2015 (2)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (3)</u>	<u>2019</u>
\$ 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
<u>75,262,484</u>	<u>(355,968,501)</u>	<u>(365,795,314)</u>	<u>(733,090,324)</u>	<u>(766,165,267)</u>	<u>(701,743,649)</u>
<u>127,698,239</u>	<u>(300,891,982)</u>	<u>(297,280,681)</u>	<u>(439,713,149)</u>	<u>(654,490,759)</u>	<u>(564,034,407)</u>
1,046,337	-	-	-	-	-
-	-	-	-	-	-
<u>2,226,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,273,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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
<u>77,489,227</u>	<u>(355,968,501)</u>	<u>(365,795,314)</u>	<u>(733,090,324)</u>	<u>(766,165,267)</u>	<u>(701,743,649)</u>
<u>\$ 130,971,319</u>	<u>\$ (300,891,982)</u>	<u>\$ (297,280,681)</u>	<u>\$ (439,713,149)</u>	<u>\$ (654,490,759)</u>	<u>\$ (564,034,407)</u>

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.

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
<u>301,153,988</u>	<u>337,962,017</u>	<u>355,396,768</u>	<u>526,982,016</u>	<u>591,631,020</u>	<u>335,831,188</u>
8,878,049	-	-	-	-	-
<u>\$ 310,032,037</u>	<u>\$ 337,962,017</u>	<u>\$ 355,396,768</u>	<u>\$ 526,982,016</u>	<u>\$ 591,631,020</u>	<u>\$ 335,831,188</u>
\$ 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
<u>43,604,470</u>	<u>56,137,648</u>	<u>56,567,000</u>	<u>58,797,803</u>	<u>56,905,676</u>	<u>61,633,238</u>
3,879,122	-	-	-	-	-
5,052,608	-	-	-	-	-
15,396	-	-	-	-	-
<u>8,947,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 52,551,596</u>	<u>\$ 56,137,648</u>	<u>\$ 56,567,000</u>	<u>\$ 58,797,803</u>	<u>\$ 56,905,676</u>	<u>\$ 61,633,238</u>
\$ (257,549,518)	\$ (281,824,369)	\$ (298,829,768)	\$ (468,184,213)	\$ (534,725,344)	\$ (274,197,950)
69,077	-	-	-	-	-
<u>\$ (257,480,441)</u>	<u>\$ (281,824,369)</u>	<u>\$ (298,829,768)</u>	<u>\$ (468,184,213)</u>	<u>\$ (534,725,344)</u>	<u>\$ (274,197,950)</u>
\$ 96,794,464	\$ 97,352,334	\$ 117,616,184	\$ 130,381,255	\$ 139,219,380	\$ 144,616,943
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
<u>263,967,376</u>	<u>276,382,908</u>	<u>302,441,069</u>	<u>325,751,745</u>	<u>345,237,238</u>	<u>364,654,302</u>
1,157	-	-	-	-	-
<u>\$ 263,968,533</u>	<u>\$ 276,382,908</u>	<u>\$ 302,441,069</u>	<u>\$ 325,751,745</u>	<u>\$ 345,237,238</u>	<u>\$ 364,654,302</u>
\$ 6,417,858	\$ (5,441,461)	\$ 3,611,301	\$ (142,432,468)	\$ (189,488,106)	\$ 90,456,352
70,234	-	-	-	-	-
<u>\$ 6,488,092</u>	<u>\$ (5,441,461)</u>	<u>\$ 3,611,301</u>	<u>\$ (142,432,468)</u>	<u>\$ (189,488,106)</u>	<u>\$ 90,456,352</u>

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 96,794,464	\$ 97,352,334	\$ 117,616,184	\$ 130,381,255	\$ 139,219,380	\$ 144,616,943
8,241,096	8,253,685	7,938,746	9,904,649	11,588,740	11,830,477
<u>119,131,699</u>	<u>133,584,264</u>	<u>132,980,049</u>	<u>137,977,278</u>	<u>139,726,941</u>	<u>147,896,140</u>
<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>\$ 304,343,560</u>
\$ 307,571,846	\$ 332,520,556	\$ 359,008,069	\$ 384,549,548	\$ 402,142,914	\$ 426,287,540
72.9%	71.9%	72.0%	72.4%	72.2%	71.4%

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)

	<u>2010</u>	<u>2011 (2)</u>	<u>2012</u>	<u>2013</u>
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	<u>5,750,977</u>	<u>8,526,501</u>	<u>5,409,629</u>	<u>4,126,286</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 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.

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>
(3,097,470)	2,463,826	21,295,970	34,390	(94,616,310)	(44,718,028)
\$ -	\$ 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)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
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	<u>110,042,029</u>	<u>101,290,756</u>	<u>103,622,720</u>	<u>108,346,576</u>
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

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

<u>Agriculture</u>	<u>Natural Resources</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (1)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 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					Total	Percentage of Average Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Deferred Bond Premium	Registered Coupons & Related Discount	Capital Lease				
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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 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	\$ 8,953,509	\$ 9,446,586	\$ 10,073,409	\$ 10,625,973

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2018 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	\$ 38,792	\$ 40,635	\$ 43,272	\$ 45,024

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.

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 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>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
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)

		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
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

<u>2015</u>	<u>2016 (6)</u>	<u>2017 (6)</u>	<u>2018 (6)</u>	<u>2019 (6)</u>
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)

<u>Function (2)</u>	<u>Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
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

<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

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)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
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	<u>4,943,227</u>	<u>1,095,578</u>	<u>1,095,578</u>	<u>1,095,578</u>
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	<u>29,210,118</u>	<u>30,357,183</u>	<u>24,868,107</u>	<u>25,752,447</u>
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	<u>20,548,985</u>	<u>22,192,475</u>	<u>18,069,528</u>	<u>17,801,645</u>
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

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
<u>27,679,925</u>	<u>33,217,049</u>	<u>22,484,110</u>	<u>46,761,442</u>	<u>109,407,742</u>	<u>52,953,737</u>
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
<u>536,994,241</u>	<u>544,006,868</u>	<u>561,020,124</u>	<u>567,132,605</u>	<u>614,528,660</u>	<u>710,191,045</u>
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
<u>159,238,129</u>	<u>176,293,923</u>	<u>192,017,244</u>	<u>207,895,749</u>	<u>223,838,037</u>	<u>244,936,176</u>
<u>377,756,112</u>	<u>367,712,945</u>	<u>369,002,880</u>	<u>359,236,856</u>	<u>390,690,623</u>	<u>465,254,869</u>
<u>\$ 405,436,037</u>	<u>\$ 400,929,994</u>	<u>\$ 391,486,990</u>	<u>\$ 405,998,298</u>	<u>\$ 500,098,365</u>	<u>\$ 518,208,606</u>
\$ 3,402,259	\$ -	\$ -	\$ -	\$ -	\$ -
2,355,922	-	-	-	-	-
<u>\$ 1,046,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



COMPLIANCE SECTION

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Vrain Valley School District RE-1J, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise St. Vrain Valley School District RE-1J's basic financial statements, and have issued our report thereon dated October 29, 2019. Our report includes a reference to other auditors who audited the financial statements of Aspen Ridge Preparatory School, Carbon Valley Academy, Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School and Twin Peaks Charter Academy, as described in our report on St. Vrain Valley School District RE-1J's financial statements. This report does not include the results of Aspen Ridge Preparatory School, Carbon Valley Academy, Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School and Twin Peaks Charter Academy auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Aspen Ridge Preparatory School, Carbon Valley Academy, Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School and Twin Peaks Charter Academy were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Vrain Valley School District RE-1J's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Vrain Valley School District RE-1J's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Vrain Valley School District RE-1J's internal control.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Vrain Valley School District RE-1J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 29, 2019



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

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

Report on Compliance for Each Major Federal Program

We have audited St. Vrain Valley School District RE-1J's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on St. Vrain Valley School District RE-1J's major federal program for the year ended June 30, 2019. St. Vrain Valley School District RE-1J's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance over St. Vrain Valley School District RE-1J's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Vrain Valley School District RE-1J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of St. Vrain Valley School District RE-1J's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Vrain Valley School District RE-1J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of St. Vrain Valley School District RE-1J are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered St. Vrain Valley School District RE-1J's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. Vrain Valley School District RE-1J's internal control over compliance.

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

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

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



CliftonLarsonAllen LLP

Greenwood, Colorado
October 29, 2019

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St. Vrain Valley School District RE-1J

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Cluster Subtotal	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Education					
<i>Passed through State Department of Education</i>					
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	4010, 92xx		\$ 3,273,335	\$ -
Special Education - Grants to States (IDEA, Part B)	84.027	4027	\$ 4,151,070		
Special Education - Preschool Grants (IDEA Preschool)	84.173	4173	<u>67,731</u>		
<i>Total of Special Education Cluster</i>				4,218,801	-
Education for Homeless Children and Youth	84.196	5196		39,009	-
English Language Acquisition State Grants (Title III, Part A of ESEA)	84.365	4365		271,674	-
Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	4367		654,719	-
Student Support and Academic Enrichment Grants	84.424	4424		164,796	-
<i>Passed through Colorado Community Colleges & Occupational Education System</i>					
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	4048		<u>158,330</u>	-
Total U.S. Department of Education				8,780,664	-
Department of Defense - National Security Agency					
<i>Direct award from the Federal government</i>					
GenCyber Grants Program	12.903	7903		<u>75,519</u>	-
Total Dept. of Defense - National Security Agency				75,519	-
U.S. Department of Agriculture					
<i>Passed through State Department of Public Health & Environment</i>					
Child and Adult Care Food Program	10.558	4558		37,419	-
<i>Passed through State Department of Human Services</i>					
National School Lunch Program (non-cash commodities entitlement)	10.555	4555	725,716		
<i>Passed through State Department of Education</i>					
School Breakfast Program	10.553	4553	1,267,932		
National School Lunch Program	10.555	4555	3,589,202		
Summer Food Service Program for Children	10.559	4559	<u>189,604</u>		
<i>Total of Child Nutrition Cluster</i>				5,772,454	-
Total U.S. Department of Agriculture				5,809,873	-
Total Expenditures of Federal Awards				<u>\$ 14,666,056</u>	<u>\$ -</u>

See the accompanying notes to the schedule of expenditures of federal awards.

St. Vrain Valley School District RE-1J

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the St. Vrain Valley School District RE-1J (the District) for the fiscal year ended June 30, 2019. The accompanying Schedule is presented on a modified accrual basis of accounting for governmental funds as defined in Note 1 of the District's basis financial statements. The federal financial reports that are submitted to the grantors are prepared on a cash basis and may not agree with this Schedule.

NOTE 2: NONCASH

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$725,716 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (CFDA #10.555).

NOTE 3: INDIRECT COSTS

The District has not elected to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance, Section 414.

**ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)

84.027, 84.173

Name of Federal Program or Cluster

Special Education Cluster – IDEA Part B & Preschool

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

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

Colorado Department of Education

St. Vrain Valley School District RE-1J respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2019.

Audit period: June 30, 2019

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2018 – 001 Significant Deficiency in Internal Controls Over Compliance and Compliance for Procurement

Condition: For a single purchase amounting to \$49,713, the District did not have evidence of price or rate quotes in advance from a reasonable number of qualified sources and document the significant history of the purchase consistent with the Uniform Guidance. The District's internal controls over procurement failed to prevent or detect and correct, the error on a timely basis.

Status: Corrected. The District's internal controls have been aligned in order to ensure purchases are consistent with the Uniform Guidance.

If the Colorado Department of Education has questions regarding this schedule, please call Greg Fieth, Chief Financial Officer at 303-682-7203.



Colorado Department of Education

Auditors Integrity Report

District: 0470 - St Vrain Valley RE1J

Fiscal Year 2018-19

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources +	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	113,932,789	288,791,100	286,390,025	116,333,863
18 Risk Mgmt Sub-Fund of General Fund	5,966,416	4,362,960	3,215,037	7,114,339
19 Colorado Preschool Program Fund	666,703	1,717,479	1,583,445	800,737
Sub- Total	120,565,908	294,871,538	291,188,507	124,248,939
11 Charter School Fund	10,423,060	30,687,176	30,425,683	10,684,553
20,26-29 Special Revenue Fund	9,369,751	10,930,895	8,604,272	11,696,374
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	2,321,501	10,032,096	10,294,614	2,058,983
22 Govt Designated-Purpose Grants Fund	0	10,187,774	10,187,774	0
23 Pupil Activity Special Revenue Fund	6,608,971	8,668,941	8,362,457	6,915,455
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	62,572,847	59,054,903	68,852,514	52,775,236
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	101,441,315	67,228,697	43,271,853	125,398,159
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	7,714,190	10,425,516	8,834,291	9,305,415
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	321,017,543	502,087,536	480,021,966	343,083,114
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	5,167,234	1,669,290	-1,344,790	8,181,314
Totals	5,167,234	1,669,290	-1,344,790	8,181,314
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	231,251	36,941	268,191	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	231,251	36,941	268,191	0

FINAL

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

10/29/19

4:24 PM



MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Acceptance of District's Charter Schools' 2019 Fiscal Year Assurances for Financial Accreditation
Strategic Priority – Strong District Finances

RECOMMENDATION

That the Board of Education accept the individual District charter schools' Assurances for Financial Accreditation for the year ended June 30, 2019, as presented.

BACKGROUND

This form is required pursuant to C.R.S. 22-11-206(4). The Colorado Department of Education must determine annually if substantial and good-faith compliance was achieved with relevant provisions of state law and generally accepted accounting principles. Substantial compliance is determined through review of the finance data pipeline submission, audited financial statements, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided on the form as certified by those charged with governance.

Each District charter school is required to complete a checklist stating compliance with the referenced statute. The checklist must be reviewed and approved by the charter school's financial officer, principal or executive director, and its school board. As the charter authorizer, the District has oversight of each charter. The checklists are provided to the District Board of Education for informational purposes related to the financial performance of each charter school. The checklist is part of the required annual reporting package to the Colorado Department of Education.

District staff will be available to answer questions.



Overview

A charter school is required to comply with all of the state financial and budget rules, regulations and financial reporting requirements pursuant to Section 22-30.5-112(7), C.R.S. This form is required pursuant to Section 22-11-206(4), C.R.S. when an authorizer does not provide assurances for the charter school(s) within the authorizer’s FORM AFA2019 or to support compliance monitoring by the authorizer. The assurance form must be submitted certifying substantial and good-faith compliance with the a) School District Budget Law, b) Financial Policies and Procedures Act, c) Public School Financial Transparency Act, and d) accounting and reporting. The Colorado Department of Education monitors compliance by reviewing finance data pipeline submissions, audited financial statements, financial transparency websites, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided below as certified by those charged with governance.

Completion and submission

1. Open header and select entity from the drop down. Schools are ordered by authorizer numeric code then by school name.
2. Select the appropriate response for each assurance. Note: select “N/A” when item is not applicable.
3. Complete an Attachment A for each “No” response.
4. Scan to PDF the completed and signed CHARTER FORM AFA2019 with, if applicable, an Attachment A for each “No” response.
5. Forms executed by a charter school should be submitted to the authorizer. Forms executed by an authorizer should be submitted to CDE with the following items as PDF files via email attachments to: schoolfinance@cde.state.co.us
 - a. FORM AFA2019 for the authorizer
 - b. Audited financial statements for year ended June 30, 2019 (including audit reports for charter schools, if applicable)
 - c. Grant Revenue Reconciliation Report from data pipeline with responses for all differences in column 9
 - d. Finance December Error Detail Report - Rollup from data pipeline with confirmation or responses for all warning edits

PART 1 - Assurances for Article 44 Budget Policy and Procedures required pursuant to Section 22-11-206(4)(a)(I), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
44-1	Adopt budget and an appropriation resolution	22-44-103(1) 22-44-107	The board of education adopted a budget and an appropriation resolution prior to June 30, 2018. <i>Note:</i> the appropriation resolution may, by reference, incorporate the budget as adopted.	Yes
44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2018-19 itemizes expenditures by fund and by pupil.	Yes
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-4	Uniform summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2018-19 includes a uniform summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that such use will not lead to an ongoing deficit.	N/A
44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The district reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	Yes
44-7	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2019-20fiscal year and thereby unavailable for appropriation during the 2018-19 fiscal year.	No
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2018-19 was submitted to the board by May 31, 2018.	Yes
44-9	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	Yes
44-10	Adoption of budget	22-44-110(4)	The budget for fiscal year 2018-19 was adopted by the board by June 30, 2018.	Yes
44-11	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2019, were made through adoption of a supplemental budget by the board.	Yes
44-12	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	N/A
44-13	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts appropriated for each fund.	Yes
44-14	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes
44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	Yes
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes

PART 3 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Replace with name

Company/vendor contact: Name: Replace with name Email: Replace with email





PART 4 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 and 2 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Director of Operations (signature)

(printed name)

Mark Ridenour

Mark Ridenour

Date: 11/5/2019

Principal (signature)

(printed name)

Charla Salmeron

Charla Salmeron

Date: 11/05/19

I certify that the board reviewed the assurances and approved the related responses.

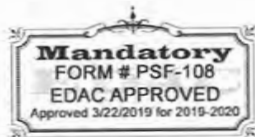
President of the Board (signature)

(printed name)

Randy Drennen

Randy Drennen

Date: 11/7/19



**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

Select entity: 0470: St Vrain Valley Re 1J

Charter school name, if applicable: Aspen Ridge Preparatory School

Select related assurance: 44-7, Contingency reserve - operating reserve

Explanation for non-compliance:

The Charter School intentionally holds operating reserves and fund balance to satisfy current bond covenants and in anticipation of future projects.

Plan to address non-compliance:

The school will not hold reserves and non-appropriated fund balance in excess of 15% of annual expenditures in excess of anticipated future projects and beyond what is required by current bond covenants.

Actual or expected date of compliance MM/DD/YY: Enter Date Unkonwn

Additional Comments:

**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

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11/05/19



Overview

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Completion and submission

1. Open header and select entity from the drop down. Schools are ordered by authorizer numeric code then by school name.
2. Select the appropriate response for each assurance. Note: select “N/A” when item is not applicable.
3. Complete an Attachment A for each “No” response.
4. Scan to PDF the completed and signed CHARTER FORM AFA2019 with, if applicable, an Attachment A for each “No” response.
5. Forms executed by a charter school should be submitted to the authorizer. Forms executed by an authorizer should be submitted to CDE with the following items as PDF files via email attachments to: schoolfinance@cde.state.co.us
 - a. FORM AFA2019 for the authorizer
 - b. Audited financial statements for year ended June 30, 2019 (including audit reports for charter schools, if applicable)
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44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2018-19 itemizes expenditures by fund and by pupil.	Yes
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-4	Uniform summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2018-19 includes a uniform summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that such use will not lead to an ongoing deficit.	Yes
44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The district reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	Yes
44-7	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2019-20fiscal year and thereby unavailable for appropriation during the 2018-19 fiscal year.	Yes
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2018-19 was submitted to the board by May 31, 2018.	Yes
44-9	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	Yes
44-10	Adoption of budget	22-44-110(4)	The budget for fiscal year 2018-19 was adopted by the board by June 30, 2018.	Yes
44-11	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2019, were made through adoption of a supplemental budget by the board.	Yes
44-12	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	Yes
44-13	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts appropriated for each fund.	Yes
44-14	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes
44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	Yes
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes

PART 3 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Replace with name

Company/vendor contact: Name: Replace with name Email: Replace with email





PART 4 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 and 2 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer /Business Manager (signature)

[Handwritten Signature]

(printed name)

Vanessa Arevalo

Date: *11/5/19*

Superintendent /Executive Director (signature)

[Handwritten Signature]

(printed name)

Janet K Wyatt

Date: *11/5/19*

I certify that the board reviewed the assurances and approved the related responses.

* President of the Board (signature)

[Handwritten Signature]

(printed name)

Wayne Reburn

Date: *11/5/19*





Overview

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Completion and submission

1. Open header and select entity from the drop down. Schools are ordered by authorizer numeric code then by school name.
2. Select the appropriate response for each assurance. Note: select “N/A” when item is not applicable.
3. Complete an Attachment A for each “No” response.
4. Scan to PDF the completed and signed CHARTER FORM AFA2019 with, if applicable, an Attachment A for each “No” response.
5. Forms executed by a charter school should be submitted to the authorizer. Forms executed by an authorizer should be submitted to CDE with the following items as PDF files via email attachments to: schoolfinance@cde.state.co.us
 - a. FORM AFA2019 for the authorizer
 - b. Audited financial statements for year ended June 30, 2019 (including audit reports for charter schools, if applicable)
 - c. Grant Revenue Reconciliation Report from data pipeline with responses for all differences in column 9
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PART 1 - Assurances for Article 44 Budget Policy and Procedures required pursuant to Section 22-11-206(4)(a)(I), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
44-1	Adopt budget and an appropriation resolution	22-44-103(1) 22-44-107	The board of education adopted a budget and an appropriation resolution prior to June 30, 2018. <i>Note:</i> the appropriation resolution may, by reference, incorporate the budget as adopted.	Yes
44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2018-19 itemizes expenditures by fund and by pupil.	Yes
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-4	Uniform summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2018-19 includes a uniform summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that such use will not lead to an ongoing deficit.	Yes
44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The district reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	No
44-7	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2019-20fiscal year and thereby unavailable for appropriation during the 2018-19 fiscal year.	Yes
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2018-19 was submitted to the board by May 31, 2018.	Yes
44-9	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	Yes
44-10	Adoption of budget	22-44-110(4)	The budget for fiscal year 2018-19 was adopted by the board by June 30, 2018.	Yes
44-11	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2019, were made through adoption of a supplemental budget by the board.	Yes
44-12	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	Yes
44-13	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts appropriated for each fund.	Yes
44-14	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes
44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	Yes
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes

PART 3 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Replace with name

Company/vendor contact: Name: Replace with name Email: Replace with email





PART 4 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 and 2 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer/Business Manager (signature)

(printed name)

[Handwritten Signature]

Kim McKee

Date: 10/16/2019

Superintendent/Executive Director (signature)

(printed name)

[Handwritten Signature]

Wayne Granger

Date: 10/16/19

I certify that the board reviewed the assurances and approved the related responses.

President of the Board (signature)

(printed name)

[Handwritten Signature]

Leah Herrera

Date: 10/18/19



**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

Select entity: 0470: St Vrain Valley Re 1J

Charter school name, if applicable: Flagstaff Academy

Select related assurance: 44-6, Ongoing deficit

Explanation for non-compliance:

Flagstaff reported a negative unrestricted balance in fund 69, its Building Corporation. As noted in the District's previous review this is the result of debit structure versus depreciation schedule for its school building.

Plan to address non-compliance:

Until the bond principle payoff is higher than the depreciation recognized, we expect it to continue to reflect a negative unrestricted fund balance in its Building Corporation.

Actual or expected date of compliance MM/DD/YY: Enter Date

Additional Comments:

11/06/19

**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

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11/06/19



Overview

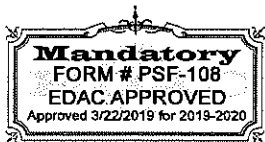
A charter school is required to comply with all of the state financial and budget rules, regulations and financial reporting requirements pursuant to Section 22-30.5-112(7), C.R.S. This form is required pursuant to Section 22-11-206(4), C.R.S. when an authorizer does not provide assurances for the charter school(s) within the authorizer’s FORM AFA2019 or to support compliance monitoring by the authorizer. The assurance form must be submitted certifying substantial and good-faith compliance with the a) School District Budget Law, b) Financial Policies and Procedures Act, c) Public School Financial Transparency Act, and d) accounting and reporting. The Colorado Department of Education monitors compliance by reviewing finance data pipeline submissions, audited financial statements, financial transparency websites, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided below as certified by those charged with governance.

Completion and submission

1. Open header and select entity from the drop down. Schools are ordered by authorizer numeric code then by school name.
2. Select the appropriate response for each assurance. Note: select “N/A” when item is not applicable.
3. Complete an Attachment A for each “No” response.
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PART 1 - Assurances for Article 44 Budget Policy and Procedures required pursuant to Section 22-11-206(4)(a)(I), C.R.S.

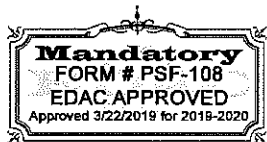
Ref.	Description	C.R.S. Section	Assurance	Response
44-1	Adopt budget and an appropriation resolution	22-44-103(1) 22-44-107	The board of education adopted a budget and an appropriation resolution prior to June 30, 2018. <i>Note:</i> the appropriation resolution may, by reference, incorporate the budget as adopted.	Yes
44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2018-19 itemizes expenditures by fund and by pupil.	Yes
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-4	Uniform summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2018-19 includes a uniform summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that such use will not lead to an ongoing deficit.	Yes
44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The district reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	Yes
44-7	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2019-20fiscal year and thereby unavailable for appropriation during the 2018-19 fiscal year.	Yes
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2018-19 was submitted to the board by May 31, 2018.	Yes
44-9	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	No
44-10	Adoption of budget	22-44-110(4)	The budget for fiscal year 2018-19 was adopted by the board by June 30, 2018.	Yes
44-11	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2019, were made through adoption of a supplemental budget by the board.	N/A
44-12	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	N/A
44-13	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts appropriated for each fund.	Yes
44-14	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes
44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	N/A
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes

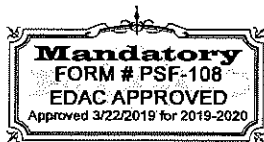
PART 3 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Replace with name

Company/vendor contact: Name: Replace with name

Email: Replace with email





PART 4 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 and 2 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer/Business Manager (signature)

(printed name)

Lori Olson

Lori Olson

Date: 11/1/19

Superintendent/Executive Director (signature)

(printed name)

Jessica Cervantes

Jessica Cervantes

Date: 11/1/2019

I certify that the board reviewed the assurances and approved the related responses.

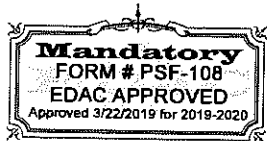
President of the Board (signature)

(printed name)

Todd Riccio

Todd Riccio

Date: 11/1/19



**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

Select entity: 0470: St Vrain Valley Re 1J

Charter school name, if applicable: Imagine Charter School at Firestone

Select related assurance: 44-9, Notice of proposed budget

Explanation for non-compliance:

We were unaware that we were out of compliance on this item. We have been posting our budget notice “publicly” on our website and in the school entryway, both places accessible by the public. At the last Finance Seminar, we learned from a presenter that the intent of the law requires that the notice be published in a newspaper with local circulation.

Plan to address non-compliance:

We will begin posting the budget notices in local papers immediately.

Actual or expected date of compliance MM/DD/YY: 11/19/19

Additional Comments:

11/06/19



**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

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11/06/19



CHARTER FORM AFA2019
Assurances for Financial Accreditation 0470: St. Vrain Community Montessori School

Fiscal Year 2018-19

Overview

A charter school is required to comply with all of the state financial and budget rules, regulations and financial reporting requirements pursuant to Section 22-30.5-112(7), C.R.S. This form is required pursuant to Section 22-11-206(4), C.R.S. when an authorizer does not provide assurances for the charter school(s) within the authorizer’s FORM AFA2019 or to support compliance monitoring by the authorizer. The assurance form must be submitted certifying substantial and good-faith compliance with the a) School District Budget Law, b) Financial Policies and Procedures Act, c) Public School Financial Transparency Act, and d) accounting and reporting. The Colorado Department of Education monitors compliance by reviewing finance data pipeline submissions, audited financial statements, financial transparency websites, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided below as certified by those charged with governance.

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PART 1 - Assurances for Article 44 Budget Policy and Procedures required pursuant to Section 22-11-206(4)(a)(I), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
44-1	Adopt budget and an appropriation resolution	22-44-103(1) 22-44-107	The board of education adopted a budget and an appropriation resolution prior to June 30, 2018. <i>Note:</i> the appropriation resolution may, by reference, incorporate the budget as adopted.	Yes
44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2018-19 itemizes expenditures by fund and by pupil.	Yes
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes





CHARTER FORM AFA2019
Assurances for Financial Accreditation 0470: St. Vrain Community Montessori School

Fiscal Year 2018-19

Ref.	Description	C.R.S. Section	Assurance	Response
44-4	Uniform summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2018-19 includes a uniform summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that such use will not lead to an ongoing deficit.	Yes
44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The district reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	Yes
44-7	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2019-20fiscal year and thereby unavailable for appropriation during the 2018-19 fiscal year.	Yes
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2018-19 was submitted to the board by May 31, 2018.	Yes
44-9	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	Yes
44-10	Adoption of budget	22-44-110(4)	The budget for fiscal year 2018-19 was adopted by the board by June 30, 2018.	Yes
44-11	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2019, were made through adoption of a supplemental budget by the board.	N/A
44-12	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	N/A
44-13	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts appropriated for each fund.	Yes
44-14	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes
44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	N/A
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes

PART 3 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Replace with name

Company/vendor contact: Name: Replace with name Email: Replace with email





PART 4 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 and 2 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer/Business Manager (signature)

[Signature]

(printed name)

Bart A Skidmore
RENTIER CPA

Date: 11/1/2019

Superintendent/Executive Director (signature)

[Signature]

(printed name)

KATIE TORRES

Date: 11/1/19

I certify that the board reviewed the assurances and approved the related responses.

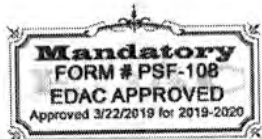
President of the Board (signature)

[Signature]

(printed name)

Jennifer Kemp

Date: 11/4/19





Overview

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Ref.	Description	C.R.S. Section	Assurance	Response
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44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
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44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The districted reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	No
44-7	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2019-20fiscal year and thereby unavailable for appropriation during the 2018-19 fiscal year.	Yes
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2018-19 was submitted to the board by May 31, 2018.	Yes
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44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	Yes
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes

PART 3 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Replace with name

Company/vendor contact: Name: Replace with name Email: Replace with email





COLORADO
 Department of Education
 School Finance and
 Operations Division

CHARTER FORM AFA2019
 Assurances for Financial Accreditation

Fiscal Year 2018-19

0470 Two Peaks Charter Academy

PART 4 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 and 2 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer/Business Manager (signature)

[Handwritten Signature]

(printed name)

Kim McKeen

Date: 10/16/2019

Superintendent/Executive Director (signature)

[Handwritten Signature]

(printed name)

JOSEPH R. MEHSLING

Date: 10/18/19

I certify that the board reviewed the assurances and approved the related responses.

President of the Board (signature)

[Handwritten Signature]

(printed name)

Regina Casey

Date: 10/22/2019



**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

Select entity: 0470: St Vrain Valley Re 1J

Charter school name, if applicable: Twin Peaks Academy

Select related assurance: 44-6, Ongoing deficit

Explanation for non-compliance:

Twin Peaks reported a negative unrestricted balance in fund 69, its Building Corporation. As noted in the District's previous review this is the result of debit structure versus depreciation schedule for its school building.

Plan to address non-compliance:

Until the bond principle payoff is higher than the depreciation recognized, we expect it to continue to reflect a negative unrestricted fund balance in its Building Corporation.

Actual or expected date of compliance MM/DD/YY: Enter Date

Additional Comments:

11/06/19

**FORM AFA2019 & CHARTER FORM AFA2019
ATTACHMENT A**

Fiscal Year 2018-19

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11/06/19

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of District's 2019 Fiscal Year Assurances for Financial Accreditation
Strategic Priority – Strong District Finances

RECOMMENDATION

That the Board of Education approve the Assurances for Financial Accreditation for the year ended June 30, 2019, as presented.

BACKGROUND

This form is required pursuant to C.R.S. 22-11-206(4). The Colorado Department of Education must determine annually if substantial and good-faith compliance was achieved with relevant provisions of state law and generally accepted accounting principles. Substantial compliance is determined through review of the finance data pipeline submission, audited financial statements, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided on the form as certified by those charged with governance.

The District is required to complete a checklist stating compliance with the referenced statute. The checklist must be reviewed and approved by the Chief Financial Officer, Superintendent, and the Board of Education. The checklist is part of the required annual reporting package to the Colorado Department of Education.

District staff will be available to answer questions.



Overview

This form is required pursuant to Section 22-11-206(4), C.R.S. The school district must submit an assurance form certifying the school district’s substantial and good-faith compliance with the a) School District Budget Law, b) Financial Policies and Procedures Act, c) Public School Financial Transparency Act, and d) accounting and reporting. The Colorado Department of Education monitors the district’s compliance by reviewing the district’s finance data pipeline submission, audited financial statements, financial transparency website, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided below as certified by those charged with governance.

Additional information for charter school authorizers

The assurances provided with this form are also applicable to all charter schools unless a separate CHARTER FORM AFA2019 is executed by or on behalf of a charter school and provided to CDE. The submission of a CHARTER FORM AFA2019 by an authorizer communicates that the authorizer does not provide the assurances for that charter school within the authorizer’s FORM AFA2019. If applicable, CHARTER FORM AFA2019(s) should be submitted with an authorizer’s FORM AFA2019.

Completion and submission

1. Open header and select entity from the drop down.
2. Select the appropriate response for each assurance. Note: select “N/A” when item is not applicable.
3. Complete an Attachment A for each “No” response.
4. Scan to PDF the completed and signed FORM AFA2019 with, if applicable, an Attachment A for each “No” response.
5. Submit with the following items as PDF files via email attachments to: schoolfinance@cde.state.co.us
 - a. Audited financial statements for year ended June 30, 2019 (including audit reports for charter schools, if applicable)
 - b. Grant Revenue Reconciliation Report from data pipeline with responses for all differences in column 9
 - c. Finance December Error Detail Report - Rollup from data pipeline with confirmation or responses for all warning edits

PART 1 - Assurances for Article 44 Budget Policy and Procedures required pursuant to Section 22-11-206(4)(a)(I), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
44-1	Adopt budget and an appropriation resolution	22-44-103(1) 22-44-107	The board of education adopted a budget and an appropriation resolution prior to June 30, 2018. <i>Note:</i> the appropriation resolution may by reference incorporate the budget as adopted.	Yes
44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2018-19 itemizes expenditures by fund and by pupil.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes
44-4	Uniform summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2018-19 includes a uniform summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that use will not lead to an ongoing deficit.	Yes
44-6	Ongoing deficit	22-44-105(1.5)(a)&(c) 22-44-102(7.3)	The district reported, in the annual financial audit, a positive amount in the unassigned fund balance for each governmental fund and unrestricted net assets for each proprietary fund	Yes
44-7	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2019-20 fiscal year and thereby unavailable for appropriation during the 2018-19 fiscal year.	Yes
44-8	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2018-19 was submitted to the board by May 31, 2018.	Yes
44-9	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	Yes
44-10	Adoption of budget	22-44-110(4)	The budget for fiscal year 2018-19 was adopted by the board by June 30, 2018.	Yes
44-11	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2019, were made through adoption of a supplemental budget by the board.	N/A
44-12	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	No
44-13	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts <i>appropriated</i> for each fund.	Yes
44-14	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-15	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	N/A
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes
45-5	Bond redemption fund	22-45-103(1)(b)	A third party custodian was designated to administer the bond redemption fund.	Yes

PART 3 - Assurance required pursuant to Section 22-11-206(4)(b), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
30.5-1	Itemized accounting to charter schools	22-30.5-112(2)(a.4)	An itemized accounting of all costs charged to charter schools was provided to those schools by September 30, 2019.	Yes

PART 4 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Infinite Visions / Tyler Technologies

Company/vendor contact: Name: Kimberly Balentine, Account Executive Email: kim.balentine@tylertech.com





PART 5 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 through 3 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer/Business Manager (signature)

(printed name)

Gregory A. Fieth

Date: November 13, 2019

Superintendent/Executive Director (signature)

(printed name)

Don Haddad, Ed.D.

Date: November 13, 2019

I certify that the board reviewed the assurances and approved the related responses.

President of the Board (signature)

(printed name)

Joie Siegrist

Date: November 13, 2019



Select entity: 0470: St Vrain Valley Re 1J

Charter school name, if applicable:

Select related assurance: 44-12, Interfund borrowing

Explanation for non-compliance:

The Grants Fund reported a \$1.3 million payable to the General Fund at June 30, 2019. However, the Grants Fund received only \$628 thousand within 3 months of fiscal year end due to pending approvals of year-end reports, final requests for funds, and subsequent year allocations.

Plan to address non-compliance:

Most federal grants are on a reimbursement basis. The District works closely with CDE to timely submit year-end reports and final requests for funds; however reimbursements are subject to CDE's approval of these reports and requests.

Actual or expected date of compliance MM/DD/YY: 10/31/19

Additional Comments:

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Firestone Urban Renewal Authority Intergovernmental Agreement – Bighorn Urban Renewal TIF Area
Strategic Priority – Strong District Finances/Outstanding Communication and Collaboration with Community and Corporate Partners

RECOMMENDATION

That the Board of Education approve the Intergovernmental Agreement (IGA) between the Firestone Urban Renewal Authority (FURA) and the St. Vrain Valley School District to ensure the 2008 and 2012 mill levy overrides, bond redemption mills, and all future local school election revenue will be returned to the District from the Tax Increment Financing (TIF) in the area referred to as the Bighorn Urban Renewal area.

BACKGROUND

District staff worked with the Town of Firestone and legal counsel to develop the IGA to ensure that the District voters' expectations are met with regard to bond and mill levy override ballot approval. The District has several Urban Renewal Authority IGA's with other cities within the District boundaries, and this IGA is as protective as the others. Attached are the Urban Renewal Plan, Tax Forecast and County Impact Report, and the IGA for FURA Bighorn Urban Renewal Area for further information.

Greg Fieth, Chief Financial Officer, will be present for questions.

**Urban Renewal Plan for
Bighorn Urban Renewal Area
Firestone, Colorado**

Prepared for:

Firestone Urban Renewal Authority
151 Grant Ave., Firestone, CO 80520

Prepared by:



DGC Consulting
18331 E. Davies Avenue
Foxfield, CO 80016

FINAL
October 2019

Background information and other data have been furnished to DGC Consulting (DGC) by Town of Firestone Urban Renewal Authority, Town of Firestone, and/or third parties, which DGC has used in preparing this report. DGC has relied on this information as furnished, and is neither responsible for nor has confirmed the accuracy of this information.

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1.0 Introduction

1.1 Preface

This Bighorn Urban Renewal Plan (the “Plan” or the “Urban Renewal Plan”) has been prepared for the Town of Firestone, Colorado, which is a statutory town of the State of Colorado (the “Town”). The Plan will be carried out by the Firestone Urban Renewal Authority (the “Authority”), pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes, 1973 (the “Act”), as in effect on the date of approval of this Plan. The administration and implementation of this Plan, including the preparation and execution of any documents implementing it, shall be performed by the Authority.

1.2 Blight Findings

Under the Act, an urban renewal area is a blighted area, which has been designated as appropriate for an urban renewal project by the Board of Trustees of the Town (“Town Board”). In each urban renewal area, conditions of blight, as defined by the Act, must be present, and in order for the Authority to exercise its powers, the Town Board must find that the presence of those conditions of blight substantially impair or arrest the sound growth of the municipality or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare.

The Bighorn Conditions Study prepared by DGC Consulting, dated October 2019, provided to the Authority under separate cover and incorporated herein by this reference (the “Conditions Study”), demonstrates that the Bighorn Study Area (“Study Area”), as defined in the Conditions Study, is eligible to be declared a blighted area by the Town Board under the Act.

1.3 Other Findings

The Area (defined in Section 1.4) is appropriate for an urban renewal project to be carried out by the Authority. The activities and undertakings that constitute the urban renewal project as defined in the Act include, without limitation, demolition and clearance of existing improvements, site preparation, installation of needed public improvements, relocation of and provision of new utilities, parking improvements, traffic improvements, and life safety measures. Such actions are necessary to eliminate unsafe conditions, obsolete and other uses detrimental to the public welfare, and otherwise remove and prevent the spread of blight.

As required by §31-25-107(4)(g) of the Act, this Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the Town, for the redevelopment of the Urban Renewal Area by private enterprise.

It is the intent of the Town Board in adopting this Plan that the Authority exercises all powers authorized in the Act which may be necessary, convenient, or appropriate to accomplish the objectives of this Plan, including the power of eminent domain. It is the intent of this Plan that the Authority may exercise all such powers as may now be possessed or hereafter granted for the elimination of qualifying conditions in the Area.

The powers conferred by the Act are for public uses and purposes for which public money may be expended and police powers exercised. Upon approval by the Town, this Plan will have been legislatively determined to be in the public interest and necessity.

1.4 Urban Renewal Area Boundaries

The Bighorn Urban Renewal Area (the “Urban Renewal Area” or the “Area”) is comprised of approximately 235.43 acres in Firestone. The Area includes one parcel of land. The Area is bounded on the north by the Sable Avenue right-of-way, on the east by private property, on the south by the Pine Cone Avenue right-of-way, and on the west by private property.

The Area is depicted and shown on [Appendix A: Bighorn Urban Renewal Area and Legal Description](#).

2.0 Definitions

Act – has the meaning given to such term in Section 1.1 above.

Area or Urban Renewal Area – has the meaning given to such term in Section 1.4 above.

Authority – has the meaning given to such term in Section 1.1 above.

Available Property Tax Increment Revenues – means all Property Tax Increment Revenues available pursuant to the Tax Increment Financing provisions of the Act not payable to taxing bodies pursuant to agreements, if any, with the Authority or otherwise as provided in §31-25-107(9.5) of the Act. In the event that an agreement is reached with a taxing body pursuant to § 31-25-107(9.5) of the Act after the Effective Date of Plan Approval, the Property Tax Increment Revenues generated by said taxing body’s mill levy shall become Available Property Tax Increment Revenues, and the authorization for the Authority to receive and expend such revenue shall not be a substantial modification to this Plan.

Base Valuation Revenues – means the revenues produced by the base valuation for taxable property as provided in Section 7.0 of this Plan.

Blighted Area – shall have the same meaning as in §31-25-103 of the Act. See below:

“Blighted area” means an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:

- a. Slum, deteriorated, or deteriorating structures;*
- b. Predominance of defective or inadequate street layout;*
- c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- d. Unsanitary or unsafe conditions;*
- e. Deterioration of site or other improvements;*
- f. Unusual topography or inadequate public improvements or utilities;*

- g. Defective or unusual conditions of title rendering the title non-marketable;*
- h. The existence of conditions that endanger life or property by fire and other causes;*
- i. Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;*
- j. Environmental contamination of buildings or property; or*
- k.5 The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements; or*
- l. If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, “blighted area” also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (2), substantially impairs or arrests the sound growth of the municipality, liability, and is a menace to the public health, safety, morals, or welfare. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.*

Board of Trustees – means the Town of Firestone Board of Trustees.

Bonds – shall have the same meaning as in §31-25-103(3) and 109 of the Act, and, without limitation, includes costs pursuant to any Redevelopment/Development Agreements or other reimbursement agreements between the Authority and owners and developers, and cooperation or pledge agreements between the Authority and one or more Districts.

Conditions Study (or Study or Survey) – has the meaning given to such term in Section 1.2 above.

Cooperation Agreement – means any agreement between the Authority and Town, or between the Authority and any public body (the term “public body” being used in this Plan is as defined by the Act) respecting action to be taken pursuant to any of the powers set forth in the Act, including but not limited to the allocation of Increment Valuation Revenues, or in any other provision of Colorado law, for the purpose of facilitating public undertakings deemed necessary or appropriate by the Authority under this Plan.

County Treasurer – means the Weld County Treasurer.

C.R.S. – means the Colorado Revised Statutes, in effect on the Effective Date of Plan Approval.

District (or Districts) – means a metropolitan district which is a quasi-municipal corporation and political subdivision of the State of Colorado organized under the Colorado Special District Act, 32-1-101, et seq., C.R.S., as from time to time amended, or a business improvement district which is a quasi-municipal

corporation and political subdivision of the State of Colorado organized under the Colorado Business Improvement District Act, §31-25-1201, et seq., C.R.S.

Duration – means the entire twenty-five (25) year time period authorized by §31-25-107(9) of the Act.

Effective Date of Plan Approval – means the date this Plan is approved by resolution of the Town Board.

Impact Report – means the Bighorn Urban Renewal Area Tax Forecast and County Impact Report, prepared by DGC Consulting, dated October 2019.

Increment Valuation Revenues – means the revenues produced by the incremental valuation of taxable property as described in Section 7.0 of this Urban Renewal Plan.

Plan or Urban Renewal Plan – has the meaning given to such term in Section 1.1 above.

Project or Urban Renewal Project – means all activities and undertakings described in §31-25-103(10), C.R.S., and otherwise authorized by the Act as required for the Duration of the Project to complete development and redevelopment of the Urban Renewal Area, including, without limitation financing and construction of all public and private improvements and payment of all financing obligations included in the definition of Bonds.

Property Taxes – means, without limitation, all levies to be made on an ad valorem basis by or for the benefit of any public body upon taxable real and personal property in the Area.

Property Tax Increment Revenues – means the property tax revenues allocated to the Authority pursuant to §31-25-107(9)(a)(11) of the Act and Section 7.0 of this Plan.

Public Body – shall have the same meaning as in §31-25-103(5) of the Act.

Redevelopment / Development Agreement – means one or more agreements between the Authority and developer(s) and / or property owners or such other individuals or entities as may be determined by the Authority to be necessary or desirable to carry out the purposes of this Plan.

Study Area – has the meaning given to such term in Section 1.2 above.

Taxing Body or Taxing Entities – means any public body that levies ad valorem taxes on real and personal property within the Area.

Town – has the meaning given to such term in Section 1.1 above.

Town of Firestone Master Plan (or Comprehensive Plan) – means 2013 Town of Firestone Master Plan, as such plan has been or may be amended from time to time.

Tax Increment Financing or TIF – means tax increment or allocation financing described in §31-25- 107(9) of the Act as in effect on the date this Plan is approved by the Town Board. Tax Increment Financing shall be required for the full Duration to carry out all activities and undertakings to complete the Urban Renewal Project, including, without limitation, payment of all Bonds.

3.0 Purpose of the Plan

The main public purpose of this Plan is to reduce, eliminate, and prevent the spread of blight within the Area through redevelopment by private enterprise. The Plan sets goals to achieve this through implementing established objectives for the Area and assisting with the eligible costs of redevelopment, promoting economic growth, and private investment through the tools available within the context of urban renewal tools, laws, and guidelines, including, without limitation, Tax Increment Financing.

Establishment of the Urban Renewal Area will take advantage of improving conditions and the upcoming development cycle by focusing urban renewal efforts in a small Area for the Duration in accordance with the mandates of the Act.

The Authority commissioned a Conditions Study by DGC Consulting to determine if the Urban Renewal Area contained the factors that constitute a Blighted Area as defined in §31-25-103 of the Act. The Conditions Study was issued and approved in (insert date). It concluded that five of the statutory factors are present in the Area, which supports a finding by the Town Board that the Area is a Blighted Area as defined in the Act.

4.0 Blight Conditions

Before an urban renewal plan can be approved and adopted by the Town Board, the area must be found and declared to be a “blighted area” as defined in Section 31-25-103(2) of the Act. The Act provides that, in order for blight to be present within the area, at least four specific blight factors must be present in the area, and that such area, in its present condition and use substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare.

- a. Slum, deteriorated, or deteriorating structures;
- b. Predominance of defective or inadequate street layout;
- c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- d. Unsanitary or unsafe conditions;
- e. Deterioration of site or other improvements;
- f. Unusual topography or inadequate public improvements or utilities;
- g. Defective or unusual conditions of title rendering the title nonmarketable;

- h. The existence of conditions that endanger life or property by fire or other causes;
- i. Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- j. Environmental contamination of buildings or property;
- k.5 The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

DGC conducted the Conditions Study according to the following methodology:

1. Defined the Study Area;
2. Conducted a visual field survey for the property and evaluate current conditions;
3. Reviewed data provided by the Town;
4. Evaluated conditions found in the context of statutory blight criteria; and
5. Documented the survey findings, as presented in the Conditions Study.

The Study Area is 235.43 acres, more or less, is owned by private entities, and is located within the incorporated municipal boundaries of the Town. A portion of the Study Area is being developed with oil and gas wells and the remainder is planned for residential development.

Of the eleven qualifying factors identified in the Act, the Conditions Study revealed the following five qualifying conditions of blight, as defined in §31-25-103(2) of the Act, evident within the Study Area.

- b. Predominance of defective or inadequate street layout – OBSERVED
- d. Unsanitary or unsafe conditions – OBSERVED
- e. Deterioration of site or other improvements – OBSERVED
- f. Unusual topography or inadequate public improvements or utilities – OBSERVED
- g. Defective or unusual conditions of title rendering the title nonmarketable – OBSERVED

5.0 Plan's Relationship to Local Objectives and Appropriate Land Uses

5.1 Plan Conformity

Implementation of this Plan supports the objectives and requirements of the Comprehensive Plan with respect to connectivity to neighborhoods, accessibility to open space, completion of infrastructure, and preservation of natural features, and quality design that promotes Firestone's unique identity. As development occurs in the Area, it shall conform to the Comprehensive Plan and any subsequent updates; the Firestone Building Code, the Firestone Municipal Code, the Firestone Development Code, and any rules, regulations, and policies promulgated pursuant thereto; any site-specific planning documents that might impact properties in the Area including, but not limited to, Town-approved site, drainage, and public improvement plans; and, any applicable Town design standards, all as in effect and as may be amended from time to time. Finally, existing conditions present within the Area will be remedied by the proposed Plan, which remediation may be funded in whole or in part by tax increment revenues and improvements phased as the market allows.

5.2 Consistency with Comprehensive Plan

As explained above, a comprehensive or general plan for the Town known as the Firestone Master Plan was adopted in 2013. The Authority, with the cooperation of the Town, private businesses, and other public bodies, will undertake projects and activities described herein in order to eliminate the identified conditions of blight while also implementing the goals and objectives of the Comprehensive Plan and all other Town-adopted plans which impact properties within the Area. These include the recent key goals and policies of that plan which this Urban Renewal Plan will advance are described in detail in Appendix B: Excerpts from 2013 Firestone Master Plan.

5.3 Relationship to Other Community Plans

Implementation of this Plan will be consistent with the development goals and objectives in other community plans and guides which pertain to development in the Area. The Sump Basin Master Drainage Plan (2010), Town of Firestone Raw Water Irrigation System Master Plan (2010), Town of Firestone Potable Water Master Plan (2010), South Weld I-25 Corridor Master Plan (2010), Town of Firestone Design Criteria and Construction Regulations, and Town of Firestone Parks Design Criteria Manual.

6.0 Authorized Urban Renewal Undertakings and Activities

The Act allows for a wide range of activities to be used in the implementation of an urban renewal plan. The Authority is authorized to provide both financial assistance and improvements in partnership with property owners and other affected parties in order to accomplish the objectives stated herein. Public-private partnerships and other forms of cooperative development, including Cooperation Agreements, will be essential to the Authority's strategy for preventing the spread of blight and eliminating existing

blighting conditions. Without limitation, undertakings and activities of the Authority in the furtherance of this Plan as described as follows.

6.1 Undertakings and Activities to Remedy Blight

As described in Section 4.0 of this Plan, five qualifying conditions of blight were identified in the Study Area of which this Urban Renewal Plan Area is a part. Implementation of this Plan by providing urban renewal resources for public and private improvements will remedy many of the following conditions:

b. Predominance of defective or inadequate street layout – OBSERVED

The site survey determined that perimeter access to the Study area is very poor and there are no permanent public streets or rights-of-way. The Study Area can only be accessed from two locations: a temporary drilling access road on the south and a ranch pasture gate on the north. Otherwise, the site is enclosed by continuous fencing without access points.

Urban renewal tools and resources can help finance development that provides improved access to and within the Area.

d. Unsanitary or unsafe conditions – OBSERVED

The site survey and additional research noted the presence of abandoned well locations on the site and active drilling are unsafe conditions within the Study Area. As a safety and security precaution, the drilling pad is fenced and managed by a security guard to limit access. It is not clear what safety and security measures will be imposed after drilling is completed and the wells are in the production phase.

Urban renewal tools and resources that contribute to quality development will eliminate unsanitary and unsafe conditions within the Area.

e. Deterioration of site or other improvements – OBSERVED

Although the Study Area is not developed with streets and buildings, existing and former well sites are deteriorated. Perimeter fencing is also in degraded condition compared with other urban areas.

Urban renewal tools and resources can help finance development that includes site improvements such as roads, utilities, parking areas, sidewalks, landscaping, open space, and other features. Development that includes these features will improve the Area.

f. Unusual topography or inadequate public improvements or utilities – OBSERVED

Inadequate public improvements and utilities were observed throughout the Study Area due to the undeveloped state. Water, sewer, natural gas, and electric power do not yet reach the

Study Area, which has not been annexed to a sanitation district. The South Platte Supply Canal crosses the southern and eastern parts of the Study Area and is a significant obstacle to development.

Urban renewal tools and resources can help finance development that provides right-of-way and other public land dedications. They can also be used to finance and construct physical improvements to public streets, utilities, and parks. Urban renewal tools and resources may also support mitigation measures to reduce the impact of the existing irrigation canal crossing the Area.

g. Defective or unusual conditions of title rendering the title nonmarketable – OBSERVED

The Special Use Permit (SUP) approved in 2018 by the Town of Firestone prescribes conditions related to drilling 19 oil and gas wells in the south portion of the Study Area. Features of the SUP include drilling equipment, tanks, fencing, parking areas, and access roads. The SUP and the conditions that it imposes on property within the Study Area are legal limitations that will make it difficult to market and/or develop property within the Study Area. In addition, existing oil and gas wells, even if they were plugged, will impose limitations on how the property in the Study Area can be developed. The South Platte Supply Canal easement also makes that portion of the Study Area non-developable.

Urban renewal tools and resources can be used to address issues related to the irrigation canal easement as well as finance and construct measures to mitigate the impacts of the oil and gas wells within the Area.

Therefore, conditions of title may make portions of the Study nonmarketable for development.

6.2 Project Development Plan

The primary goal of this Plan is to eliminate the current conditions of blight in the Area and prevent those conditions from reoccurring. Recognizing that oil and gas wells are the initial activity planned for the Area, ultimate development is residential housing planned around decommissioned or operating oil and gas wells primarily located in the southern part of the site. This can be accomplished through careful site planning that provides ample open space and other natural buffers where oil and gas wells are located. However, the Authority is authorized to approve any uses for the Area that eliminate blight and are consistent with the Comprehensive Plan and applicable zoning, including, without limitation, mixed use development, including residential, commercial, industrial, and public uses.

6.3 Complete Public Improvements and Facilities

The Authority may undertake certain actions to make the Area more attractive for private investment. The Authority may, or may cause others, including, without limitation, one or more Districts to install, construct, and reconstruct any public improvements, including, without limitation, parking facilities. The Authority may, or may cause others to, demolish and clear buildings and existing improvements for the purpose of promoting the objectives of the Plan and the Act. Additionally, the Authority may, or may

cause others to, install, construct and reconstruct any other authorized improvements, including, without limitation, other authorized undertakings, or improvements for the purpose of promoting the objectives of this Plan and the Act.

6.4 Plan Modification

The Authority may propose, and the Town Board may make, modifications to this Plan as may be necessary; provided, however, any modification of the Plan shall (a) comply with the provisions of the Act, including §31-25-107(7); (b) not impair Bonds or the ability of the Authority to pay any outstanding Bonds, including any reimbursement obligations of the Authority; or (c) not impair the ability of the Authority or any party to any then-existing agreement to fully perform their respective covenants and duties under any such agreement. The Authority may, in specific cases, allow non-substantive variations from the provisions of this Plan if it determines that a literal enforcement or application of the provision would constitute an unreasonable limitation beyond the intent and purpose stated herein, but not substantial modifications.

In the future, all or a portion of the property in the Area may be included into metropolitan districts or other existing districts or future taxing bodies. Such inclusion is not a substantial modification of this Plan and the Authority anticipates negotiating cooperation or tax sharing agreements with the Taxing Bodies at that time.

6.5 Provide Relocation Assistance

While it is not anticipated as of the date of this Plan that acquisition of real property will result in the relocation of any individuals, families, or business concerns; if such relocation becomes necessary, the Authority will adopt a relocation plan as necessary to comply with applicable provisions of the Act.

6.6 Demolish, Clear and Prepare Improvements

The Authority is authorized to demolish or cooperate with others to clear buildings, structures and other improvements within the Area in an effort to advance projects deemed consistent with the vision stated herein. Such demolition or site clearance is necessary to eliminate unhealthy, unsanitary, and unsafe conditions; eliminate obsolete uses deemed detrimental to the public welfare; remove and prevent the spread of blight; and facilitate redevelopment of the Area by private enterprise.

6.7 Acquire and Dispose of Property

It is not expected that the Authority will be required to acquire property to carry out the Project. However, if the Authority determines such acquisition is necessary, it is authorized to acquire any such property by negotiation or any other method, including eminent domain. Properties acquired by the Authority may be temporarily operated, managed and maintained by the Authority if requested to do so by the acquiring entity and deemed in the best interest of the Urban Renewal Project and the Plan. Such property shall be under the management and control of the Authority and may be rented or leased pending its disposition for redevelopment.

The Authority may sell, lease, or otherwise transfer real property or any interest in real property subject to covenants, conditions, and restrictions, including architectural and design controls, time restrictions on development, and building requirements in accordance with the Act and this Plan.

6.8 Enter into Redevelopment / Development Agreements

The Authority may enter into Redevelopment / Development Agreements or other contracts with developer(s) or property owners or such other individuals or entities determined to be necessary to carry out the purposes of this Plan, including the pledge by the Authority of Available Property Tax Increment Revenues to pay eligible costs pursuant to the Act or any other applicable law. Further, such Redevelopment/ Development Agreements, or other contracts, may contain terms, provisions, activities, and undertakings contemplated by this Plan and the Act. Any existing agreements between the Town and private parties that are consistent with this Plan are intended to remain in full force and effect, unless all parties to such agreements agree otherwise.

6.9 Enter Into Cooperation Agreements

The Authority is authorized to enter into such Cooperation Agreements as may be required by the Act, including tax sharing agreements. The Authority may also use the mediation and other provisions of the Act when necessary to provide adequate financing to carry out this Plan. This paragraph shall not be construed to require any particular form of cooperation.

6.10 Other Project Undertakings and Activities

Other Project undertakings and activities deemed necessary by the Authority to carry out the Plan may be undertaken and performed by the Authority or pursuant to agreements with other parties or public bodies in accordance with the authorization of the Act and any applicable law or laws.

7.0 Project Financing

The Authority is authorized to finance the Project by any method authorized by the Act or any other applicable law, including without limitation, appropriations, loans or advances from the Town; federal loans and grants; state loans and grants; interest income; pay as you go arrangements; annual appropriation agreements; agreements with public and private parties or entities including, without limitation, Districts; issuance of Bonds; sale of securities; Tax Increment Financing (including property tax increments); loans, advances and grants from any other available source.

Any financing method legally available to the Town, the Authority, any private developer, redeveloper or owner may be used to finance in whole or in part any lawful cost or financial obligation, including without limitation, the cost of public improvements described, authorized or anticipated in the Act or Plan or in any manner related or incidental to the redevelopment of the Area. Such methods may be combined to finance all or any part of the Project. Any financing method authorized by the Plan or by any applicable law, including without limitation, the Act, may be used to pay the principal of and interest on and to establish reserves for Bonds and all forms of indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Authority or the Town to finance the Project in whole or in part.

The Authority is authorized to issue Bonds in amounts sufficient to finance all or part of the Project. The Authority is authorized to borrow funds and to create indebtedness in carrying out this Plan. The principal, interest and any premiums due on or in connection with such indebtedness may be paid from Tax Increment Financing revenue or any other funds available to the Authority.

The Project may be financed by the Authority pursuant to the Tax Increment Financing provisions of the Act. Property taxes levied after the effective date of the approval of this Plan upon taxable property in the Area each year by or for the benefit of each specific public body that levies Property Taxes in the Urban Area on taxable property in the Urban Renewal Area, shall be divided for a period not to exceed twenty-five (25) years after the effective date of this allocation provision, as follows:

7.1 Base Valuation Revenues

That portion of the taxes which are produced by the levy at the rate fixed each year by or for each such specific public body upon the valuation for assessment of taxable property in the Area last certified prior to the effective date of approval of the Plan or, as to an area later added to the Area, the effective date of the modification of the Plan.

7.2 Increment Valuation Revenues

That portion of said property taxes in excess of the base amount of property taxes paid into the funds of each such public body as provided above must be allocated to and, when collected, paid into a special fund of the authority to pay the principal of, the interest on, and any premiums due in connection with the Bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Authority for financing or refinancing, in whole or in part, the Urban Renewal Project, or to make payments under an agreement executed pursuant to §31-25-107 of the Act.

Unless and until the total valuation for assessment of the taxable property in the Urban Renewal Area exceeds the base valuation for assessment of the taxable property in the Urban Renewal Area, as provided above, all of the taxes levied upon the taxable property in the Urban Renewal Area must be paid into the funds of the respective public bodies.

When such Bonds, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property in the Urban Renewal Area must be paid into the funds of the respective public bodies, and all moneys remaining in the special fund that have not previously been rebated and that originated as property tax increment generated based on the mill levy of a taxing body, other than the municipality, within the boundaries of the Urban Renewal Area must be repaid to each taxing body based on the pro rata share of the prior year's property tax increment attributable to each taxing body's current mill levy in which property taxes were divided pursuant to provision. Any moneys remaining in the special fund not generated by property tax increment are excluded from any such repayment requirement. Notwithstanding any other provision of law, revenues excluded by §31-25-107(9) (a) (II) of the Act are not intended to be included in Available Property Tax Increment Revenues.

Available Property Tax Increment Revenues shall be irrevocably pledged by the Authority for the payment of the principal of, the interest on, and any premiums due in connection with such Bonds, including any loans, advances and other indebtedness incurred by the Authority to finance the Urban Renewal Project, but excluding any offsets collected by the County Treasurer for return of overpayments or any reserve funds reserved by the Authority for such purposes in accordance with §31-25-107(9)(a)(III) and (b) of the Act, and also excluding a reasonable amount each year as determined by the Authority for payment of maintenance and operating expenses associated with administering the Plan, carrying out the Urban Renewal Project, and maintaining the existence of the Authority.

The Available Property Tax Increment Revenues (as described and defined in this Plan) are immediately subject to the lien provided by the provisions of §11-57-208, C.R.S., effective as of the date this Plan is approved by the Town Board of Trustees. Such pledge is necessary and required for the benefit of the Authority and private enterprise to carry the Urban Renewal Project in accordance with the requirements of §31-25-107(4)(g) of the Act. Such Available Property Tax Increment Revenues are and shall be subject to the lien of such pledge for the Duration of the Project without any physical delivery, filing, or further act. The creation, perfection, enforcement and priority of the pledge of the Available Property Tax Increment Revenues as provided herein shall be governed by §11-57-208, C.R.S. The lien of such pledge on the Available Property Tax Increment Revenues shall have priority over any and all other obligations and liabilities of the Authority with respect to the Available Property Tax Increment Revenues.

8.0 Severability

If any portion of this Plan is held to be invalid or unenforceable, such invalidity will not affect the remaining portions of the Plan.

Appendix

Appendix A: Bighorn Urban Renewal Area Legal Description and Map

Firestone Big Horn Urban Renewal Area

BEING A PART OF SECTION 17, T2N, R67W OF THE 6TH P.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 17, THENCE S 89°52'35" W, 330.00 FEET ALONG THE NORTH LINE OF SAID SECTION 17 TO A POINT; THENCE S 02°09'00" W A DISTANCE OF 30.02 FEET TO THE NORTHWEST CORNER OF THAT TRACT OF LAND, AND THE TRUE POINT OF BEGINNING:

THENCE S 02°09'00" W, 1359.91 FEET TO A POINT;

THENCE N 32°06'00" E, 182.82 FEET TO A POINT;

THENCE N 49°05'10" E, 95.06 FEET TO A POINT;

THENCE N 56°44'35" E, 104.76 FEET TO A POINT;

THENCE N 68°47'40" E, 58.42 FEET TO A POINT 30 FEET WEST OF THE EAST LINE OF THE NORTHEAST ¼ OF SAID SECTION 17;

THENCE S 02°09'00" W, 1544.15 FEET ALONG A LINE 30 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE NORTHEAST ¼ OF SAID SECTION 17 TO A POINT;

THENCE S 01°50'35" W, 1921.15 FEET ALONG A LINE 30 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 17 TO A POINT;

THENCE S 22°48'07" W, 81.53 FEET TO A POINT OF CURVE TO THE RIGHT;

THENCE 199.62 FEET ALONG THE ARC OF SAID CURVE TO A POINT OF TANGENT, SAID ARC HAVING A RADIUS OF 165.00 FEET, A DELTA ANGLE OF 69°19'00" AND BEING SUBTENDED BY A CHORD THAT BEARS S 57°27'37" W, 187.66 FEET;

THENCE N 87°52'53" W, 395.81 FEET TO A POINT;

THENCE N 75°49'03" W, 153.75 FEET TO A POINT;

THENCE S 00°09'57" W 574.76 FEET TO A POINT 30 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST ¼ OF SAID SECTION 17;

THENCE S 89°25'57" W, 612.03 FEET ALONG A LINE 30 FEET NORTH OF AND PARALLEL THE SOUTH LINE OF THE SOUTHEAST ¼ SAID SECTION 17 TO A POINT;

THENCE N 00°34'03" W, 633.60 FEET TO A POINT;

THENCE N89°25'57" E, 105.00 FEET TO A POINT;

THENCE N 00°34'03" W, 660.00 FEET TO A NO. 4 REBAR WITH AN ALUMINUM CAP STAMPED LS 2149;

THENCE CONTINUING N 00°34'03" W, 325.07 FEET TO A NO. 5 REBAR WITH A PLASTIC CAP STAMPED PLS 22576;

THENCE S 89°25'57" W, 670.00 FEET TO A NO. 5 REBAR WITH A PLASTIC CAP STAMPED PLS 22576;

THENCE N 00°34'03" W, 99.75 FEET TO A NO. 4 REBAR WITH AN ALUMINUM CAP STAMPED LS 2149 AT A POINT OF CURVE TO THE LEFT;

THENCE 670.45 FEET ALONG THE ARC OF SAID CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 750.00 FEET, A DELTA ANGLE OF 51°13'08" AND BEING SUBTENDED BY A CHORD THAT BEARS N 26°10'37" W, 648.35 FEET TO A POINT;

THENCE N 51°47'11" W, 118.29 FEET TO A POINT;

THENCE N 38°12'49" E 645.98 FEET TO A POINT;

THENCE N 51°47'11" W, 485.34 FEET TO A POINT;

THENCE N 71°19'37" W 212.22 FEET TO A POINT;

THENCE N 00°52'00" W, 707.88 FEET TO A POINT;

THENCE S 89°08'00" W, 155.32 FEET TO A POINT;

THENCE N 00°52'00" W, 646.77 FEET TO A POINT;

THENCE S89°53'00" W, 44.96 FEET TO A POINT;

THENCE N 00°07'00" W, 255.00 FEET TO A POINT OF CURVE TO THE LEFT;

THENCE 110.72 FEET ALONG THE ARC OF A NON-TANGENTIAL CURVE TO A POINT OF REVERSE CURVE, SAID ARC HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 128°52.11" AND BEING SUBTENDED BY A CHORD THAT BEARS N 26°26'54" E, 89.44 FEET;

THENCE 32.18 FEET ALONG THE ARC OF SAID REVERSE CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 36°52'11" AND BEING SUBTENDED BY A CHORD THAT BEARS N 18°33'06" W, 31.62 FEET TO A POINT;

THENCE N 00°07'00" W, 265.00 FEET TO A POINT 30 FEET SOUTH OF THE NORTH LINE OF THE NW ¼ OF SAID SECTION 17;

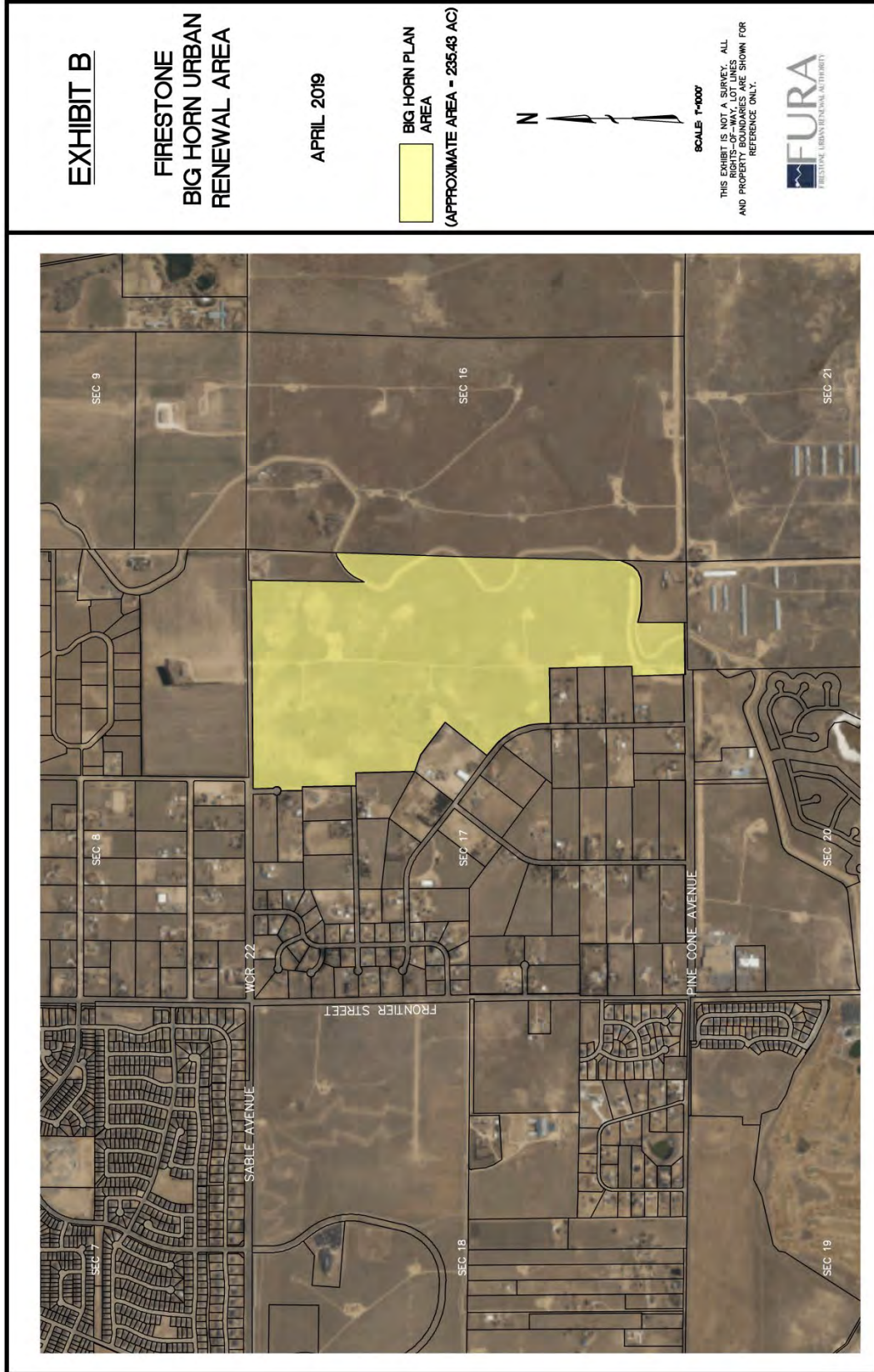
THENCE N 89°53'00" E, 148.15 FEET ALONG A LINE 30 FEET SOUTH AND PARALLEL THE NORTH LINE OF THE NW ¼ OF SAID SECTION 17 TO POINT 30 FEET SOUTH OF THE NORTH ¼ CORNER OF SAID SECTION 17;

THENCE N 89°52'35" E, 2395.38 FEET ALONG A LINE 30 FEET SOUTH AND PARALLEL TO THE NORTH LINE OF THE NORTHEAST ¼ OF SAID SECTION 17 TO THE TRUE POINT OF BEGINNING.

SAID PARCEL HAVING AN AREA = 235.43 ACRES, MORE OR LESS.



A circular official stamp is partially visible, with the date "9-25-2019" handwritten in blue ink across its center. A blue ink signature is written over the stamp.



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Appendix B: Excerpts from 2013 Firestone Master Plan

Town of Firestone Master Plan, adopted 2013 (excerpts taken verbatim, but formatted for clarity). Policies summarized here are relevant to the proposal Urban Renewal Area.

12.0 LAND USE

12.1 Community Character Elements

Firestone has a character unique to the region. A variety of elements work together to create the Firestone community, including the following:

- A transportation system that is properly designed and constructed to meet the current needs of the existing traffic volumes.
- A comprehensive and unified parks and trails system. Firestone is a pedestrian and non-motorized connected community, where one can walk to work, home or service centers on a comfortable and convenient trail system.
- Effective and efficient public safety and security. Without public safety, Firestone citizens and employees cannot be free to enjoy the benefits of their community.
- “Four-sided” architecture is required along major streets and visual corridors.
- A “world class” Central Park campus that inspires national and international recognition as a Civic, Cultural and Community Center.
- Superior recreational facilities, including the Firestone Regional Sports Complex.
- A balanced approach to a blend of housing and commercial opportunities.
- An equal number of available jobs to employable citizens.
- A focus on a comprehensive “cradle” to “grave” land use and community system where all components of the life cycle are considered and accommodated.
- A community where the freedom to worship is fully embraced.
- A specific focus on the senior segments of the Firestone community, to assure these residents are appropriately considered in land use and community decisions. If optimized, the senior population can bestow valuable leadership and wisdom that comes from experience of time.
- Proper transition and integration between different types of land uses.
- Convenient access to a wide variety of retail goods and services.
- Downcast lighting and strategies to effectively preserve the “night sky.”
- Low, but appropriate, taxes.
- Stable political leadership.
- A tangible and inspired sense of community.

12.2 Employment and Office

Employment and Office land use areas provide for office and light industrial uses where primary employment opportunities exist.

12.3 Commercial and Office

Commercial land use areas provide for retail commercial and office areas. These land uses are located along key arterial streets and the intersections of key arterial streets. Regional commercial and office land uses are generally located near I-25.

12.4 Residential Low

Residential low-density land use areas are generally located in the central and eastern portions of the MPA. Residential Low provides for only single-family residential uses or clustered multi-family land uses.

12.5 Residential Medium

Residential Medium land use areas provide for single family or single-family attached land uses, including duplexes and town homes, but excluding condominiums and apartments unless they are clustered. These use areas are generally located in and along arterial streets and at or near key intersections.

12.6 Residential High

Like Residential Medium land use areas, Residential High land use areas provide for higher density town homes, condominiums, and apartments. These land use areas are generally located in and along arterial streets and at or near key intersections.

12.7 Mixed Use

Mixed-Use land use areas provide for a potential mix of all land uses, except for very low-density single family residential. To the extent possible, based on ownership boundaries, Mixed Use areas should be master planned as one comprehensive project to assure compatibility and the appropriate balance of the various intended uses.

The larger Mixed Use areas should provide for a significant portion of the area dedicated to retail commercial, office or employment uses. These Mixed Use areas can on a local scale accommodate the concepts of “new urbanism” providing places where people can live, work, recreate and shop for goods and services.

The Mixed Use areas along Locust Street, SH-66 and Road 7 may vary somewhat in size and shape to accommodate market needs. Mixed Use areas may accommodate residential land uses located above retail commercial uses if proper compatibility can be assured.

12.8 Parks, Trails, Open Space, and Recreation

One of the key features of the Firestone Parks and Trails system is the Firestone Trail, which is an integral part of the Colorado Front Range Trail system. This approximately 9 mile long trail is generally shown in Figure 17. Firestone sold its ownership in the trail south of SH-52 to the City of Dacono, to enable Dacono to annex it and coordinate trail development.

Since acquisition by the Town in 1997, numerous improvements to the Firestone Trail have been installed by the Town. Over half of the entire length of the Firestone Trail within the Urban Growth Boundary has been paved with a 10-foot wide concrete trail. It is planned that the area outside of the Town Boundary, the Firestone Trail will be maintained in a dirt or crusher fines surface.

12.9 Community Separators

Community Separators are areas intended for non-urban development. Agricultural farming and ranching uses are encouraged in these areas, except for large scale dairy farming and poultry operations, which are considered too intense to be compatible with the urban development. The Town should continue to work with local governments and private individuals and groups to develop detailed acquisition strategies and implementation plans to potentially acquire development rights and conservation easements in these areas.

12.10 Educational Facilities

The St. Vrain Valley School District and the Weld RE-1 School District prepare a facilities plan

for their respective areas of the MPA. Based on average residential densities, approximately one elementary school is required for each section. A high school site is planned for the Central Park property as described in Section 12.11.

12.11 Central Park and Other Public Facilities

The Firestone Board of Trustees, Planning Commission, and Parks, Trails and Recreation Advisory Board have worked diligently with public input to refine the overall master plan for Firestone's 272-acre Central Park, which was acquired by the Town in 2005. Central Park has been planned to be a world-class campus that inspires national and international recognition as a civic, cultural and community center. An Amended Preliminary Development Plan for the Park was approved in 2009. Specific focus has been on architectural styles and themes for building and park amenities.

12.12 Historic Firestone and "The Loop"

The extension of McClure Street to Colorado Boulevard is a high priority. This extension is critical to the development of "The Loop". By having access to Colorado Boulevard from both McClure Street and

Grant Avenue a “loop” opportunity is created, which will help revitalize and restore this mixed-use area of historic Firestone back to a quaint residential, commercial and office area as it was originally established.

12.13 Community Support Facilities

The Firestone Development Regulations provide the opportunity for community support facilities, such as religious institutions or cemeteries, in almost all land use categories. The Town encourages the preservation of property for such purposes in larger scale developments. Because of their overall need and benefit to the community, senior housing developments have the potential to be located in all land uses areas, except those designated for open space and parks. Such developments would need to be appropriately screened and buffered from adjoining land uses to assure compatibility. Furthermore, any such proposal would be subject to the Town’s Land Development Regulations and the stated conditions and standards of approval.

12.14 Conditional, Special, Temporary, and Accessory Land Uses

The Firestone Development Regulations and Municipal Code provide information regarding Conditional, Special, Temporary, and Accessory Land Uses. For applications that require formal processing and action by the Town Board of Trustees, specific submittal requirements and processing information is specified in the Regulations or the Code. Information about these uses as they relate to a specific property is often described in a development plan recorded with the Weld County Clerk and Recorder.

12.15 Firestone Master Plan Map

The Firestone Master Plan Map shows both the MPA and the UGA, as well as other Master Plan components. Specifically, the Master Plan Map shows all different types of land uses and the key arterial transportation corridors that serve them. Major park and trail improvements are also shown. Certain areas outside of the UGB, which are not annexed or shown as within the existing limits of Weld County’s RUA, are shown as Community Separator areas.

**Tax Forecast and County Impact Report for
Bighorn Urban Renewal Area
Firestone, Colorado**

Prepared for:

Town of Firestone Urban Renewal Authority
151 Grant Ave., Firestone, CO 80520

Prepared by:



18331 E. Davies Avenue
Foxfield, CO 80016

FINAL
October 2019

Background information and other data have been furnished to DGC Consulting (DGC) by the Firestone Urban Renewal Authority, Town of Firestone, Colorado, Weld County, Colorado, and/or third parties, which DGC has used in preparing this report. DGC has relied on this information as it was provided, and is neither responsible for nor has confirmed the accuracy of the information.

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1. Introduction and Background

This report summarizes the tax forecast and impact on Weld County (hereafter, the “County”) and other taxing entities of the proposed redevelopment of the Bighorn Urban Renewal Area (hereafter, the “Area”) in the Town of Firestone (“Town”), as described in the Bighorn Urban Renewal Plan (hereafter, the “Urban Renewal Plan” or “Plan”) and other materials provided to the Town by potential developers of properties within the proposed Urban Renewal Area.

This Bighorn Urban Renewal Area Tax Forecast and County Impact Report (hereafter, “Tax Forecast and County Impact Report”) was prepared by DGC Consulting (hereafter, “DGC”) for the Firestone Urban Renewal Authority (hereafter, “FURA” or “Authority”) under a contract dated January 1, 2019.

This Tax Forecast and County Impact Report includes a summary of forecasted property tax revenues for all taxing entities in the proposed Bighorn Urban Renewal Area, as well as Weld County fiscal and service impacts associated with development in accordance with the Urban Renewal Plan. Specifically, this report is intended to:

1. Provide a detailed property tax projection for all taxing entities over a 25-year period.
2. Respond to the requirements outlined in the State of Colorado Statutes for Urban Renewal Authorities (Colo. Rev. Stat. § 31-25-101, et seq.) specifically related to the requirements of a County Impact Report (Colo. Rev. Stat. § 31-25-107 (3.5)). These requirements are excerpted as follows:

(3.5) (a) At least thirty days prior to the hearing on an urban renewal plan or a substantial modification to such plan, the governing body or the authority shall submit such plan or modification to the board of county commissioners, and, if property taxes collected as a result of the county levy will be utilized, the governing body or the authority shall also submit an urban renewal impact report, which shall include, at a minimum, the following information concerning the impact of the plan:

- I. The estimated duration of time to complete the urban renewal project;
- II. The estimated annual property tax increment to be generated by the urban renewal project and the portion of such property tax increment to be allocated during this period to fund the urban renewal project;
- III. An estimate of the impact of the urban renewal project on county revenues and on the cost and extent of additional county infrastructure and services required to serve development within the proposed urban renewal area, and the benefit of improvements within the urban renewal area to existing county infrastructure;
- IV. A statement setting forth the method under which the authority or the municipality will finance, or that agreements are in place to finance, any additional county infrastructure and services required to serve development in the urban renewal area for the period in which all or any portion of the property taxes described in subparagraph (II) of paragraph (a) of subsection (9) of this section and levied by a county are paid to the authority; and
- V. Any other estimated impacts of the urban renewal project on county services or revenues.

2. Urban Renewal Plan

The Bighorn Urban Renewal Plan, dated October 2019, by DGC Consulting, is included by reference as Appendix C.

3. Development Timing

Development of the proposed Bighorn Urban Renewal Area is comprised of two distinct components: (1) oil and gas drilling on a pad site in the southern part of the property, followed by the production of oil and gas on the same site, and (2) residential development of the remainder of the property.

The drilling of 19 oil and gas wells commenced in early 2019 and is expected to be completed in 2020. After that, the drilling equipment will be removed and the pad site will be converted to a site for the production and temporary storage of oil and gas from the wells. The timeframe for drilling and production is estimated to be 15 years, after which the wells will be capped. The oil and gas well development program is summarized in Table 1 and utilization over the 15-year estimated production timeline on Table 2. A site plan from the 2018 Special Use Permit approved by the Town of Firestone is included as Figure 1.

Table 1: Oil and Gas Well Development

Wells and Equipment	Taxable (Units)
Oil and Gas Wells (19 wells)	19
Equipment (for 19 wells)	19
Shared Tank Battery	1

Table 2: 15-Year Well Production Estimate

Year of Production	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Well Utilization	75%	100%	50%	50%	35%	25%	23%	10%	2%	2%	2%	2%	2%	2%	2%

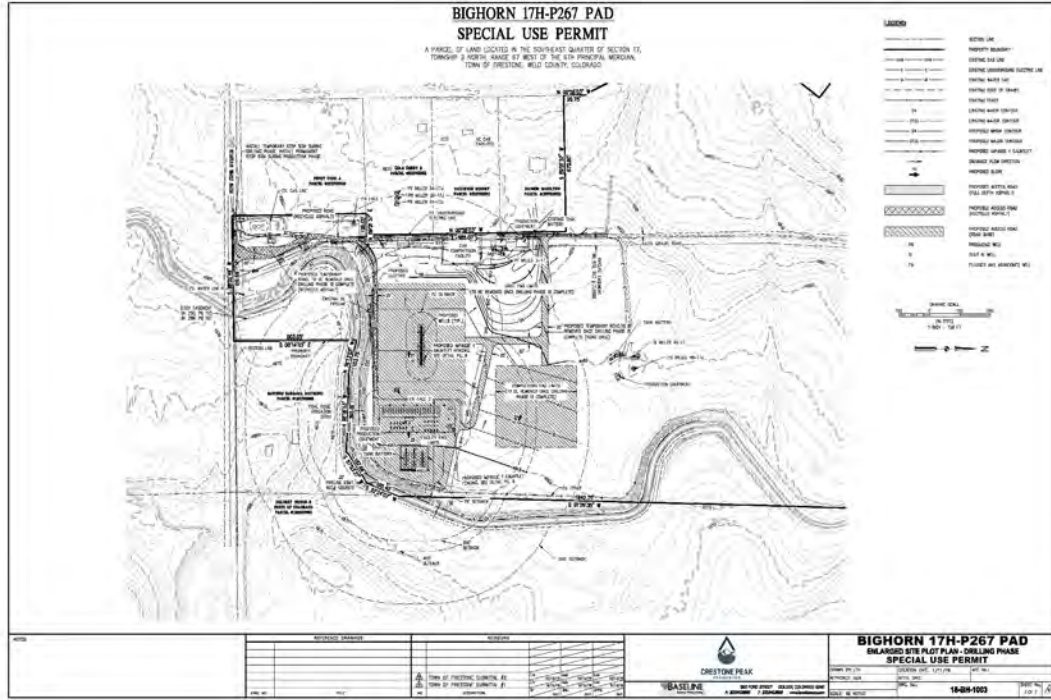


Figure 1: Special Use Permit Site Plan
 Source: Town of Firestone

Construction of single family homes on the remainder of the property will be determined by market conditions. For the purpose of this forecast, residential development is assumed to occur over a nine year period (2024 -2032). The initial phase of residential development will become taxable in 2025 and continue through 2032 when buildout occurs. 111 estate lots will be developed first, followed by 455 production houses on smaller lots, for a total of 566 residential units. Residential construction is assumed to total 1,243,000 SF: houses constructed on the estate lots are 3,000 SF and houses on production lots are 2,000 SF. Table 3 summarizes the residential development program which was prepared using a concept site plan provided by the Owner (Firestone Venture LLC) to the Town of Firestone.

Table 3: Residential Development Program

Residential Development	Units	SF/Unit	Taxable (SF)
Residential (111 estate dwelling @3,000 SF)	111	3,000	333,000
Residential (455 units @2,000 SF)	455	2,000	910,000
Total Residential	566		1,243,000

Source: Firestone Venture, LLC

4. Property Tax Revenue

This section summarizes the forecast for property tax revenue resulting from development within the proposed Bighorn Urban Renewal Area. It begins with a discussion of current property taxing district mill levies and

property taxes paid, followed by a calculation of the property tax “Base”. Key assumptions are summarized that were used to develop the property the tax forecast. The Weld County property tax forecast is summarized next.

The forecast of property tax revenues is a “maximum case,” understanding that the FURA plans to negotiate property tax revenue sharing arrangements with all of the Taxing Districts. Taxing Districts are any public body that levies ad valorem taxes on real and personal property within the proposed Urban Renewal Area, and which appear on the Weld County Assessor’s Property Report for the subject parcel. Sales taxes were not analyzed because retail development is not planned for the proposed Urban Renewal Area. An annual inflation rate of 1% was used for the forecast.

4.1 Current Property Taxes and Property Tax Districts

The proposed Urban Renewal Area is comprised of a single parcel with a 2019 property tax Base Actual Value of \$25,835, Assessed Value of \$7,490 and Taxes of \$707. However, due to the January 2019 sale of the property for \$1.1M to Firestone Venture LLC, the Actual Value and taxes due are expected to increase. The new 2020 Assessed Value is estimated to be \$319,000 resulting in \$30,127 taxes due. These existing property taxes are referred to as the “Base.” This information is summarized on Table 4.

Table 4: 2019 Property Taxes and Estimated 2020 Property Taxes

				Mill Levy:		94.441
Account No.	Parcel No.	Classification	Tax Year	Actual Value (\$)	Total Assessed Value (\$)	2018 Taxes (\$ paid 1/2019)
R7762599	131117006001	Ag Land	2019	25,835	7,490	707
Account No.	Parcel No.	Classification	Tax Year	Estimated Actual Value (\$)	Estimated Total Assessed Value (\$)	Estimated 2019 Taxes (\$ paid 1/2020)
R7762599	131117006001	Ag Land	2020	1,100,000	319,000	30,127

Source: Weld County Assessor website, Colorado Dept. of Local Affairs brochure (2019)

Property taxes are currently payable to six taxing districts with taxes based on a total of 94.441 mills. Current mill levies for each district are summarized in Table 5. It is assumed that the owner continues the current agricultural use in order to maintain classification as agricultural for property tax purposes, until such time as the residential development proceeds.

Table 5: Property Tax Districts and Mill Levies (2018)

Tax Area	District ID	District Name	Current Mill Levy	% of Total
3513	406	FIRESTONE TOWN	6.805	7%
3513	507	FREDERICK-FIRESTONE FIRE	11.36	12%
3513	531	FREDERICK-FIRESTONE FIRE (BOND 2022)	0.601	1%
3513	1050	HIGH PLAINS LIBRARY	3.252	3%
3513	301	NORTHERN COLORADO WATER (NCW)	1.00	1%
3513	213	SCHOOL DIST RE1J-LONGMONT	56.385	60%
3513	100	WELD COUNTY	15.038	16%
		Total	94.441	100%

Source: Weld County Assessor parcel data

Note: 2019 payable, 2018 levy year

4.2 Property Tax Forecast Assumptions

Key assumptions are listed below that were used to forecast property tax revenue for development within the proposed Urban Renewal Area. Following this are assumptions for oil and gas property taxes, followed by residential development property tax assumptions.

Property Tax Assumptions:

- 1) All real property will be taxable.
- 2) 2018 property tax information provided by Weld County Assessor.
- 3) Personal Property taxes are not included in this analysis.
- 4) Value of real property increases 1% per year
- 5) 2018 property tax "Base" (\$707) is estimated to increase in 2019 to \$30,127 (payable 2020). This reflects the January 2019 sale of the property for \$1.1M from Bighorn Limited Partnership to Firestone Venture LLC.
- 6) 2019 residential assessment rate adjusted to 7.15 percent and assumed to continue for 25-year analysis period.

Oil and Gas Property Tax Assumptions:

- 1) Oil and gas wells and equipment begin to produce tax revenue in 2020 (payable in 2021).
- 2) Utilization rate of wells (%) based on discussions with Weld County Assessor and Crestone Peak Resources.
- 3) Wells and equipment will be operated and taxable for a period of 15 years, after which the wells will be capped and equipment removed. Depletion is modeled in the forecast using a well "utilization percentage." Year 1 shows a 75% ramp-up of production and Year 2 achieves maximum (100%) production, after which production declines.
- 4) Information about wells and equipment was provided by Crestone Peak Resources ("Crestone Peak Resources 2019 Tax Statement Report" for 21 wells in Weld County) and from the Bighorn Parcel Special Use Permit (2018).
- 5) Well value based on 100% well production (\$1.6M per well) inferred from same report mentioned above.
- 6) Equipment value (\$22,500 per well) inferred from same report mentioned above.
- 7) Tank battery value (\$1.6M per battery serving 19 wells) inferred from same report mentioned above.
- 8) Weld County tax rates: 87.5% for oil and gas wells, 29% for equipment (wellhead equipment and tanks),

29% for agricultural land.

Residential Property Tax Assumptions:

- 1) Residential development program derived from information in the Firestone Venture Concept Plan (2019) that was provided to the Town by Firestone Venture LLC (Owner).
- 2) Residential development is phased from 2025 to 2032 when 100% build-out (1,243,000 SF) is achieved. Estate lots are developed first, followed by production housing lots.
- 3) 111 estate units have an estimated value of \$450k each, for a total value of \$45.01M (3000 SF x \$150/SF). Total built = 333,000 SF (phased 2025-2028).
- 4) 455 production units have an estimated value of \$300k each for a total value of \$136.5M (2000 SF x \$150/SF). Total built = 910,000 SF (phased 2029-2032).
- 5) The future project value for forecasting property tax is \$200/SF for residential development.

4.3 Weld County Property Tax Revenue Forecast

The forecast of future Weld County property tax revenues was calculated using a spreadsheet, which is included as Exhibit A. These are the portion of total tax revenues that go to the County. For purposes of clarity, information from the spreadsheet has been excerpted and is presented in the tables and narrative which follow.

Tables 6 and 7 summarize total Weld County property taxes, existing property taxes (referred to as the “Base”), and future property taxes due to new development (referred to as the “Increment”) that is proposed to be deferred. Table 6 summarizes the short-term period (six years) of the project (2019-2024), during which the wells are at their greatest utilization, and includes the final year (2044) for reference. New revenue from residential development does not occur until 2026. New property tax increment for wells and equipment (\$315,148) begins in 2021, reaching a maximum in 2022 (\$421,333) when the wells are at 100% utilization. Utilization and revenue slowly decline until the 15-year production period is complete. Table 6 also shows annual stabilized well and residential net revenue to be deferred (\$257,095) in 2044, the final year of the forecast (year 25).

Table 6: Annual Weld County Property Tax Revenue (2019-2024, 2044)

Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	\$ 113	\$ 4,797	\$ 320,091	\$ 426,324	\$ 222,461	\$ 224,686	\$ 263,308
Property Tax (Base)	\$ 113	\$ 4,797	\$ 4,943	\$ 4,992	\$ 5,042	\$ 5,092	\$ 6,214
Net Property Tax Revenues (Increment)	\$ -	\$ -	\$ 315,148	\$ 421,333	\$ 217,419	\$ 219,594	\$ 257,095

Source: Weld County Assessor parcel data

Note: 2019 payable, 2018 levy year

Table 7 summarizes the cumulative County property tax revenue in five year increments 2019-2044 (25-year analysis period) that is proposed to be deferred. 2019 is included as a reference point. This includes revenue from wells and residential development within the proposed Urban Renewal Area, developed in accordance with the phasing plan discussed earlier in this report. Over the 25-year period, it is forecast that \$138,227 in property taxes would be collected for the Base, and \$5,342,362 in new property tax revenue increment would be deferred by the County.

Table 7: Cumulative Weld County Tax Revenue (2019-2044)

	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 113	\$ 1,198,472	\$ 1,845,573	\$ 2,941,926	\$ 4,189,861	\$ 5,480,589
Property Taxes (Base)	\$ 113	\$ 24,978	\$ 51,214	\$ 78,788	\$ 107,768	\$ 138,227
Property Tax Revenues (Increment)	\$ -	\$ 1,173,494	\$ 1,794,359	\$ 2,863,138	\$ 4,082,093	\$ 5,342,362

Source: Weld County Assessor parcel data

Note: 2019 payable, 2018 levy year

The relative share of oil and gas well and equipment tax revenue compared with residential development tax revenue was also analyzed. It is presented in Table 8. This provides insight into what the relative contributions of these two revenue sources would be over the 25 year analysis period. Residential property tax revenue is estimated to provide 67% of total property tax revenue, oil and gas wells 30% and oil and gas well equipment 3%. Although this calculation is for total tax revenue (based on 94.441 mills), the same proportions would apply to Weld County or any of the other Tax Districts. This assumes assuming a 7.15 percent residential assessment rate for the 25-year analysis period.

Table 8: Relative Share of Estimated Total Property Tax Revenue

Estimated New Development Property Tax Revenues	Revenue (\$)	% of Total
Residential	22,585,089	67%
Oil and Gas (equipment)	920,928	3%
Oil and Gas (wells)	10,044,852	30%
Total New Development	33,550,869	100%

DGC Consulting using Weld County Assessor parcel data

5. Impact on Weld County Services

Municipal and public service providers for the subject property are summarized on Table 9. The proposed Urban Renewal Area is currently located within the Town of Firestone municipal boundaries and Weld County. Municipal services (planning and zoning, engineering, streets, potable water, storm sewer, and police) are provided by the Town. Bulk water supply is provided by the Northern Colorado Water Conservancy District for distribution by the Town.

Other services are currently provided by special districts, or will be in the future. The proposed Urban Renewal Area is within the St. Vrain Valley School District (also referred as the “Longmont RE1-J School District”), as well as the Frederick – Firestone Fire Protection District, and High Plains Library District.

Sanitary sewer service may be provided in the future by the St. Vrain Sanitation District, if arrangements are made with a future Developer.

The property is not within the Carbon Valley Recreation District, although it may be included in the future as residential development proceeds.

Electrical power is provided by the United Power Cooperative. Natural gas is provided by Black Hills Energy. Telecommunications are provided by private companies.

Weld County provides General Government Services which include: County Attorney, County Courts, Social Services, Assessor’s Office, Coroner’s Office, and the Clerk and Recorder’s Office. It is likely that County General Governmental Services will be required during and after construction in the proposed Urban Renewal Area.

Table 9: Public and Private Service Providers

Service	Provider (Current or Future)
Streets, Environmental, and Potable Water	Town of Firestone Public Works, Northern Colorado Water Conservancy District
Sanitary Sewer	St. Vrain Sanitation District (possible in the future)
Storm Sewer	Town of Firestone Public Works
Regional Storm Drainage	none identified
Fire and Emergency Services	Frederick - Firestone Fire Protection District
Public Safety	Town of Firestone Police Department
Parks and Recreation	Town of Firestone, Carbon Valley Recreation District (possible in the future)
Library	High Plains Library District
County General Governmental Services	Weld County
Schools	St. Vrain Valley RE1J School District
Electrical Power	United Power Cooperative
Natural Gas	Black Hills Energy
Telecommunications	Various

Source: Weld County Assessor website, Town of Firestone website, other utility provider websites

6. Impact on Weld County Infrastructure

New infrastructure, such as roads and utilities within the Urban Renewal Area will be the responsibility of the developing party, and may be funded by the Town and/or future metropolitan districts. It is our opinion, based on information provided by Town staff, that the development of the proposed Urban Renewal Area will not impact County infrastructure.

7. Financing of New Infrastructure

It is anticipated that new infrastructure serving the Urban Renewal Area will be provided by property developers, the Town, metropolitan districts, or other special districts. Infrastructure will be financed by property developers, tax increment revenue, and/or a combination of tax increment revenue, general fund revenue, and special district revenue (assuming the creation of a special district). Maintenance of infrastructure will be provided mainly by the Town and/or existing and future special districts.

8. County Impact Report Conclusions

1. General Plan and Zoning Consistency - the anticipated uses within the proposed Urban Renewal Area are consistent with uses in the Town of Firestone Comprehensive Plan and Zoning and Subdivision Regulations.
2. Development program - development of the proposed Bighorn Urban Renewal Area is comprised of two distinct components: (1) oil and gas drilling on a pad site in the southern part of the property, followed by the production of oil and gas on the same site, and (2) residential development of the remainder of the property.
3. Phasing (oil and gas wells) - the drilling of 19 oil and gas wells commences in 2019 and is expected to be completed by 2020. After that, the drilling equipment will be removed and the pad site used for the production and temporary storage of oil and gas from the wells. The timeframe for drilling and production is estimated to be 15 years, after which the wells will be capped.
4. Phasing (residential development) - construction of single family homes on the remainder of the property is scheduled to occur after drilling is completed and will be determined by market conditions. For the purpose of this forecast, residential development will become taxable in 2025 and continue through 2032 when buildout occurs. 111 estate lots will be developed first, followed by 455 production houses on smaller lots, for a total of 566 residential units. Houses constructed on the estate lots are assumed to be 3,000 SF and 2,000 SF each on the production lots.
5. Property taxes deferred - if all of the County portion of the property taxes was deferred, the County would experience an annual fiscal impact of \$315,148 per year in 2021 (the first year of development-induced revenues) and growing to \$421,333 in 2022 (year of maximum production). This would be followed by a rapid decline, stabilization, and then steady growth to approximately \$257,095/year in 2044 (the conclusion of the 25-year tax increment financing period), resulting from the inclusion of the parcel in the proposed Urban Renewal Area and after accounting for the Base.
6. Property tax Base - the total current County portion of property tax Base is \$113 for 2019 (of a total Base of \$707). The County portion of the Base is expected to increase to \$4,797 in 2020 (of a total Base of \$30,127) after the 2019 sale of the property is accounted for in the assessment. Over the following 25-year period, it is forecast that a total of \$138,227 in property taxes would be collected for the County portion of the Base, and \$5,342,362 in new property tax revenue increment would be deferred by the County.
7. Taxes by type of development – assuming a 7.15 percent tax assessment rate, residential property tax revenue is estimated to provide 67% of total property tax revenue, oil and gas wells 30%, and oil and gas well equipment 3%. Although this calculation is for total tax revenue (based on 94.441 mills), the same proportions would apply to Weld County or any of the other Tax Districts.
8. Weld County services – it is not expected that Weld County will need to provide measurable additional services to the proposed Urban Renewal Area.
9. Town of Firestone services - the Town of Firestone will continue to provide general governmental services to the proposed Urban Renewal Area. The Town will also continue to provide Engineering, Planning and Community Development, and Public Safety services.
10. Special districts - special districts such will continue to provide their respective services, including the St. Vrain Valley RE1J School District. Other public service providers may include: Northern Colorado Water Conservancy District, St. Vrain Sanitation District, Frederick – Firestone Fire Protection District, and High Plains Library District.

- 11. Private utilities** - telecommunications and private utility companies will continue to provide services, regardless of whether the properties are within the Town of Firestone.
- 12. Weld County infrastructure** – based on the tax forecast and impact analysis, it is not expected that development of the proposed Urban Renewal Area will negatively impact existing County infrastructure and the County will not need to provide additional infrastructure to serve future development. The Town of Firestone, Firestone Urban Renewal Authority, property developers, and/or special districts (including metropolitan districts) will plan, finance, construct, and maintain new infrastructure for the Urban Renewal Area. On a commercial basis, private utilities mentioned previously will continue to provide services, and if required, new infrastructure to serve the Urban Renewal Area.

9. Property Taxes for Taxing Authorities

A six-year snapshot of property taxes by taxing district, resulting from development within the proposed Bighorn Urban Renewal Area is presented in Table 10. Annual revenue for 2044 is also shown for reference. Exhibit A presents the complete property tax analysis spreadsheet.

Table 10: Annual Tax Revenues by Taxing Authority (2019-2024, 2044)

Weld County			1	2	3	4	5	25
Share of Property Tax (%)	15.92%	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	0.0150	\$ 113	\$ 4,797	\$ 320,091	\$ 426,324	\$ 222,461	\$ 224,686	\$ 263,308
Property Tax (Base)		\$ 113	\$ 4,797	\$ 4,943	\$ 4,992	\$ 5,042	\$ 5,092	\$ 6,214
Net Property Tax Revenues (Increment)		\$ -	\$ -	\$ 315,148	\$ 421,333	\$ 217,419	\$ 219,594	\$ 257,095
Longmont RE1J			1	2	3	4	5	25
Share of Property Tax (%)	59.70%	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	0.0564	\$ 422	\$ 17,987	\$ 1,200,180	\$ 1,598,504	\$ 834,119	\$ 842,460	\$ 987,274
Property Tax (Base)		\$ 422	\$ 17,987	\$ 18,532	\$ 18,717	\$ 18,905	\$ 19,094	\$ 23,298
Net Property Tax Revenues (Increment)		\$ -	\$ -	\$ 1,181,648	\$ 1,579,787	\$ 815,214	\$ 823,367	\$ 963,976
Town of Firestone			1	2	3	4	5	25
Share of Property Tax (%)	7.21%	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	0.0068	\$ 51	\$ 2,171	\$ 144,848	\$ 192,920	\$ 100,668	\$ 101,675	\$ 119,152
Property Tax (Base)		\$ 51	\$ 2,171	\$ 2,237	\$ 2,259	\$ 2,282	\$ 2,304	\$ 2,812
Net Property Tax Revenues (Increment)		\$ -	\$ -	\$ 142,611	\$ 190,662	\$ 98,387	\$ 99,371	\$ 116,340
Frederick - Firestone Fire District			1	2	3	4	5	25
Share of Property Tax (%)	12.03%	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	0.0114	\$ 85	\$ 3,624	\$ 241,803	\$ 322,054	\$ 168,052	\$ 169,732	\$ 198,908
Property Tax (Base)		\$ 85	\$ 3,624	\$ 3,734	\$ 3,771	\$ 3,809	\$ 3,847	\$ 4,694
Net Property Tax Revenues (Increment)		\$ -	\$ -	\$ 238,069	\$ 318,283	\$ 164,243	\$ 165,885	\$ 194,214
Frederick - Firestone Fire District (Bond)			1	2	3	4	5	25
Share of Property Tax (%)	0.64%	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	0.0006	\$ 4	\$ 192	\$ 12,793	\$ 17,038	\$ 8,891	\$ 8,980	\$ 10,523
Property Tax (Base)		\$ 4	\$ 192	\$ 198	\$ 200	\$ 202	\$ 204	\$ 248
Net Property Tax Revenues (Increment)		\$ -	\$ -	\$ 12,595	\$ 16,839	\$ 8,689	\$ 8,776	\$ 10,275
High Plains Library District			1	2	3	4	5	25
Share of Property Tax (%)	3.44%	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	0.0033	\$ 24	\$ 1,037	\$ 69,220	\$ 92,194	\$ 48,108	\$ 48,589	\$ 56,941
Property Tax (Base)		\$ 7	\$ 1,037	\$ 1,069	\$ 1,080	\$ 1,090	\$ 1,101	\$ 1,344
Net Property Tax Revenues (Increment)		\$ 17	\$ -	\$ 68,151	\$ 91,114	\$ 47,017	\$ 47,488	\$ 55,597
Northern Colorado Water (NCW)			1	2	3	4	5	25
Share of Property Tax (%)	1.06%	2019	2020	2021	2022	2023	2024	2044
Property Taxes (Total)	0.0010	\$ 7	\$ 319	\$ 21,285	\$ 28,350	\$ 14,793	\$ 14,941	\$ 17,510
Property Tax (Base)		\$ 7	\$ 319	\$ 329	\$ 332	\$ 335	\$ 339	\$ 413
Net Property Tax Revenues (Increment)		\$ -	\$ -	\$ 20,957	\$ 28,018	\$ 14,458	\$ 14,603	\$ 17,096

Source: DGC Consulting using Weld County Assessor parcel data

Table 11 summarizes cumulative property taxes (based on five, 10, 15, 20 and 25-year increments) for County and other taxing districts. Exhibit A presents the complete property tax spreadsheet.

Table 11: Cumulative Property Tax Revenues by Taxing District (2019-2044)

Cumulative Weld County						
	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 113	\$ 1,198,472	\$ 1,845,573	\$ 2,941,926	\$ 4,189,861	\$ 5,480,589
Property Taxes (Base)	\$ 113	\$ 24,978	\$ 51,214	\$ 78,788	\$ 107,768	\$ 138,227
Property Tax Revenues (Increment)	\$ -	\$ 1,173,494	\$ 1,794,359	\$ 2,863,138	\$ 4,082,093	\$ 5,342,362
Cumulative Longmont RE1J						
	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 422	\$ 4,493,673	\$ 6,919,979	\$ 11,030,756	\$ 15,709,890	\$ 20,549,474
Property Taxes (Base)	\$ 422	\$ 93,657	\$ 192,027	\$ 295,415	\$ 404,077	\$ 518,282
Property Tax Revenues (Increment)	\$ -	\$ 4,400,016	\$ 6,727,952	\$ 10,735,340	\$ 15,305,813	\$ 20,031,191
Cumulative Town of Firestone						
	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 51	\$ 542,333	\$ 835,159	\$ 1,331,281	\$ 1,895,997	\$ 2,480,077
Property Taxes (Base)	\$ 51	\$ 11,303	\$ 23,175	\$ 35,653	\$ 48,767	\$ 62,551
Property Tax Revenues (Increment)	\$ -	\$ 531,030	\$ 811,984	\$ 1,295,628	\$ 1,847,230	\$ 2,417,527
Cumulative Frederick - Firestone Fire District						
	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 85	\$ 905,349	\$ 1,394,182	\$ 2,222,389	\$ 3,165,103	\$ 4,140,144
Property Taxes (Base)	\$ 85	\$ 18,869	\$ 38,688	\$ 59,518	\$ 81,410	\$ 104,419
Property Tax Revenues (Increment)	\$ -	\$ 886,480	\$ 1,355,494	\$ 2,162,871	\$ 3,083,693	\$ 4,035,725
Cumulative Frederick - Firestone Fire District (Bond)						
	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 4	\$ 47,897	\$ 73,759	\$ 117,575	\$ 167,450	\$ 219,034
Property Taxes (Base)	\$ 4	\$ 998	\$ 2,047	\$ 3,149	\$ 4,307	\$ 5,524
Property Tax Revenues (Increment)	\$ -	\$ 46,899	\$ 71,712	\$ 114,427	\$ 163,143	\$ 213,510
Cumulative High Plains Library District						
	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 24	\$ 259,172	\$ 399,109	\$ 636,198	\$ 906,067	\$ 1,185,189
Property Taxes (Base)	\$ 7	\$ 5,385	\$ 11,058	\$ 17,021	\$ 23,288	\$ 29,875
Property Tax Revenues (Increment)	\$ 17	\$ 253,787	\$ 388,051	\$ 619,177	\$ 882,778	\$ 1,155,314
Cumulative Northern Colorado Water (NCW)						
	2019	2019-2024	2019-2029	2019-2034	2019-2039	2019-2044
Property Taxes (Total)	\$ 7	\$ 79,696	\$ 122,727	\$ 195,633	\$ 278,618	\$ 364,449
Property Taxes (Base)	\$ 7	\$ 1,661	\$ 3,406	\$ 5,239	\$ 7,166	\$ 9,192
Property Tax Revenues (Increment)	\$ -	\$ 78,035	\$ 119,322	\$ 190,394	\$ 271,452	\$ 355,257

Source: DGC Consulting using Weld County Assessor parcel data

10. Exhibits

Exhibit A-1: Property Tax Forecast Spreadsheet

Annual Property Tax Estimates											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Estimated Cumulative New Development											
Residential (single family detached units)											
Equipment (wells and shared tank battery)		2,047,775	2,047,775	2,047,775	2,047,775	2,047,775	2,047,775	2,047,775	2,047,775	2,047,775	2,047,775
Oil and Gas (Wells)		19	19	19	19	19	19	19	19	19	19
Estimated Oil and Gas Well Utilization		75%	100%	50%	50%	35%	25%	23%	10%	2%	2%
Estimated New Development Market Value											
Residential	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,082,030	\$ 32,485,701	\$ 49,215,837	\$ 55,175,875	\$133,880,202
Equipment	\$ 1	\$ -	\$ 2,088,935	\$ 2,109,825	\$ 2,130,923	\$ 2,152,232	\$ 2,173,754	\$ 2,195,492	\$ 2,217,447	\$ 2,239,621	\$ 2,262,018
Oil and Gas (Wells)	\$ 1,600,000	\$ 23,258,280	\$ 31,321,150	\$ 15,817,181	\$ 15,975,353	\$ 11,294,574	\$ 8,148,229	\$ 7,571,334	\$ 3,324,803	\$ 2,047,775	\$ 678,326
Estimated New Development Assessed Value											
Residential (tax rate)	7.15%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,149,865	\$ 2,322,728	\$ 3,518,932	\$ 3,945,075	\$ 9,572,434
Equipment (tax rate)	29.00%	\$ -	\$ 605,791	\$ 611,849	\$ 617,968	\$ 624,147	\$ 630,389	\$ 636,693	\$ 643,060	\$ 649,490	\$ 655,985
Oil and Gas (wells) (tax rate)	87.50%	\$ 20,350,995	\$ 27,406,007	\$ 13,840,033	\$ 13,978,434	\$ 9,882,753	\$ 7,129,700	\$ 6,624,917	\$ 2,909,203	\$ 587,659	\$ 593,536
Estimated New Development Property Tax Revenues (94.441 mills)											
Residential (tax revenues)	0.094441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,594	\$ 219,361	\$ 332,331	\$ 372,577
Equipment (tax revenues)	0.094441	\$ -	\$ -	\$ 57,212	\$ 57,784	\$ 58,361	\$ 58,945	\$ 59,535	\$ 60,130	\$ 60,731	\$ 61,339
Oil and Gas (wells) (tax revenues)	0.094441	\$ -	\$ 1,921,968	\$ 2,588,251	\$ 1,307,067	\$ 1,300,137	\$ 933,337	\$ 673,336	\$ 625,664	\$ 274,785	\$ 85,499
Total Property Tax New Development (Increment)		\$ -	\$ 1,979,180	\$ 2,646,034	\$ 1,365,428	\$ 1,379,082	\$ 992,872	\$ 842,060	\$ 605,756	\$ 668,418	\$ 490,028
Total Property Tax Existing Development (Base)		\$ 707	\$ 30,127	\$ 31,040	\$ 31,350	\$ 31,664	\$ 31,980	\$ 32,300	\$ 32,623	\$ 32,949	\$ 33,279
Total Property Tax		\$ 707	\$ 30,127	\$ 2,010,220	\$ 2,677,385	\$ 1,397,092	\$ 1,411,063	\$ 1,025,172	\$ 874,684	\$ 938,705	\$ 701,697
Total Property Tax Existing Development (Base)		\$ 707	\$ 30,127	\$ 31,040	\$ 31,350	\$ 31,664	\$ 31,980	\$ 32,300	\$ 32,623	\$ 32,949	\$ 33,279
Total Property Tax New Development (Increment)		\$ -	\$ 1,979,180	\$ 2,646,034	\$ 1,365,428	\$ 1,379,082	\$ 992,872	\$ 842,060	\$ 605,756	\$ 668,418	\$ 490,028

Property Tax Estimate by Taxing Entity (annual and cumulative):											
Weld County											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Property Taxes (Total)	0.0150	\$ 113	\$ 4,797	\$ 320,091	\$ 426,324	\$ 222,461	\$ 224,686	\$ 163,240	\$ 139,277	\$ 149,472	\$ 111,732
Property Taxes (Base)	\$ 113	\$ 4,797	\$ 4,943	\$ 4,992	\$ 5,042	\$ 5,092	\$ 5,143	\$ 5,195	\$ 5,247	\$ 5,299	\$ 5,352
Net Property Tax Revenues (Increment)	\$ -	\$ -	\$ 315,148	\$ 421,333	\$ 217,419	\$ 219,594	\$ 158,097	\$ 134,083	\$ 144,225	\$ 106,433	\$ 78,028
Cumulative Weld County											
Property Taxes (Total)	\$ 113					\$ 1,198,472					\$ 1,845,573
Property Taxes (Base)	\$ 113					\$ 24,938					\$ 51,214
Property Tax Revenues (Increment)	\$ -					\$ 1,173,494					\$ 1,794,359
Longmont RE1J											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Property Taxes (Total)	0.0564	\$ 422	\$ 17,987	\$ 1,200,180	\$ 1,598,504	\$ 834,119	\$ 842,460	\$ 612,068	\$ 522,221	\$ 560,444	\$ 418,941
Property Tax (Base)	\$ 422	\$ 17,987	\$ 18,532	\$ 18,717	\$ 18,905	\$ 19,094	\$ 19,285	\$ 19,477	\$ 19,672	\$ 19,869	\$ 20,068
Net Property Tax Revenues (Increment)	\$ -	\$ -	\$ 1,181,648	\$ 1,579,787	\$ 815,214	\$ 823,367	\$ 592,783	\$ 502,743	\$ 540,772	\$ 399,072	\$ 292,566
Cumulative Longmont RE1J											
Property Taxes (Total)	\$ 422					\$ 4,493,673					\$ 6,919,979
Property Taxes (Base)	\$ 422					\$ 93,657					\$ 192,027
Property Tax Revenues (Increment)	\$ -					\$ 4,400,016					\$ 6,727,952
Town of Firestone											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Property Taxes (Total)	0.0068	\$ 51	\$ 2,171	\$ 144,848	\$ 192,520	\$ 100,668	\$ 101,675	\$ 73,869	\$ 63,026	\$ 67,639	\$ 50,561
Property Tax (Base)	\$ 51	\$ 2,171	\$ 2,237	\$ 2,297	\$ 2,362	\$ 2,424	\$ 2,487	\$ 2,551	\$ 2,614	\$ 2,678	\$ 2,742
Net Property Tax Revenues (Increment)	\$ -	\$ -	\$ 142,611	\$ 190,662	\$ 98,387	\$ 99,371	\$ 71,542	\$ 60,675	\$ 66,265	\$ 48,163	\$ 35,300
Cumulative Town of Firestone											
Property Taxes (Total)	\$ 51					\$ 542,333					\$ 855,159
Property Taxes (Base)	\$ 51					\$ 11,303					\$ 23,175
Property Tax Revenues (Increment)	\$ -					\$ 531,030					\$ 831,984
Frederick - Firestone Fire District											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Property Taxes (Total)	0.0114	\$ 85	\$ 3,624	\$ 241,803	\$ 322,054	\$ 168,052	\$ 169,732	\$ 123,315	\$ 105,213	\$ 112,914	\$ 84,405
Property Tax (Base)	\$ 85	\$ 3,624	\$ 3,734	\$ 3,771	\$ 3,809	\$ 3,847	\$ 3,885	\$ 3,924	\$ 3,963	\$ 4,003	\$ 4,043
Net Property Tax Revenues (Increment)	\$ -	\$ -	\$ 238,069	\$ 318,283	\$ 164,243	\$ 165,885	\$ 119,429	\$ 101,289	\$ 108,950	\$ 80,402	\$ 58,944
Cumulative Frederick - Firestone Fire District											
Property Taxes (Total)	\$ 85					\$ 905,349					\$ 1,394,162
Property Taxes (Base)	\$ 85					\$ 18,869					\$ 38,688
Property Tax Revenues (Increment)	\$ -					\$ 886,480					\$ 1,355,474
Frederick - Firestone Fire District (Bond)											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Property Taxes (Total)	0.0006	\$ 4	\$ 192	\$ 12,793	\$ 17,038	\$ 8,891	\$ 8,980	\$ 6,524	\$ 5,566	\$ 5,974	\$ 4,465
Property Tax (Base)	\$ 4	\$ 192	\$ 198	\$ 200	\$ 202	\$ 204	\$ 206	\$ 208	\$ 210	\$ 212	\$ 214
Net Property Tax Revenues (Increment)	\$ -	\$ -	\$ 12,595	\$ 16,839	\$ 8,689	\$ 8,776	\$ 6,318	\$ 5,359	\$ 5,764	\$ 4,254	\$ 3,118
Cumulative Frederick - Firestone Fire District (Bond)											
Property Taxes (Total)	\$ 4					\$ 47,897					\$ 73,759
Property Taxes (Base)	\$ 4					\$ 998					\$ 2,047
Property Tax Revenues (Increment)	\$ -					\$ 46,899					\$ 71,712
High Plains Library District											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Property Taxes (Total)	0.0033	\$ 24	\$ 1,037	\$ 69,220	\$ 92,194	\$ 48,108	\$ 48,589	\$ 35,301	\$ 30,119	\$ 32,324	\$ 24,162
Property Tax (Base)	\$ 24	\$ 1,037	\$ 1,069	\$ 1,080	\$ 1,090	\$ 1,101	\$ 1,112	\$ 1,123	\$ 1,135	\$ 1,146	\$ 1,157
Net Property Tax Revenues (Increment)	\$ 17	\$ -	\$ 68,151	\$ 91,114	\$ 47,017	\$ 47,488	\$ 34,189	\$ 28,996	\$ 31,189	\$ 23,018	\$ 16,874
Cumulative High Plains Library District											
Property Taxes (Total)	\$ 24					\$ 259,172					\$ 399,109
Property Taxes (Base)	\$ 24					\$ 5,385					\$ 11,056
Property Tax Revenues (Increment)	\$ 17					\$ 253,787					\$ 388,051
Northern Colorado Water (NCW)											
Share of Property Tax (%)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Property Taxes (Total)	0.0010	\$ 7	\$ 319	\$ 21,285	\$ 28,350	\$ 14,793	\$ 14,941	\$ 10,855	\$ 9,262	\$ 9,940	\$ 7,430
Property Tax (Base)	\$ 7	\$ 319	\$ 329	\$ 332	\$ 335	\$ 339	\$ 342	\$ 345	\$ 349	\$ 352	\$ 356
Net Property Tax Revenues (Increment)	\$ -	\$ -	\$ 20,967	\$ 28,018	\$ 14,458	\$ 14,603	\$ 10,513	\$ 8,916	\$ 9,591	\$ 7,078	\$ 5,189
Cumulative Northern Colorado Water (NCW)											
Property Taxes (Total)	\$ 7					\$ 79,696					\$ 122,727
Property Taxes (Base)	\$ 7					\$ 1,661					\$ 2,406
Property Tax Revenues (Increment)	\$ -					\$ 78,035					\$ 119,322

Source: DGC using information from the Weld County Assessor website

Exhibit A-2: Property Tax Forecast Spreadsheet

Annual Property Tax Estimates	11	12	13	14	15	16	17	18	19	20
Share of Property Tax (%)	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Estimated Cumulative New Development										
Residential (single family detached units)	800,000	1,000,000	1,243,000	1,243,000	1,243,000	1,243,000	1,243,000	1,243,000	1,243,000	1,243,000
Equipment (wells and shared tank battery)	2,047,775	2,047,775	2,047,775	2,047,775	2,047,775					
Oil and Gas (Wells)	19	19	19	19	19					
Estimated Oil and Gas Well Utilization	2%	2%	2%	2%	2%					
Estimated New Development Market Value										
Residential	\$ 150	\$ 169,023,755	\$ 170,713,192	\$ 214,319,463	\$ 216,462,662	\$ 218,627,288	\$ 220,813,361	\$ 223,021,697	\$ 225,251,914	\$ 227,504,433
Equipment	\$ 1	\$ 2,307,484	\$ 2,330,559	\$ 2,353,985	\$ 2,377,403	\$ 2,401,177	\$ -	\$ -	\$ -	\$ -
Oil and Gas (Wells)	\$ 1,600,000	\$ 685,110	\$ 691,961	\$ 698,880	\$ 705,869	\$ 712,938	\$ -	\$ -	\$ -	\$ -
Estimated New Development Assessed Value										
Residential (tax rate)	7.15%	\$ 12,085,198	\$ 12,206,050	\$ 15,323,842	\$ 15,477,080	\$ 15,631,851	\$ 15,788,170	\$ 15,946,051	\$ 16,105,512	\$ 16,266,567
Equipment (tax rate)	29.00%	\$ 669,170	\$ 675,862	\$ 682,621	\$ 689,447	\$ 696,341	\$ -	\$ -	\$ -	\$ -
Oil and Gas (wells) (tax rate)	87.50%	\$ 599,471	\$ 605,466	\$ 611,520	\$ 617,635	\$ 623,812	\$ -	\$ -	\$ -	\$ -
Estimated New Development Property Tax Revenues (94.441 mils)										
Residential (tax revenues)	0.094441	\$ 904,030	\$ 1,141,338	\$ 1,152,752	\$ 1,447,190	\$ 1,461,671	\$ 1,476,288	\$ 1,491,051	\$ 1,505,961	\$ 1,521,027
Equipment (tax revenues)	0.094441	\$ 62,571	\$ 63,197	\$ 63,829	\$ 64,467	\$ 65,112	\$ -	\$ -	\$ -	\$ -
Oil and Gas (wells) (tax revenues)	0.094441	\$ 56,054	\$ 56,615	\$ 57,181	\$ 57,753	\$ 58,330	\$ 58,913	\$ -	\$ -	\$ -
Total Property Tax New Development (Increment)		\$ 1,022,656	\$ 1,261,150	\$ 1,273,761	\$ 1,569,410	\$ 1,585,113	\$ 1,600,964	\$ 1,616,964	\$ 1,633,027	\$ 1,649,187
Total Property Tax Existing Development (Base)		\$ 33,948	\$ 34,287	\$ 34,630	\$ 34,977	\$ 35,326	\$ 35,680	\$ 36,036	\$ 36,397	\$ 36,761
Total Property Tax		\$ 1,056,604	\$ 1,295,437	\$ 1,308,392	\$ 1,604,387	\$ 1,620,439	\$ 1,636,644	\$ 1,653,000	\$ 1,669,424	\$ 1,685,948
Total Property Tax Existing Development (Base)		\$ 33,948	\$ 34,287	\$ 34,630	\$ 34,977	\$ 35,326	\$ 35,680	\$ 36,036	\$ 36,397	\$ 36,761
Total Property Tax New Development (Increment)		\$ 1,022,656	\$ 1,261,150	\$ 1,273,761	\$ 1,569,410	\$ 1,585,113	\$ 1,600,964	\$ 1,616,964	\$ 1,633,027	\$ 1,649,187

Property Tax Estimate by Taxing Entity (annual and cumulative):	11	12	13	14	15	16	17	18	19	20
Share of Property Tax (%)	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Weld County	15.92%	\$ 168,245	\$ 206,275	\$ 208,337	\$ 255,471	\$ 258,025	\$ 260,406	\$ 243,161	\$ 245,592	\$ 248,048
Property Taxes (Total)		\$ 168,245	\$ 206,275	\$ 208,337	\$ 255,471	\$ 258,025	\$ 260,406	\$ 243,161	\$ 245,592	\$ 248,048
Property Tax (Base)		\$ 5,406	\$ 5,460	\$ 5,514	\$ 5,569	\$ 5,625	\$ 5,681	\$ 5,738	\$ 5,796	\$ 5,853
Net Property Tax Revenues (Increment)		\$ 162,839	\$ 200,815	\$ 202,823	\$ 249,901	\$ 252,400	\$ 254,924	\$ 237,422	\$ 239,797	\$ 242,195
Cumulative Weld County					2019-2034					2019-2039
Property Taxes (Total)					\$ 2,941,926					\$ 4,189,861
Property Taxes (Base)					\$ 78,788					\$ 107,768
Property Tax Revenues (Increment)					\$ 2,863,138					\$ 4,082,093
Longmont RE1J	59.70%	\$ 630,834	\$ 773,427	\$ 781,161	\$ 957,887	\$ 967,466	\$ 977,141	\$ 911,731	\$ 920,848	\$ 930,057
Property Taxes (Total)	0.0564	\$ 630,834	\$ 773,427	\$ 781,161	\$ 957,887	\$ 967,466	\$ 977,141	\$ 911,731	\$ 920,848	\$ 930,057
Property Tax (Base)		\$ 20,268	\$ 20,471	\$ 20,676	\$ 20,882	\$ 21,091	\$ 21,302	\$ 21,515	\$ 21,730	\$ 21,948
Net Property Tax Revenues (Increment)		\$ 610,566	\$ 752,956	\$ 760,486	\$ 937,005	\$ 946,375	\$ 955,839	\$ 890,216	\$ 899,118	\$ 908,109
Cumulative Longmont RE1J					2019-2034					2019-2039
Property Taxes (Total)					\$ 11,030,756					\$ 15,709,890
Property Taxes (Base)					\$ 295,415					\$ 404,077
Property Tax Revenues (Increment)					\$ 10,735,340					\$ 15,305,813
Town of Firestone	7.21%	\$ 76,124	\$ 92,343	\$ 94,277	\$ 115,696	\$ 116,760	\$ 117,929	\$ 110,025	\$ 111,135	\$ 112,247
Property Taxes (Total)	0.0066	\$ 76,124	\$ 92,343	\$ 94,277	\$ 115,696	\$ 116,760	\$ 117,929	\$ 110,025	\$ 111,135	\$ 112,247
Property Tax (Base)		\$ 2,446	\$ 2,471	\$ 2,495	\$ 2,520	\$ 2,545	\$ 2,571	\$ 2,597	\$ 2,623	\$ 2,649
Net Property Tax Revenues (Increment)		\$ 73,688	\$ 90,873	\$ 91,782	\$ 113,086	\$ 114,216	\$ 115,358	\$ 107,438	\$ 108,513	\$ 109,598
Cumulative Town of Firestone					2019-2034					2019-2039
Property Taxes (Total)					\$ 1,331,281					\$ 1,895,997
Property Taxes (Base)					\$ 35,653					\$ 48,767
Property Tax Revenues (Increment)					\$ 1,295,628					\$ 1,847,230
Frederick - Firestone Fire District	12.03%	\$ 127,095	\$ 155,824	\$ 157,382	\$ 192,987	\$ 194,917	\$ 196,867	\$ 183,688	\$ 185,525	\$ 187,380
Property Taxes (Total)	0.0114	\$ 127,095	\$ 155,824	\$ 157,382	\$ 192,987	\$ 194,917	\$ 196,867	\$ 183,688	\$ 185,525	\$ 187,380
Property Tax (Base)		\$ 4,083	\$ 4,124	\$ 4,166	\$ 4,207	\$ 4,249	\$ 4,292	\$ 4,335	\$ 4,378	\$ 4,422
Net Property Tax Revenues (Increment)		\$ 123,012	\$ 151,700	\$ 153,217	\$ 188,780	\$ 190,668	\$ 192,575	\$ 179,354	\$ 181,147	\$ 182,959
Cumulative Frederick - Firestone Fire District					2019-2034					2019-2039
Property Taxes (Total)					\$ 2,222,389					\$ 3,165,103
Property Taxes (Base)					\$ 59,510					\$ 81,410
Property Tax Revenues (Increment)					\$ 2,162,879					\$ 3,083,693
Frederick - Firestone Fire District (Bond)	0.64%	\$ 6,724	\$ 8,244	\$ 8,326	\$ 10,210	\$ 10,312	\$ 10,415	\$ 9,718	\$ 9,815	\$ 9,913
Property Taxes (Total)	0.0006	\$ 6,724	\$ 8,244	\$ 8,326	\$ 10,210	\$ 10,312	\$ 10,415	\$ 9,718	\$ 9,815	\$ 9,913
Property Tax (Base)		\$ 216	\$ 218	\$ 220	\$ 223	\$ 225	\$ 227	\$ 229	\$ 232	\$ 234
Net Property Tax Revenues (Increment)		\$ 6,508	\$ 8,026	\$ 8,106	\$ 9,987	\$ 10,087	\$ 10,188	\$ 9,489	\$ 9,584	\$ 9,679
Cumulative Frederick - Firestone Fire District (Bond)					2019-2034					2019-2039
Property Taxes (Total)					\$ 117,575					\$ 167,450
Property Taxes (Base)					\$ 3,149					\$ 4,307
Property Tax Revenues (Increment)					\$ 114,427					\$ 163,143
High Plains Library District	3.44%	\$ 36,383	\$ 44,607	\$ 45,053	\$ 55,246	\$ 55,799	\$ 56,357	\$ 52,584	\$ 53,110	\$ 53,641
Property Taxes (Total)	0.0033	\$ 36,383	\$ 44,607	\$ 45,053	\$ 55,246	\$ 55,799	\$ 56,357	\$ 52,584	\$ 53,110	\$ 53,641
Property Tax (Base)		\$ 1,169	\$ 1,181	\$ 1,192	\$ 1,204	\$ 1,216	\$ 1,229	\$ 1,241	\$ 1,253	\$ 1,266
Net Property Tax Revenues (Increment)		\$ 35,214	\$ 43,427	\$ 43,861	\$ 54,042	\$ 54,583	\$ 55,128	\$ 51,343	\$ 51,857	\$ 52,375
Cumulative High Plains Library District					2019-2034					2019-2039
Property Taxes (Total)					\$ 636,196					\$ 906,067
Property Taxes (Base)					\$ 17,021					\$ 23,288
Property Tax Revenues (Increment)					\$ 619,177					\$ 882,778
Northern Colorado Water (NCW)	1.06%	\$ 11,188	\$ 13,717	\$ 13,854	\$ 16,988	\$ 17,158	\$ 17,330	\$ 16,170	\$ 16,331	\$ 16,495
Property Taxes (Total)	0.0010	\$ 11,188	\$ 13,717	\$ 13,854	\$ 16,988	\$ 17,158	\$ 17,330	\$ 16,170	\$ 16,331	\$ 16,495
Property Tax (Base)		\$ 259	\$ 263	\$ 267	\$ 270	\$ 274	\$ 278	\$ 282	\$ 285	\$ 289
Net Property Tax Revenues (Increment)		\$ 10,929	\$ 13,354	\$ 13,487	\$ 16,618	\$ 16,784	\$ 16,952	\$ 15,788	\$ 15,946	\$ 16,106
Cumulative Northern Colorado Water (NCW)					2019-2034					2019-2039
Property Taxes (Total)					\$ 195,633					\$ 278,618
Property Taxes (Base)					\$ 5,239					\$ 7,166
Property Tax Revenues (Increment)					\$ 190,394					\$ 271,452

Source: DGC using information from the Weld County Assessor website

Exhibit A-3: Property Tax Forecast Spreadsheet

Annual Property Tax Estimates							
	21	22	23	24	25		
Share of Property Tax (%)	2040	2041	2042	2043	2044	2019-2044	
Estimated Cumulative New Development							
Residential (single family detached units)	1,243,000	1,243,000	1,243,000	1,243,000	1,243,000		
Equipment (wells and shared tank battery)							
Oil and Gas (Wells)							
Estimated Oil and Gas Well Utilization							
Estimated New Development Market Value							
Residential	\$ 150	\$ 232,077,272	\$ 234,398,045	\$ 236,742,025	\$ 239,109,445	\$ 241,500,540	
Equipment	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	
Oil and Gas (Wells)	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Estimated New Development Assessed Value							
Residential (tax rate)	7.15%	\$ 16,593,525	\$ 16,759,460	\$ 16,927,055	\$ 17,096,325	\$ 17,267,289	
Equipment (tax rate)	29.000%	\$ -	\$ -	\$ -	\$ -	\$ -	
Oil and Gas (wells) (tax rate)	87.500%	\$ -	\$ -	\$ -	\$ -	\$ -	
Estimated New Development Property Tax Revenues (94.441 mills):							
Residential (tax revenues)	0.094441	\$ 1,551,593	\$ 1,567,109	\$ 1,582,780	\$ 1,598,608	\$ 1,614,594	\$ 22,586,089
Equipment (tax revenues)	0.094441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 920,928
Oil and Gas (wells) (tax revenues)	0.094441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,044,852
Total Property Tax New Development (Increment)		\$ 1,551,593	\$ 1,567,109	\$ 1,582,780	\$ 1,598,608	\$ 1,614,594	\$ 33,550,869
Total Property Tax Existing Development (Base)		\$ 37,500	\$ 37,875	\$ 38,253	\$ 38,636	\$ 39,022	\$ 868,087
Total Property Tax		\$ 1,589,093	\$ 1,604,984	\$ 1,621,033	\$ 1,637,244	\$ 1,653,616	\$ 34,418,954
Total Property Tax Existing Development (Base)		\$ 37,500	\$ 37,875	\$ 38,253	\$ 38,636	\$ 39,022	\$ 868,087
Total Property Tax New Development (Increment)		\$ 1,551,593	\$ 1,567,109	\$ 1,582,780	\$ 1,598,608	\$ 1,614,594	\$ 33,550,869

Property Tax Estimate by Taxing Entity (annual and cumulative):							
	21	22	23	24	25		
Share of Property Tax (%)	2040	2041	2042	2043	2044	2019-2044	
Weld County							
Property Taxes (Total)	0.0150	\$ 253,034	\$ 255,564	\$ 258,120	\$ 260,701	\$ 263,308	\$ 5,480,589
Property Tax (Base)		\$ 5,971	\$ 6,031	\$ 6,091	\$ 6,152	\$ 6,214	\$ 138,227
Net Property Tax Revenues (Increment)		\$ 247,063	\$ 249,533	\$ 252,029	\$ 254,549	\$ 257,095	\$ 5,342,362
Cumulative Weld County							
Property Taxes (Total)							\$ 5,480,589
Property Taxes (Base)							\$ 138,227
Property Tax Revenues (Increment)							\$ 5,342,362
Longmont RE1J							
Share of Property Tax (%)	59.70%	2040	2041	2042	2043	2044	2019-2044
Property Taxes (Total)	0.0564	\$ 948,751	\$ 958,239	\$ 967,821	\$ 977,499	\$ 987,274	\$ 20,549,474
Property Tax (Base)		\$ 22,389	\$ 22,613	\$ 22,839	\$ 23,067	\$ 23,298	\$ 518,282
Net Property Tax Revenues (Increment)		\$ 926,362	\$ 935,626	\$ 944,982	\$ 954,432	\$ 963,976	\$ 20,031,191
Cumulative Longmont RE1J							
Property Taxes (Total)							\$ 20,549,474
Property Taxes (Base)							\$ 518,282
Property Tax Revenues (Increment)							\$ 20,031,191
Town of Firestone							
Share of Property Tax (%)	7.21%	2040	2041	2042	2043	2044	2019-2044
Property Taxes (Total)	0.0068	\$ 114,503	\$ 115,648	\$ 116,804	\$ 117,973	\$ 119,152	\$ 2,480,077
Property Tax (Base)		\$ 2,702	\$ 2,729	\$ 2,756	\$ 2,784	\$ 2,812	\$ 62,551
Net Property Tax Revenues (Increment)		\$ 111,801	\$ 112,919	\$ 114,048	\$ 115,189	\$ 116,340	\$ 2,417,527
Cumulative Town of Firestone							
Property Taxes (Total)							\$ 2,480,077
Property Taxes (Base)							\$ 62,551
Property Tax Revenues (Increment)							\$ 2,417,527
Frederick - Firestone Fire District							
Share of Property Tax (%)	12.03%	2040	2041	2042	2043	2044	2019-2044
Property Taxes (Total)	0.0114	\$ 191,147	\$ 193,058	\$ 194,989	\$ 196,939	\$ 198,908	\$ 4,140,144
Property Tax (Base)		\$ 4,511	\$ 4,556	\$ 4,601	\$ 4,647	\$ 4,694	\$ 104,419
Net Property Tax Revenues (Increment)		\$ 186,636	\$ 188,502	\$ 190,387	\$ 192,291	\$ 194,214	\$ 4,035,725
Cumulative Frederick - Firestone Fire District							
Property Taxes (Total)							\$ 4,140,144
Property Taxes (Base)							\$ 104,419
Property Tax Revenues (Increment)							\$ 4,035,725
Frederick - Firestone Fire District (Bond)							
Share of Property Tax (%)	0.64%	2040	2041	2042	2043	2044	2019-2044
Property Taxes (Total)	0.0006	\$ 10,113	\$ 10,214	\$ 10,316	\$ 10,419	\$ 10,523	\$ 219,034
Property Tax (Base)		\$ 239	\$ 241	\$ 243	\$ 246	\$ 248	\$ 5,524
Net Property Tax Revenues (Increment)		\$ 9,874	\$ 9,973	\$ 10,072	\$ 10,173	\$ 10,275	\$ 213,510
Cumulative Frederick - Firestone Fire District (Bond)							
Property Taxes (Total)							\$ 219,034
Property Taxes (Base)							\$ 5,524
Property Tax Revenues (Increment)							\$ 213,510
High Plains Library District							
Share of Property Tax (%)	3.44%	2040	2041	2042	2043	2044	2019-2044
Property Taxes (Total)	0.0033	\$ 54,719	\$ 55,266	\$ 55,819	\$ 56,377	\$ 56,941	\$ 1,185,189
Property Tax (Base)		\$ 1,291	\$ 1,304	\$ 1,317	\$ 1,330	\$ 1,344	\$ 29,875
Net Property Tax Revenues (Increment)		\$ 53,428	\$ 53,962	\$ 54,502	\$ 55,047	\$ 55,597	\$ 1,155,314
Cumulative High Plains Library District							
Property Taxes (Total)							\$ 1,185,189
Property Taxes (Base)							\$ 29,875
Property Tax Revenues (Increment)							\$ 1,155,314
Northern Colorado Water (NCW)							
Share of Property Tax (%)	1.06%	2040	2041	2042	2043	2044	2019-2044
Property Taxes (Total)	0.0010	\$ 16,826	\$ 16,995	\$ 17,165	\$ 17,336	\$ 17,510	\$ 364,449
Property Tax (Base)		\$ 397	\$ 401	\$ 405	\$ 409	\$ 413	\$ 9,192
Net Property Tax Revenues (Increment)		\$ 16,429	\$ 16,594	\$ 16,759	\$ 16,927	\$ 17,096	\$ 355,257
Cumulative Northern Colorado Water (NCW)							
Property Taxes (Total)							\$ 364,449
Property Taxes (Base)							\$ 9,192
Property Tax Revenues (Increment)							\$ 355,257

Source: DGC using information from the Weld County Assessor website

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Appendices:

Appendix A: Sources Consulted

1. State of Colorado Statutes Urban Renewal Law § 31-25-101:
http://www.state.co.us/gov_dir/leg_dir/olls/colorado_revised_statutes.htm
2. Google Map aerial mapping (2019)
3. Mapping and GIS imagery provided by Town of Firestone (2019)
4. Weld County Assessor website (2019) and materials provide by the Weld County Assessor
5. Crestone Peak Resources 2019 Tax Statement Report (for Weld County)
6. Town of Firestone website (<https://www.firestoneco.gov>)
7. Firestone Master Plan, a Community in Motion (2013)
8. Town of Firestone Development Regulations (2019)
9. Northern Firestone Urban Renewal Plan and Weld County Impact Report (2013)
10. Outline Development Plan, Teets Planned Unit Development, Town of Firestone, County of Weld, Colorado (1996)
11. Ordinance #355 - an ordinance zoning property annexed to the Town of Firestone and known as the Teets Annexation No. 1, Teets Annexation No. 2, Teets Annexation No. 3 to the Town of Firestone (February 1997)
12. Colorado Oil and Gas Conservation Commission website (<https://cogcc.state.co.us>)
13. "Classification and Value of Agricultural Land in Colorado 2019", publication of Colorado Division of Property Taxation, Department of Local Affairs, State of Colorado
(<https://www.colorado.gov/pacific/dola/division-property-taxation-brochures>)
14. Bighorn 17H-P267 Pad Special Use Permit (2018)
15. Firestone Venture LLC concept site plan (2019)
16. Property Tax Revenue Spreadsheet (DGC Consulting, 2019)
17. Resolution Re: Designation of the Unincorporated Area of Weld County, Colorado, as a Mineral (Oil and Gas) Resource Area of State Interest, Pursuant to C.R.S. §24-65.1-202(1) (June, 2019)

Appendix B: Bighorn Urban Renewal Area Legal Description and Map Exhibit

Firestone Big Horn Urban Renewal Area

BEING A PART OF SECTION 17, T2N, R67W OF THE 6TH P.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 17, THENCE S 89°52'35" W, 330.00 FEET ALONG THE NORTH LINE OF SAID SECTION 17 TO A POINT; THENCE S 02°09'00" W A DISTANCE OF 30.02 FEET TO THE NORTHWEST CORNER OF THAT TRACT OF LAND, AND THE TRUE POINT OF BEGINNING:

THENCE S 02°09'00" W, 1359.91 FEET TO A POINT;

THENCE N 32°06'00" E, 182.82 FEET TO A POINT;

THENCE N 49°05'10" E, 95.06 FEET TO A POINT;

THENCE N 56°44'35" E, 104.76 FEET TO A POINT;

THENCE N 68°47'40" E, 58.42 FEET TO A POINT 30 FEET WEST OF THE EAST LINE OF THE NORTHEAST ¼ OF SAID SECTION 17;

THENCE S 02°09'00" W, 1544.15 FEET ALONG A LINE 30 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE NORTHEAST ¼ OF SAID SECTION 17 TO A POINT;

THENCE S 01°50'35" W, 1921.15 FEET ALONG A LINE 30 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 17 TO A POINT;

THENCE S 22°48'07" W, 81.53 FEET TO A POINT OF CURVE TO THE RIGHT;

THENCE 199.62 FEET ALONG THE ARC OF SAID CURVE TO A POINT OF TANGENT, SAID ARC HAVING A RADIUS OF 165.00 FEET, A DELTA ANGLE OF 69°19'00" AND BEING SUBTENDED BY A CHORD THAT BEARS S 57°27'37" W, 187.66 FEET;

THENCE N 87°52'53" W, 395.81 FEET TO A POINT;

THENCE N 75°49'03" W, 153.75 FEET TO A POINT;

THENCE S 00°09'57" W 574.76 FEET TO A POINT 30 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST ¼ OF SAID SECTION 17;

THENCE S 89°25'57" W, 612.03 FEET ALONG A LINE 30 FEET NORTH OF AND PARALLEL THE SOUTH LINE OF THE SOUTHEAST ¼ SAID SECTION 17 TO A POINT;

THENCE N 00°34'03" W, 633.60 FEET TO A POINT;

THENCE N89°25'57" E, 105.00 FEET TO A POINT;

THENCE N 00°34'03" W, 660.00 FEET TO A NO. 4 REBAR WITH AN ALUMINUM CAP STAMPED LS 2149;

THENCE CONTINUING N 00°34'03" W, 325.07 FEET TO A NO. 5 REBAR WITH A PLASTIC CAP STAMPED PLS 22576;

THENCE S 89°25'57" W, 670.00 FEET TO A NO. 5 REBAR WITH A PLASTIC CAP STAMPED PLS 22576;

THENCE N 00°34'03" W, 99.75 FEET TO A NO. 4 REBAR WITH AN ALUMINUM CAP STAMPED LS 2149 AT A POINT OF CURVE TO THE LEFT;

THENCE 670.45 FEET ALONG THE ARC OF SAID CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 750.00 FEET, A DELTA ANGLE OF 51°13'08" AND BEING SUBTENDED BY A CHORD THAT BEARS N 26°10'37" W, 648.35 FEET TO A POINT;

THENCE N 51°47'11" W, 118.29 FEET TO A POINT;

THENCE N 38°12'49" E 645.98 FEET TO A POINT;

THENCE N 51°47'11" W, 485.34 FEET TO A POINT;

THENCE N 71°19'37" W 212.22 FEET TO A POINT;

THENCE N 00°52'00" W, 707.88 FEET TO A POINT;

THENCE S 89°08'00" W, 155.32 FEET TO A POINT;

THENCE N 00°52'00" W, 646.77 FEET TO A POINT;

THENCE S89°53'00" W, 44.96 FEET TO A POINT;

THENCE N 00°07'00" W, 255.00 FEET TO A POINT OF CURVE TO THE LEFT;

THENCE 110.72 FEET ALONG THE ARC OF A NON-TANGENTIAL CURVE TO A POINT OF REVERSE CURVE, SAID ARC HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 128°52.11" AND BEING SUBTENDED BY A CHORD THAT BEARS N 26°26'54" E, 89.44 FEET;

THENCE 32.18 FEET ALONG THE ARC OF SAID REVERSE CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 36°52'11" AND BEING SUBTENDED BY A CHORD THAT BEARS N 18°33'06" W, 31.62 FEET TO A POINT;

THENCE N 00°07'00" W, 265.00 FEET TO A POINT 30 FEET SOUTH OF THE NORTH LINE OF THE NW ¼ OF SAID SECTION 17;

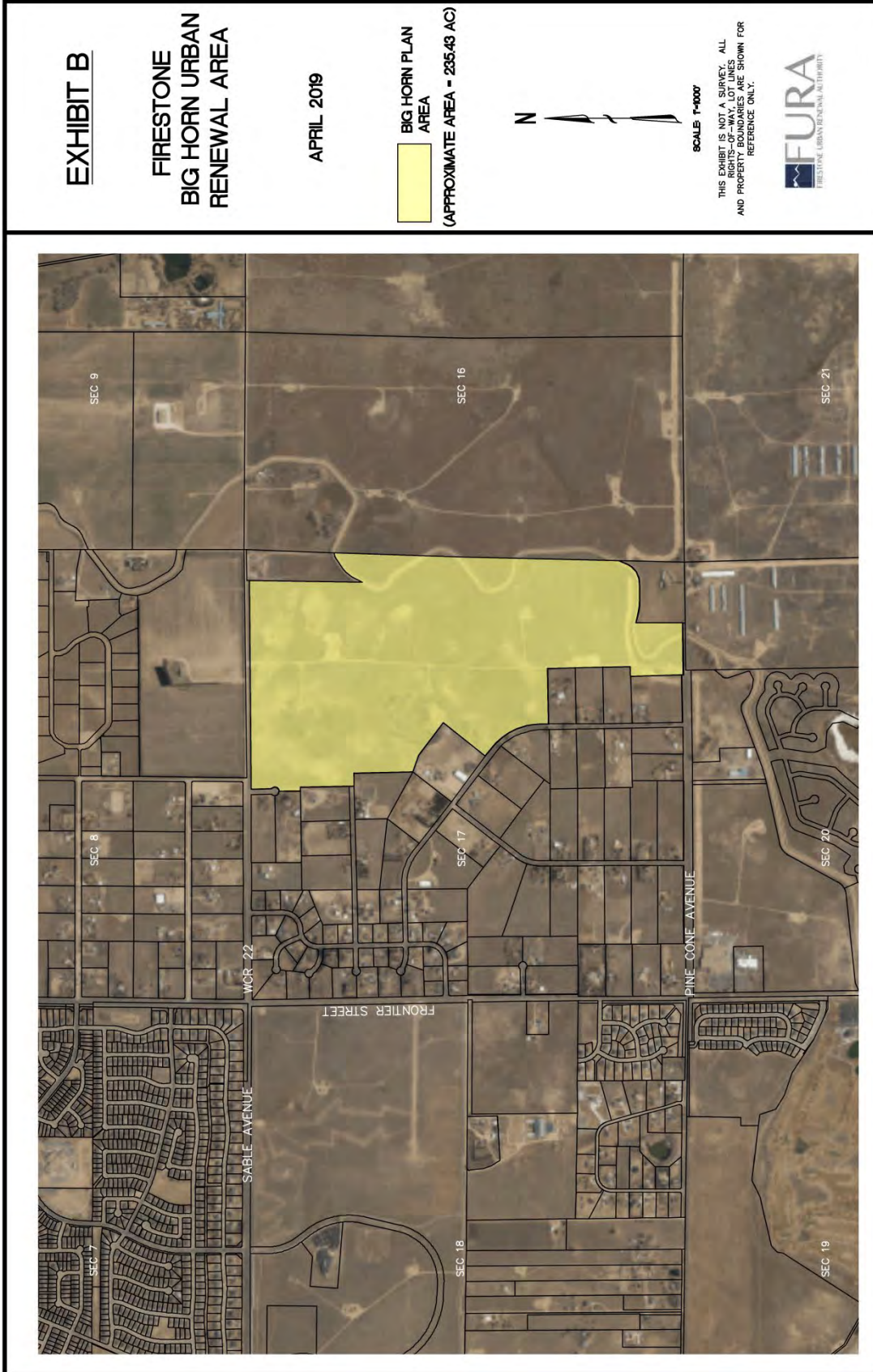
THENCE N 89°53'00" E, 148.15 FEET ALONG A LINE 30 FEET SOUTH AND PARALLEL THE NORTH LINE OF THE NW ¼ OF SAID SECTION 17 TO POINT 30 FEET SOUTH OF THE NORTH ¼ CORNER OF SAID SECTION 17;

THENCE N 89°52'35" E, 2395.38 FEET ALONG A LINE 30 FEET SOUTH AND PARALLEL TO THE NORTH LINE OF THE NORTHEAST ¼ OF SAID SECTION 17 TO THE TRUE POINT OF BEGINNING.

SAID PARCEL HAVING AN AREA = 235.43 ACRES, MORE OR LESS.



9-25-2019



Appendix C: Bighorn Urban Renewal Plan

(included by reference)

**INTERGOVERNMENTAL AGREEMENT FOR TAX INCREMENT REVENUE
SHARING
BY AND BETWEEN
THE FIRESTONE URBAN RENEWAL AUTHORITY
AND
ST. VRAIN VALLEY SCHOOL DISTRICT**

This Intergovernmental Agreement (“**Agreement**”), is entered into effective as of the ____ day of _____, 2019 (the “**Effective Date**”), by and between the **FIRESTONE URBAN RENEWAL AUTHORITY**, a body corporate and politic of the State of Colorado (“**FURA**”), whose address is 151 Grant Avenue, P.O. Box 100, Firestone, CO, 80520, ATTN: Executive Director, 151 Grant Avenue, Firestone, CO, 80520, and the **ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J**, a political subdivision of the State of Colorado (the “**School District**”), whose address is 395 S. Pratt Parkway, ATTN: Chief Financial Officer, Longmont, CO 80501. FURA and the School District may be referred to herein individually as a “**Party**” and may be collectively referred to herein as the “**Parties.**”

RECITALS

A. FURA is a public body corporate and politic authorized to transact business and exercise its powers as an urban renewal authority under and pursuant to the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the “**Act**”).

B. The Board of Trustees (the “**Town Board**”) for Firestone (the “**Town**”) approved the creation of FURA on July 9, 2009 and, at that time, designated the Town Board as the FURA Board of Commissioners (the “**Commissioners**”), and on May 15, 2019 accepted the appointments of three (3) commissioners to the Authority by Weld County, St. Vrain Valley School District RE-1J, and the special districts in conformance with the Act; and

C. The School District is a public body corporate and political subdivision of the State of Colorado. The School District’s boundaries overlap FURA’s jurisdictional boundaries such that the School District has the authority to impose a mill levy within FURA’s jurisdictional boundaries.

D. The Town Board is anticipated to consider a Resolution approving the Urban Renewal Plan for the Bighorn Urban Renewal Area (the “**Plan**”), which, in addition to creating the Bighorn Urban Renewal Area, authorizes the use tax increment financing (“**TIF Financing**”) within the Bighorn Urban Renewal Area (the “**TIF Area**”), as contemplated by C.R.S. § 31-25-107(9)(a).

E. The Act provides that taxes levied after the effective date of the approval of an urban renewal plan upon taxable real property in the area described in such urban renewal plan shall be divided each year for a period not to exceed twenty-five (25) years from the effective date of the urban renewal plan and that a portion of said property tax revenues shall be allocated to and paid into a special fund of the applicable urban renewal authority, as more particularly described in the Act.

F. Pursuant to the Plan, taxes levied after the effective date of the Town Board's approval of the Plan on taxable real property located within the TIF Area, as it currently exists or hereafter as it may be modified by expansion, shall be divided each year for a period not to exceed twenty-five (25) years from the effective date of the Plan and that a portion of said property tax revenues (the "**TIF Revenue**") shall be allocated to and paid into a special fund of FURA to pay the principal of, interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by FURA for financing an urban renewal project or to make payments in accordance with an agreement executed pursuant to C.R.S. § 31-25-107(11).

G. In accordance with the Act (including the requirements of HB 15-1348 and SB 18-248), FURA and the School District desire to enter into this Agreement and recognize that a division of taxes pursuant to C.R.S. § 31-25-107(9)(a) on taxable real property within the boundaries of the School District without an agreement concerning the sharing of TIF Revenue may hinder (a) the effectuation of the Plan and the planned urban renewal projects to be located within the TIF Area, and (b) the School District's ability to provide its educational services and facilities to its constituents. The Agreement addresses, among other things, the estimated impacts of the Plan on School District services associated solely with the TIF Area.

H. The Parties acknowledge that the eligible electors of the School District did approve in November 2008 and 2012, and may in the future approve the levy of additional mills by the School District for its operations by way of a School District Mill Levy Override (i.e., additional local revenues in excess of the School District's total program as provided in the Public School Finance Act of 1994, Colorado Revised Statutes Title 22, Article 54, Part 1, or successor act) ("**Mill Levy Overrides**").

I. The Parties further acknowledge that the eligible electors of the School District have also approved the levy of additional mills by the School District for the servicing of the District's issued bonded indebtedness, and may in the future approve the issuance of additional bonded indebtedness, the debt service of which is financed by additional mills. For purposes hereof, the debt service mill levies may include indebtedness incurred as a result of the refunding of any School District debt, now or in the future. Collectively, such debt service levies are referred to herein as "**Debt Service Mill Levies**."

J. Therefore, FURA and the School District desire to enter into this Agreement to provide for the transfer to the School District of certain portions of the TIF Revenue. The School District shall be entitled to receive all of the TIF Revenue generated by the imposition of its mill levies (Mill Levy Overrides and Debt Service Mill Levies, plus annual abatement levies, if any) if and when received by FURA as a result of the imposition of the Urban Renewal Plan and the collection of the TIF Revenue from the TIF Area as set forth in this Agreement, except for that TIF Revenue that is generated by the mill levy established by the Colorado Public School Finance Act, Sec. 22-54-106, C.R.S., (total program). As of the date of this Agreement, the School District's total program mill levy within the TIF Area is **24.995 mills** (the School District's "**Total Program Mill Levy Increment**").

K. The Parties agree that this division of TIF Revenue and FURA's retention of only the Total Program Mill Levy Increment from such TIF Revenue does not hinder or substantially interfere with the effectuation of the Urban Renewal Plan and the planned urban renewal projects

to be located within the TIF Area, and does not substantially diminish the School District's ability to provide its educational services and facilities to its constituents.

L. In consideration therefore, the School District expressly consents to the formation of the Bighorn Urban Renewal Area.

M. FURA and the School District are authorized to enter into this Agreement pursuant to law, including, without limitation, C.R.S. § 31-25-112.

NOW THEREFORE, in consideration of the foregoing recitals and the covenants, promises and agreements of each of the Parties hereto, it is agreed by and between the Parties hereto as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated into and made a part of this Agreement.

2. TIF Revenue Sharing.

(a) After deducting its Administrative Fee, FURA agrees to transfer to the School District all of the property tax TIF Revenues calculated, raised, produced, allocated, and transferred to FURA as a result of the levy by the School District's Mill Levy Overrides and Debt Service Mill Levies, plus annual abatement levies, if any, now and in the future, upon taxable property within the TIF Area pursuant to and in accordance with Section 31-25-107(9)(a)(II) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado for the purposes of compensating the School District for the services it will provide to the TIF Area and for the capital facilities it has constructed, or will construct, for servicing, in whole or in part, students in the TIF Area. FURA's obligation to transfer to the School District its designated portion of the TIF Revenues generated by the School District's Mill Levy Overrides and Debt Service Mill Levies, plus annual abatement levies, if any, as described in this Section 2 shall be referred to herein as the "**Transfer Obligation.**"

(b) All revenues from the District's Total Program Mill Levy Increment as described in paragraph J, above, shall remain with FURA to be utilized by it pursuant to its Plan, applicable state law, and FURA Board action, and shall not be subject to the Transfer Obligation, commencing on the date of approval by the Town Board of the Plan and ending upon the expiration of the twenty-five (25) year period that the tax increment or tax allocation provisions will be in effect as specified in §31-25-107(9)(a) of the Act and the Plan.

(c) An administrative fee equal to one percent (1%) of the TIF Revenue as determined on an annual basis shall be retained by FURA (the "**Administrative Fee**"). Notwithstanding anything to the contrary set forth in this Agreement or in the Plan, FURA shall be entitled to retain the Administrative Fee to pay the reasonable and customary administrative costs of the Authority incurred in connection with FURA's obligations under this Agreement including, but not limited to, the collection, enforcement, disbursement, and administrative fees and costs related to TIF Revenue and the TIF Area. The Administrative Fee shall be deducted annually from the payments made to the District pursuant to the Transfer Obligation.

3. Agreement Confined to Specified Revenue. In compliance with the requirements

of the Act (including HB 15-1348 and SB 18-248), FURA and the School District have negotiated and agreed to the sharing of TIF Revenue as set forth herein. This Agreement applies only to TIF Revenue derived from imposition of real property taxes (land and improvements to land) in the TIF Area, if any, that is calculated, produced, allocated and transferred to FURA in accordance with C.R.S. § 31-25-107(9)(a)(II) and the rules and regulations of the Property Tax Administrator of the State of Colorado, and does not include any other revenues of FURA. The School District agrees and acknowledges that the School District is not entitled to and expressly disclaims any and all right, title or interest in and to any other taxes or revenues collected by FURA including, without limitation, any personal property tax, sales tax, or private improvement fees.

4. Consent. The School District expressly waives and agrees not to object to: (a) the Town's approval or the Commissioners' recommendation of approval of the Plan, including, without limitation, its approval of the use of TIF Financing and collection of TIF Revenue, and (b) FURA's imposition of any personal property tax, sales tax, private improvement fees or other fees in connection with the Plan or TIF Area. The District acknowledges that this Agreement constitutes notice to the District of, and its advisory participation on, the Plan pursuant to C.R.S., § 31-25-107(9)(d).

5. Subordination. By written consent of the School District, as evidenced by a future resolution or resolutions approved by the Board of Directors of the School District, the Transfer Obligation may be made subordinate to any payment of the principal of, the interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by FURA for financing or refinancing, in whole or in part, any urban renewal project specified in the Plan.

6. Delays. Any delays in or failure of performance by any Party of its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God; acts of public enemy; acts of the Federal or state government; acts of third parties; litigation concerning the validity of this Agreement or relating to transactions contemplated hereby; fire, floods, strikes, labor disputes, accidents, regulations or order of civil or military authorities; shortages of labor or materials; or other causes, similar or dissimilar, which are beyond the control of such Party. Notwithstanding the foregoing, where any of the above events shall occur which temporarily interrupt the ability of FURA to transfer to the School District revenues as provided in this Agreement, as soon as the event causing such interruption shall no longer prevail, FURA shall transfer the total amount of the effected revenues that have been received by FURA that is then in the account, as determined according to the provisions of this Agreement.

7. Termination and Subsequent Legislation. This Agreement may be terminated at any time upon the mutual written agreement of FURA and the School District. In addition, in the event of termination of the Plan, including, without limitation, the provisions of the Plan authorizing TIF Financing, FURA may terminate this Agreement by delivering written notice to the School District. FURA may also terminate this Agreement by delivering written notice to the School District if the School District no longer provides any services within the TIF Area. The Parties further agree that in the event legislation is adopted after the Effective Date of this Agreement that invalidates or materially or adversely affects any provisions hereof, the Parties will in good faith negotiate for an amendment to this Agreement that most fully implements the original intent, purpose and provisions of this Agreement.

8. Entire Agreement. This instrument embodies the entire agreement of the Parties with respect to the subject matter hereof. There are no promises, terms, conditions, or obligations other than those contained herein and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the Parties hereto. No modification to this Agreement shall be valid unless agreed to in writing by the Parties hereto.

9. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their successors in interest.

10. No Third-Party Enforcement. It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the undersigned Parties and nothing in this Agreement shall give or allow any claim or right of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned Parties that any entity other than the undersigned Parties receiving services or benefits under this Agreement shall be an incidental beneficiary only.

11. No Waiver of Immunities. Nothing contained herein shall be construed as a waiver, in whole or in part, by any Party hereto of the rights, protections, and privileges afforded under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., or under any other law, nor shall any portion of this Agreement be deemed to have created a duty of care which did not previously exist with respect to any person not a Party to this Agreement.

12. Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Further, in the event of any such holding of invalidity, illegality or unenforceability, the Parties will in good faith negotiate for an amendment to this Agreement that achieves to the greatest degree possible the intent of the affected provision of this Agreement.

13. No Assignment. No Party may assign any of its rights or obligations under this Agreement without the express prior written consent of the other Party. Any attempted assignment in violation of this provision shall be null and void and of no force and effect.

14. Paragraph Captions. The captions of the paragraphs are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

15. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

16. Governing Law. This Agreement and the provisions hereof shall be governed by and construed in accordance with the laws of the State of Colorado.

17. No Presumption. The Parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the Party causing the Agreement to be drafted.

18. Notices. Any notice required by this Agreement shall be in writing. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) sent by confirmed electronic delivery with an original copy thereof transmitted to the recipient by one of the means described in subsections (a) through (c) no later than 5 business days thereafter. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this paragraph, then the first attempted delivery shall be deemed to constitute delivery. Each Party shall be entitled to change its address for notices from time to time by delivering to the other Party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

If to FURA: Firestone Urban Renewal Authority
Attention: Executive Director
151 Grant Avenue
P.O. Box 100
Firestone, CO, 80520
Telephone: 303-531-6265
Email: FURA@firestoneco.gov

With a copy to: Brownstein Hyatt Farber Schreck
Attention: Caitlin Quander
410 17th Street Suite 2200
Denver, CO 80202
Telephone: 303-223-1233
Email: cquander@bhfs.com

If to the School District: St. Vrain Valley School District
Attn: Chief Financial Officer
395 S. Pratt Parkway
Longmont, CO 80501
Telephone: 303-776-6200
Email: fieth_gregory@svvvsd.org

With a copy to: Lyons Gaddis Kahn Hall Jeffers Dworak & Grant, PC
Attn: Timothy O'Neill
PO Box 978
515 Kimbark Street, 2nd Floor
Longmont, CO 80502-0978
Telephone: 303.776.9900

Email: toneill@lyonsgaddis.com

19. Days. If the day for any performance or event provided for herein is a Saturday, a Sunday, a day on which national banks are not open for the regular transactions of business, or a legal holiday pursuant to C.R.S. § 24-11-101(1), such day shall be extended until the next day on which such banks and state offices are open for the transaction of business.

20. Parties Not Partners. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties shall not be deemed to be partners or joint venturers, and no Party shall be responsible for any debt or liability of any other Party.

21. Inclusion of Agricultural Land. The Bighorn Urban Renewal Area contains Agricultural Land (as defined in §31-25-103 of the Act), and this Agreement constitutes agreement by the District to inclusion of the Agricultural Land in the Bighorn Urban Renewal Area as required by §31-25-107(1)(c)(II)(D) of the Act. The Act requires that Agricultural Land included within an urban renewal plan area to be valued at fair market value for purposes of establishing the base and calculating the increment. Accordingly, as demonstrated in the Tax Forecast and County Impact Report for Bighorn Urban Renewal Area dated July, 2019 previously submitted to the District, the Agricultural Land base value has been established at fair market rates.

22. Waiver. Pursuant to C.R.S. §31-25-107(11), the School District agrees to waive all provisions of Part 1 of the Act that provide for notice to the School District, require any filing with or by the School District, require or permit consent from the School District, or provide for any enforcement right to the School District.

[Remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, FURA and the School District have caused their duly authorized officials to execute this Agreement effective as of the Effective Date.

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J,
a political subdivision of the State of Colorado

By: _____
Title: Joie Siegrist, Board President

ATTEST:

By: _____
John Ahrens, Board Secretary

FIRESTONE URBAN RENEWAL AUTHORITY,
a body corporate and politic of the State of Colorado

By: _____
Bobbi Sindelar, Chair

ATTEST:

By: _____
Name: _____
Title: _____

Exhibit A
Legal Description of the TIF Area

Firestone Big Horn Urban Renewal Area

BEING A PART OF SECTION 17, T2N, R67W OF THE 6TH P.M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 17, THENCE S 89°52'35" W, 330.00 FEET ALONG THE NORTH LINE OF SAID SECTION 17 TO A POINT; THENCE S 02°09'00" W A DISTANCE OF 30.02 FEET TO THE NORTHWEST CORNER OF THAT TRACT OF LAND, AND THE TRUE POINT OF BEGINNING:

THENCE S 02°09'00" W, 1359.91 FEET TO A POINT;

THENCE N 32°06'00" E, 182.82 FEET TO A POINT;

THENCE N 49°05'10" E, 95.06 FEET TO A POINT;

THENCE N 56°44'35" E, 104.76 FEET TO A POINT;

THENCE N 68°47'40" E, 58.42 FEET TO A POINT 30 FEET WEST OF THE EAST LINE OF THE NORTHEAST ¼ OF SAID SECTION 17;

THENCE S 02°09'00" W, 1544.15 FEET ALONG A LINE 30 FEET WEST OF AND PARALLEL TO THE EAST LINE OF THE NORTHEAST ¼ OF SAID SECTION 17 TO A POINT;

THENCE S 01°50'35" W, 1921.15 FEET ALONG A LINE 30 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID SECTION 17 TO A POINT;

THENCE S 22°48'07" W, 81.53 FEET TO A POINT OF CURVE TO THE RIGHT;

THENCE 199.62 FEET ALONG THE ARC OF SAID CURVE TO A POINT OF TANGENT, SAID ARC HAVING A RADIUS OF 165.00 FEET, A DELTA ANGLE OF 69°19'00" AND BEING SUBTENDED BY A CHORD THAT BEARS S 57°27'37" W, 187.66 FEET;

THENCE N 87°52'53" W, 395.81 FEET TO A POINT;

THENCE N 75°49'03" W, 153.75 FEET TO A POINT;

THENCE S 00°09'57" W 574.76 FEET TO A POINT 30 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST ¼ OF SAID SECTION 17;

THENCE S 89°25'57" W, 612.03 FEET ALONG A LINE 30 FEET NORTH OF AND PARALLEL THE SOUTH LINE OF THE SOUTHEAST ¼ SAID SECTION 17 TO A POINT;

THENCE N 00°34'03" W, 633.60 FEET TO A POINT;

THENCE N89°25'57" E, 105.00 FEET TO A POINT;

THENCE N 00°34'03" W, 660.00 FEET TO A NO. 4 REBAR WITH AN ALUMINUM CAP STAMPED LS 2149;

THENCE CONTINUING N 00°34'03" W, 325.07 FEET TO A NO. 5 REBAR WITH A PLASTIC CAP STAMPED PLS 22576;

THENCE S 89°25'57" W, 670.00 FEET TO A NO. 5 REBAR WITH A PLASTIC CAP STAMPED PLS 22576;

THENCE N 00°34'03" W, 99.75 FEET TO A NO. 4 REBAR WITH AN ALUMINUM CAP STAMPED LS 2149 AT A POINT OF CURVE TO THE LEFT;

THENCE 670.45 FEET ALONG THE ARC OF SAID CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 750.00 FEET, A DELTA ANGLE OF 51°13'08" AND BEING SUBTENDED BY A CHORD THAT BEARS N 26°10'37" W, 648.35 FEET TO A POINT;

THENCE N 51°47'11" W, 118.29 FEET TO A POINT;

THENCE N 38°12'49" E 645.98 FEET TO A POINT;

THENCE N 51°47'11" W, 485.34 FEET TO A POINT;

THENCE N 71°19'37" W 212.22 FEET TO A POINT;

THENCE N 00°52'00" W, 707.88 FEET TO A POINT;

THENCE S 89°08'00" W, 155.32 FEET TO A POINT;

THENCE N 00°52'00" W, 646.77 FEET TO A POINT;

THENCE S89°53'00" W, 44.96 FEET TO A POINT;

THENCE N 00°07'00" W, 255.00 FEET TO A POINT OF CURVE TO THE LEFT;

THENCE 110.72 FEET ALONG THE ARC OF A NON-TANGENTIAL CURVE TO A POINT OF REVERSE CURVE, SAID ARC HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 128°52.11" AND BEING SUBTENDED BY A CHORD THAT BEARS N 26°26'54" E, 89.44 FEET;

THENCE 32.18 FEET ALONG THE ARC OF SAID REVERSE CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 36°52'11" AND BEING SUBTENDED BY A CHORD THAT BEARS N 18°33'06" W, 31.62 FEET TO A POINT;

THENCE N 00°07'00" W, 265.00 FEET TO A POINT 30 FEET SOUTH OF THE NORTH LINE OF THE NW ¼ OF SAID SECTION 17;

THENCE N 89°53'00" E, 148.15 FEET ALONG A LINE 30 FEET SOUTH AND PARALLEL THE NORTH LINE OF THE NW ¼ OF SAID SECTION 17 TO POINT 30 FEET SOUTH OF THE NORTH ¼ CORNER OF SAID SECTION 17;

THENCE N 89°52'35" E, 2395.38 FEET ALONG A LINE 30 FEET SOUTH AND PARALLEL TO THE NORTH LINE OF THE NORTHEAST ¼ OF SAID SECTION 17 TO THE TRUE POINT OF BEGINNING.

SAID PARCEL HAVING AN AREA = 235.43 ACRES, MORE OR LESS.



Exhibit B
Depiction of the TIF Area

[to be attached]

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of New District Directors and Oath of Office for Board Members
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education approve the newly elected Board members following the cancellation of the 2019 election and elected by acclamation as follows:

Joie Siegrist – Director District A
Jim Berthold – Director District C
Dr. Richard Martyr – Director District E
Chico Garcia – Director District G

BACKGROUND

As stated in CRS 22-31-125, each school board member is required to take an oath of office, swearing to faithfully perform the duties of the office as required by law.

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Board Officer Elections – President of the Board
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education elect a President *of* the Board.

BACKGROUND

As stated in Board Policy BDA – Board Organizational Meeting, and CRS 22-32-104 within 15 days after the regular biennial election, the Board shall meet in an organizational session at a regular or special meeting for the purpose of selecting officers.

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Board Officer Elections – Vice President *of* the Board
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education elect a Vice President *of* the Board.

BACKGROUND

As stated in Board Policy BDA – Board Organizational Meeting, and CRS 22-32-104 within 15 days after the regular biennial election, the Board shall meet in an organizational session at a regular or special meeting for the purpose of selecting officers.

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Board Officer Appointments – Secretary of the Board
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education appoint a Secretary of the Board.

BACKGROUND

As stated in Board Policy BDA – Board Organizational Meeting, and CRS 22-32-104 within 15 days after the regular biennial election, the Board shall meet in an organizational session at a regular or special meeting for the purpose of selecting officers.

MEMORANDUM

DATE: November 13, 2019
TO: Board of Education
FROM: Dr. Don Haddad, Superintendent of Schools
SUBJECT: Approval of Board Officer Appointments – Assistant Secretary *of* the Board
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education appoint an Assistant Secretary *of* the Board.

BACKGROUND

As stated in Board Policy BDA – Board Organizational Meeting, and CRS 22-32-104 within 15 days after the regular biennial election, the Board shall meet in an organizational session at a regular or special meeting for the purpose of selecting officers.

MEMORANDUM

DATE: November 13, 2019
TO: Board of Education
FROM: Dr. Don Haddad, Superintendent of Schools
SUBJECT: Approval of Board Officer Appointments – Treasurer of the Board
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education appoint a Treasurer of the Board.

BACKGROUND

As stated in Board Policy BDA – Board Organizational Meeting, and CRS 22-32-104 within 15 days after the regular biennial election, the Board shall meet in an organizational session at a regular or special meeting for the purpose of selecting officers.

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Dr. Don Haddad, Superintendent of Schools

SUBJECT: Approval of Board Officer Appointments – Assistant Treasurer and Secretary *to* the Board
Strategic Priority – High-Functioning School Board

RECOMMENDATION

That the Board of Education appoint an Assistant Treasurer and Secretary *to* the Board.

BACKGROUND

As stated in Board Policy BDA – Board Organizational Meeting, and CRS 22-32-104 within 15 days after the regular biennial election, the Board shall meet in an organizational session at a regular or special meeting for the purpose of selecting officers.

MEMORANDUM

DATE: November 13, 2019
TO: Board of Education
FROM: Dr. Don Haddad, Superintendent of Schools
SUBJECT: Adoption of Resolution for Signature Authorization
Strategic Priority – Strong District Finances

RECOMMENDATION

That the Board of Education adopt the following resolution:

WHEREAS, the Board of Education of the St. Vrain Valley School District RE-1J on November 13, 2019 elected new officers; and

WHEREAS, the signatures of the officers of the Board of Education are the authorized signatures on checks issued by the School District; and

WHEREAS, it will be necessary to continue with the previous officers' signatures until new officers are elected and signatures are changed; and

WHEREAS, the Superintendent has designated signers of checks issued by the School District to include Don Haddad, Greg Fieth, Tony Whiteley, and Brian Lamer.

BE IT THEREFORE RESOLVED that the Board of Education of the St. Vrain Valley School District RE-1J authorizes the continued use of the previous checks written by the School District.

BACKGROUND

The administration recommends that this Resolution be adopted to enable the Financial Services Department to continue using the previous Board officers' signatures until the signatures are changed to the new Board officers.

MEMORANDUM

DATE: November 13, 2019

TO: Board of Education

FROM: Joie Siegrist, President, Board of Education

SUBJECT: Board Member Code of Ethics Policy and Executive Session Affidavit
Signing
Strategic Priority – High-Functioning School Board

PURPOSE

For the newly elected members of the Board of Education to sign the District's Code of Ethics policy and the Executive Session Affidavit.

BACKGROUND

Board Policy BC – School Board Member Conduct states that, “Public office is a trust created by the confidence that the public places in the integrity of its public officers. To preserve this confidence, it is the desire of the Board to operate under the highest ethical standards.” As part of the official swearing in ceremony, each Board member will be encouraged to sign a Code of Ethics as a demonstration of that commitment.

Executive Session Affidavit

State law requires all Board members to sign a “Confidentiality Affidavit.” This Affidavit serves as Board members’ public commitment to upholding the confidentiality of Board conversations held during Executive Sessions, including conversations related to personnel, students, security, and attorney-privileged communications, among others.

This Affidavit assures that Board members are aware of, and will comply with, the confidentiality requirements and restrictions applicable to Executive Sessions of the Board, as described in Section 24-6-402 C.R.S. It also assures that Board members will comply with these confidentiality requirements regardless of whether they participate in the Executive Session in person or electronically pursuant to Section 22-32-108(7) C.R.S.