



Student Achievement è Well-Being è Partnerships

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007



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, 2007

Dr. Randy Zila
Superintendent of Schools

Prepared by: Financial Services Department

Mark E. Pillmore, CPA
Chief Financial Officer

Jane Frederick Schein, CPA
District Accountant

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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
2006-2007



Pictured from left to right:

(standing) President Sandra Searls, Assistant Secretary/Treasurer Rod Schmidt, Secretary Merrill Bohaning, Vice President John Caldwell, Ms. Dori Van Lone, *(sitting)*, Treasurer Robert Auman, and Mr. Rick Hammans

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October 24, 2007

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the St. Vrain Valley School District RE-1J (the District) for the year ended June 30, 2007 as mandated by both local policy and state statutes. These policies and statutes require that the District issue annually a report on its financial position and activity, and that the financial statements be audited by an independent firm of certified public accountants. The June 30, 2007, financial statements of the District were audited by BKD, LLP. The CAFR was prepared by the Financial Services Department. Responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, rests with management of the District. 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 all disclosures necessary to enable the reader to gain an understanding of the District's financial activities for the year ended June 30, 2007 have been included.

The Comprehensive Annual Financial Report is presented in conformity with Governmental Accounting Standards Board Statement No. 34, which is titled *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. 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 Accountants' Report.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the Independent Accountants' Reports related thereto, and a schedule of findings and questioned costs may be obtained from the District.

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 K-12 education in elementary, middle, and high schools, special education for handicapped students, vocational education, multicultural education, and numerous other programs.

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, 2007 there were four 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, 2007, the District's Board of Education has approved four charter schools: Carbon Valley Academy, Flagstaff Academy, and Twin Peaks Charter Academy, all operational during the year ended June 30, 2007, and Imagine Charter School at Firestone, under contract effective July 1, 2008. Ute Creek Secondary Academy, operational during the year ended June 30, 2007, chose not to reopen in the fall of 2007. As a result the District's Board of Education revoked its charter on June 27, 2007. Currently, there are no formal plans for liquidation of the Academy's net assets. 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 operating revenue; therefore, the Charter Schools' financial information has been presented as discretely presented component units.

ECONOMIC CONDITION AND OUTLOOK

National Economy

According to the Congressional Budget Office (CBO), economic growth slowed during the second half of 2006 and early 2007, and financial markets experienced significant turbulence during the summer of 2007. Although there is some risk that problems in the housing market and disruptions in financial markets may spread and impair economic growth, the most likely scenario is that economic performance will remain sound.

CBO's forecast assumes that the problems in mortgage markets will lead to stricter lending standards and higher costs for mortgage borrowing and will continue to depress the housing sector; however, in CBO's estimation, the most likely scenario is that those problems will not seriously interfere with the cost or availability of business and consumer credit for borrowers with good credit ratings. It is possible, though, that borrowing costs for businesses and consumers could rise significantly. Another important uncertainty is the extent of the problems in the housing market, which affect not only housing construction and sales but also consumer spending through the value of housing wealth. Although CBO expects that the housing sector will begin to recover by the middle of next year, the recent turmoil in financial markets could stall that recovery.

State Economy

According to the Economics Staff of the Colorado Legislative Council, Colorado's economy grew at a slower pace through the first half of 2007, following a solid year in 2006. Employment increased 2.0 percent through July of 2007, lower than the 2.4 percent growth posted in 2006. On the positive side, employment in Colorado's major job sectors continues to grow and wage and salary growth remains solid. Further, consumers have continued to be undeterred by the faltering housing market and higher energy prices. However, the negative factors affecting consumers will likely lead to diminished spending in the future. Also, the single-family housing market's contraction and the banking industry's tightening credit policies may have a negative effect on growth well into 2008.

While the slowdown in the housing market is expected to diminish growth in the labor market, job growth is expected to continue in the next two years. Employment is expected to increase 1.8 percent in 2007 and slow to 1.5 percent in 2008 before rebounding to healthier levels over the remainder of the forecast period through 2012. Personal income is poised to increase 5.6 percent in 2007 and 5.4 percent in 2008. Retail sales are expected to increase 5.5 percent in 2007 and slow to 4.6 percent in 2008.

The third quarter Colorado Business Leaders Confidence Index (BLCI) edged upward on the strength of expectations for stronger sales, solid hiring, and capital spending. The forward-looking third quarter index, which measures expectations for the upcoming quarter, moved from 54.9 to 55.6. A score above 50 indicates an expectation of economic expansion. In contrast, business leaders were more skeptical about the outlook for the national economy.

According to the Colorado Office of State Planning and Budgeting report to the Governor on September 19, 2007, during 2006 consumer prices in the Denver-Boulder-Greeley area increased 3.6 percent after posting a 2.1 percent increase in 2005. Local CPI data is released by the federal Bureau of Labor Statistics semiannually. Prices in the Denver-Boulder-Greeley area grew by 2.5 percent in the first half of 2007, which was somewhat lower than expected. The rental cost of shelter is the most heavily weighted component, representing 35 percent of the basket of goods used in calculating the index. Although rents rose by 3.0 percent compared to the first six months of 2006, the other large components held the index down. Transportation costs (17 percent of the index) rose by only 0.9 percent. Fuel and utilities, a relatively minor part of the index, actually dropped in cost by 5.1 percent, while healthcare costs continued to rise more quickly than the overall index, at 8.9 percent.

The Colorado Office of State Planning and Budgeting forecast that local inflation will be 2.8 percent in 2007 and 2.9 percent in 2008. This represents a downward revision from the June 2007 forecast of 0.4 percentage points in 2007. The Colorado Legislative Council reports inflation is forecast to be 2.9 percent and remain in the 3.0 to 3.5 percent range during the remainder of the forecast period through 2012.

In summary, the Colorado Legislative Council reports the state's economy is expected to post slower overall growth in 2007 than in 2006. Employment in Colorado's major job sectors continues to grow and wage and salary growth remains solid. The moderate and steady growth experienced in employment and personal income should be strong enough to override the downturn in the housing market and the turmoil in the banking industry that is resulting in tighter lending policies.

There are risks to this assessment, however. Declines in industries related to the housing market, such as the recent layoffs in the mortgage lending industry, construction sector, financial services industry, and the real estate market, could ripple through the overall economy. The August decline in the Consumer Confidence Index and slowing retail trade sales could portend the beginning of a negative trend in consumer spending. Moreover, a softening national economy could spillover into Colorado and trigger a mild downturn. But at this time, these factors are not expected to push the state's economy into recession.

Local Economy

The District is about thirty miles north of Denver. 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 includes approximately 143,000 residents. Serving approximately 24,000 students, it is the tenth largest of the 178 school districts in the state.

The largest community within the District is Longmont (the City). According to the City, with a population of nearly 85,000, the City has reached approximately 80% of residential build out, and 47% of its job capacity build out in commercial and industrial development. The City's economic growth slowed through

2006, with a mixture of both positive and negative future indicators. The area unemployment rate dropped from 4.5% in 2005 to 4.0% in 2006, and sales and use tax activity grew. Residential building permit activity continued to drop for the fifth consecutive year, commercial permit valuation dropped after a 5-year peak in 2005. Primary jobs were lost.

The Longmont Area Economic Council's (LAEC) 2006 Annual Report reveals a net decrease of 1.3%, or 191, primary jobs during 2006. Of the 252 existing primary employers, 68 or 27% expanded in 2006 while 14 new primary employers located in the Longmont area. The Longmont area experienced 18 closures and cutbacks by 48 companies. The net loss of primary jobs was primarily due to the merging of two high tech employers. Longmont's primary employers represent an industry mixture. Data from the LAEC report indicates that computer-related industries are the largest employers comprising 10% of the primary employees of the Longmont area. Other significant industry includes food processing (3%); software (7%); semiconductors (5%); biotech (4%); fabricated metal (6%); machining (5%); plastic manufacturers (6%); and photonics (5%). Of the 33 industry clusters identified by LAEC, 17 experienced a net job increase in 2006, with the largest increases in the biotech and business services industries.

The City maintains a favorable economic environment due to its desirable location and a well-balanced, diversified stable economic base led by high-tech and manufacturing. Growth related goals set forth in the City's Comprehensive Plan support growth and development that allows Longmont to become a sustainable community over the long-term—one that balances economic, environmental and community needs.

The Weld County portion of the District includes the towns of Erie with a population of about 15,300, Firestone with 9,000, Frederick with about 7,700, Dacono with approximately 4,000, and Mead with 2,900. Other District communities include Niwot and Lyons, both located in Boulder County.

Continued Enrollment Growth

The District continues to grow in enrollment, albeit at a slower pace. For the fall of 2007, an increase of 480 was projected, an increase of just 2.1%. Over the last 10 years, the enrollment growth has averaged approximately 670 students per year as shown in the chart on page 115. Maintaining and improving the quality of the educational services for our students is a continuing challenge as the District continues to grow. To meet this challenge, in the fall of 2004, the Board of Education adopted a five year strategic plan to serve as a guide for planning, decision-making, and resource allocation. More details regarding this plan will be provided later in this letter.

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, is approximately 95% of the District's General Fund revenues for fiscal year 2006-2007.

The Colorado State Constitutional Amendment 23, passed by the voters in November 2000, requires an increase in per pupil funding of at least inflation, based upon the Denver-Boulder Consumer Price Index rate, plus 1% through the year 2010. For calendar year 2006, the inflation rate was 3.6% which, together with adjustments in at-risk funding, results in an increase of 4.61% for the 2007-2008 fiscal year over 2006-2007.

As a result of the projected slowing in student growth, combined with the increased funding for fiscal year 2007-2008 the District was able to provide employees with an average increase in compensation of nearly 3.0%. As of June 30, 2007, the District had a fund balance of \$12.1 million in the General Fund (including its sub-funds), of which \$3.8 million was beyond required reserves. The adopted budget for FY08 shows an operating surplus which should add an additional \$360,000 to fund balance. The Board continues to be committed to building the fund balance of the General Fund to the level necessary to

provide the TABOR and contingency reserves in the General Fund and thereby release those resources in other funds for the operating needs in other critical areas, especially capital reserves.

In January 2007, a General Fund budget projection through June 2012 was presented to the Board. The projected budget shows that if the inflation rate (CPI) is 3% per year through 2011, the District would incur an operating deficit between \$1.2 million to \$2.1 million for the years ending June 30, 2009 through 2011. The year ending June 30, 2012 would produce a net surplus of almost \$600,000. As a result, financial planning by the Board includes a continued focus on controlling expenses, especially the cost of health insurance, as well as seeking additional sources of revenue, such as a mill levy override, as well as bonds for covering required capital repairs and maintenance on current facilities, in 2008. The District asked voters in November 2004 to approve \$15 million in tax overrides and again in November 2005 to approve \$17.3 million. Both measures were narrowly defeated.

In September 2006, District staff studied the construction of the remaining four new schools approved in the capital construction bond issue authorized in November 2002. The Board elected to move forward with construction, beginning in the spring of 2007, planning to open the three elementary schools in the fall of 2008 and the high school in the fall of 2009. The construction and successful opening of new schools will depend on the ability to increase revenues and control expenses as necessary based upon the economy.

In addition to the general economic conditions discussed earlier, the financial outlook is also affected by mandates which are outside the control of the District. These include two state constitutional amendments: the Gallagher Amendment and the Taxpayer's Bill of Rights (TABOR). The TABOR amendment limits the growth in both revenues and expenditures for the state, local government, and school districts. Although St. Vrain Valley School District RE-1J passed a ballot question in 1998 to remove the TABOR restrictions from the District, we are still impacted as a result of limited funding available at the state level as a result of TABOR.

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.

MAJOR INITIATIVES

Navigating Our Course

As mentioned earlier, on September 8, 2004, the Board of Education adopted a five year strategic plan. The plan has identified the focus areas of student achievement, well-being, and partnerships as follows:

Focus Area 1 – Student Achievement

- Literacy & Numeracy – To ensure that all students make continuous improvements toward meeting standards for literacy and numeracy.
- Fully-implemented K-12 Standards-based Instructional Model – To put in place a fully-articulated and well understood standards-based instructional system that includes up-to-date standards, student assessments, data-driven decision-making about instructional planning, and a useful reporting system.
- Preparation for Next Level – To guarantee that all high school feeder systems identify a comprehensive plan to guide transitions for students at critical times in their schooling from pre-kindergarten through post-secondary.

Focus Area 2 – Well-Being

- Organization – To upgrade organizational performance in the areas of leadership and organizational responsiveness.
- Working Environment – To ensure that staff contributes to a safe and productive work environment that embraces diversity.
- Learning Environment – To ensure that students contribute to and thrive in safe, civil and productive learning environments that embrace diversity.

Focus Area 3 – Partnerships

- Organization – To foster a culture of openness, honesty, and celebration through effective, two-way communications.
- Parents & Guardians – To give parents and guardians timely information about student achievement gains and challenges, as well as how they can help students succeed.
- Community – To rebuild community trust in and support of the District, using multiple strategies for open and honest communication.

Colorado Student Assessment Program Tests (CSAP)

The District's schools are accountable for many standards and practices, including achievement for special student subgroups. Most of these achievement indicators focus on student reading, writing, mathematics, and science standards as measured by the mandated CSAP tests at grades 3-10. On CSAP tests, students perform within one of four performance levels: *Advanced* (superior; substantially above grade level expectations), *Proficient* (competent; at, or somewhat above, grade level expectations), *Partially Proficient* (low; below grade level expectations), or *Unsatisfactory* (substantially below grade level expectations).

The District's Student Achievement Goals focus on performance and growth on the CSAP tests. Proficient or higher is the target performance range for all students.

Federal "No Child Left Behind" Act

The Elementary and Secondary Education Act (ESEA) was reauthorized in 2001 as the *No Child Left Behind Act* (NCLB). The primary focus in NCLB is on closing the pervasive difference in average performance – the "achievement gap" – between specific groups of students. Students who are Native American/Alaskan Native, Asian/Pacific Islander, Black, Hispanic, and White, limited English proficient, economically disadvantaged, and students with handicapping conditions define these eight student groups. Statewide *Adequate Yearly Progress* (AYP) targets were established for all students, and yearly determinations are made regarding whether each student group achieved the targeted goals. AYP is determined by student performance on the CSAP, along with other indicators, and is calculated separately for reading and math. To meet AYP, all schools and districts in Colorado must meet all target levels in reading and math for the overall group as well as for all eight subgroups (if the school or district has 30 students or more in that group). Target levels increase through 2014, when 100% of all students are to perform at the state-defined proficient level. Specific sanctions take effect for districts and schools that continue to fail to meet AYP.

The District met 91% of the targets for fiscal year 2007 and is committed to continue to increase student achievement with an emphasis on closing the achievement gap.

School Bonds and School Facilities

The continuing growth in student enrollment in the District requires ongoing construction to provide adequate District school facilities. Over the last ten years, enrollment has grown by nearly 34%, which is approximately 6,000 students. Over the same ten year period, projections prepared by the District Planning Department have fallen within an average 0.31% variance. The Department projects that enrollment will continue to increase by an average of approximately 800 students per year over the next four years, to more than 27,000 by 2011.

In November 2002, the voters approved a bond issue of \$212.9 million to provide funding for 10 new schools as well as needed additions, remodeling, and updating of many existing buildings. At this time, all projects have been effectively completed with the exception of the four additional schools currently under construction, as discussed earlier. According to the recommendations of the District's Long Range Planning Committee, which consists of both community members and District staff, the 2002 bonds will meet District needs until the year 2008.

FINANCIAL INFORMATION

District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit: As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls: The District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. The level of budgetary control, i.e. the level at which expenditures cannot legally exceed the appropriated amount, is established at the individual fund level.

The District also maintains an encumbrance accounting system to account for commitments for goods and services which have not yet been provided or rendered. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for US GAAP purposes, but are reported as reservations of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over.

The District's budgets, adopted in June of the year prior to the budget year, may be amended by the Board of Education or management. Management may amend individual lines within the budget at anytime during the budget year. However, only the Board of Education may revise the budget appropriation, and may do so for any reason until October 15 of the budget year. Amendments by the Board after October 15 are allowed only for unforeseen circumstances which did not exist prior to October 15, such as emergencies or unanticipated revenues.

Accounting Policies: Detailed descriptions of the District's accounting policies are contained in the Notes to Financial Statements on pages 31-38, 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.

CASH MANAGEMENT

Cash temporarily available during the year was invested primarily in money market accounts and money market investment pools. In making investment decisions, consideration is given to the legality, security, liquidity, and yield of the investment. The District's earnings on investments, government-wide, were over \$4.8 million for the fiscal year 2006-2007.

Funding sources consist primarily of state equalization aid, property taxes, bond proceeds, and utilization of other cash balances. During 2006-2007, the District borrowed \$4,036,703 from the State of Colorado Interest-Free Loan Program to finance seasonal cash flow requirements. The amount borrowed was paid in full by March 15, 2007. The District issued \$56.8 million of General Obligation Building Bonds in November 2006 for the purpose of constructing new schools.

RISK MANAGEMENT

The District participates in the Colorado School Districts' Self Insurance Pool and the Northern Colorado School Districts Workers' Compensation Self Insurance Pool. These public entity risk pools provide the property, casualty, liability, and workers' compensation insurance needs of the District. Both pools have contracted for services of a loss control professional to assist the member districts in implementing comprehensive loss control programs to help reduce claims.

OTHER INFORMATION

Independent Audit

Under the provisions of the Colorado statutes, an annual audit of the District's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of BKD, LLP was selected by the District's Finance and Audit Committee to perform the audit for the fiscal year ended June 30, 2007. In addition to meeting the requirements of the Colorado statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. The Independent Accountants' Report on the basic financial statements, the combining and individual fund statements and schedules, and supplemental information included in the financial section is on pages 2-3 of the Financial Section.

Awards

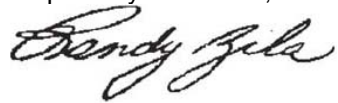
For the third consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2006. 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 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 a Certificate of Excellence programs' requirements and we are submitting it to GFOA and ASBO, respectively, to determine its eligibility for another certificate.

Acknowledgments

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 District Accountant, Jane Schein, CPA, 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,

A handwritten signature in cursive script, reading "Randy Zila".

Dr. Randy Zila
Superintendent

A handwritten signature in cursive script, reading "Mark E. Pillmore".

Mark E. Pillmore, CPA
Chief Financial Officer

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This 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, 2006

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Chloe S. Cox

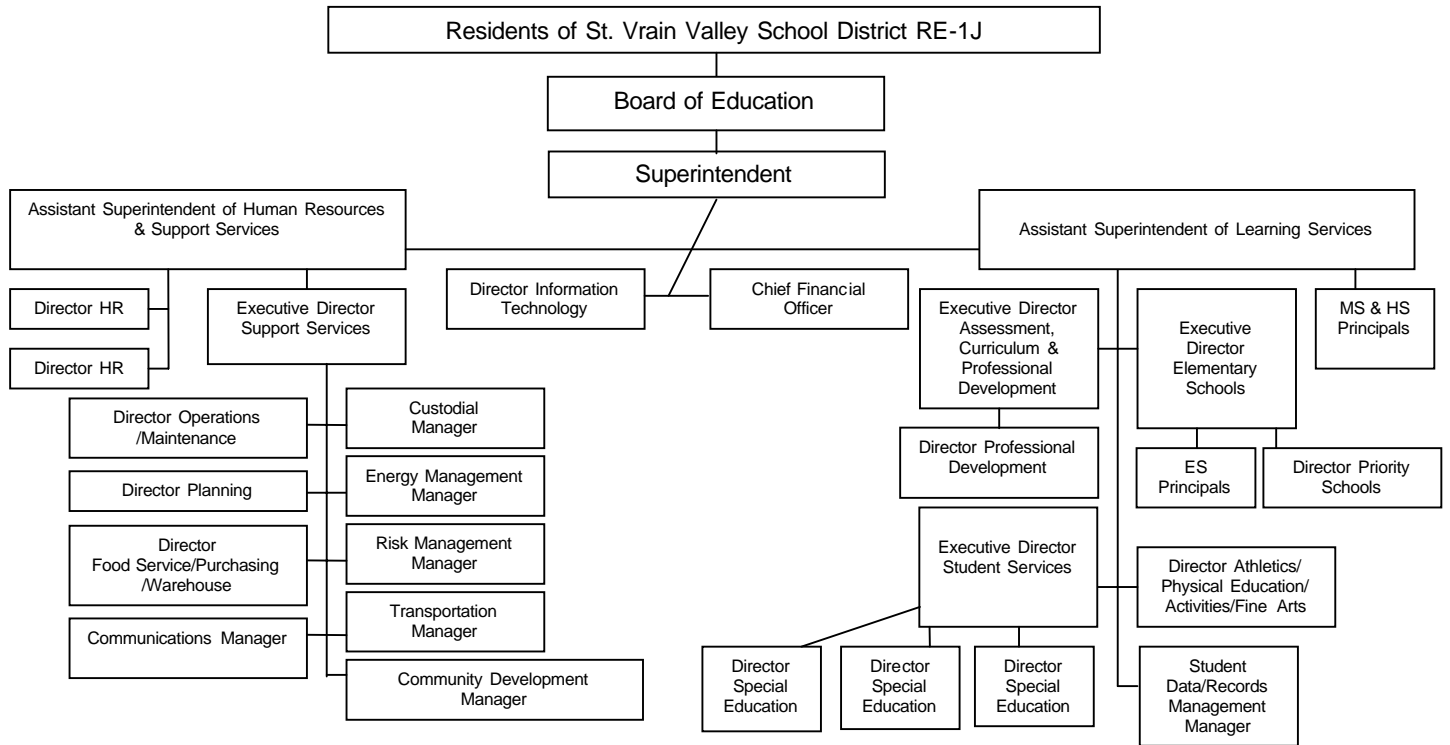
President

Jeffrey R. Enen

Executive Director

St. Vrain Valley School District RE-1J

ORGANIZATIONAL CHART



St. Vrain Valley School District RE-1J

Elected Officials

Board of Education as of June 2007

<u>Board Member</u>	<u>Term of Office</u>
Director District A Rick Hammans, (Appointed) Member	10/06 - 11/07
Director District B Sandra Searls, President	11/01 - 11/09
Director District C Robert Auman, Treasurer	11/03 - 11/07
Director District D Dori Van Lone, Member	11/05 - 11/09
Director District E John Caldwell, Vice President	11/03 - 11/07
Director District F Rod Schmidt, Asst Secretary/Treasurer	11/05 - 11/09
Director District G Merrill Bohaning, Secretary	11/03 - 11/07

Appointed Officials

District Leadership Team

Dr. Randy Zila.....	Superintendent
Thomas Garcia	Asst Superintendent of Human Resources and Support Services
Don Haddad	Asst Superintendent of Learning Services
Sherri Stephens-Carter	Executive Director of Assessment, Curriculum, and Professional Development
Connie Syferd	Executive Director of Elementary Education
Mary Sires	Executive Director of Student Services
Rick Ring	Executive Director of Support Services
Mark Pillmore	Chief Financial Officer
William Brayshaw	Director of Information Technology

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FINANCIAL SECTION



Independent Accountants' Report on Financial Statements and Supplementary Information

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Carbon Valley Academy, a discretely presented component unit of the District, which statements reflect total assets of \$6,475,697 as of June 30, 2007 and total revenues of \$3,128,310 for the year then ended. Those statements were audited by other accountants whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Carbon Valley Academy, is based solely on the report of the other accountants. We also did not audit the financial statements of Flagstaff Academy, a discretely presented component unit of the District, which statements reflect total assets of \$792,354 as of June 30, 2007 and total revenues of \$2,891,963 for the year then ended. Those statements were audited by other accountants whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Flagstaff Academy, is based solely on the report of the other accountants.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other accountants provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J as of June 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BKD, LLP

October 24, 2007

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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, 2007

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, 2007. 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 assets of the District exceeded its liabilities at June 30, 2007 by \$62.1 million (net assets).
- Business-type activities have unrestricted net assets of \$0.9 million, which may be used to meet the District's ongoing obligations of the enterprise related activities - the Food Service Fund.
- Total net assets of the District (primary government) increased \$8.5 million during the year ended June 30, 2007 which is primarily attributable to the operations of the governmental activities.
- Fund balance of the District's governmental funds increased by \$60.8 million resulting in an ending fund balance of \$123.8 million. The increase is primarily the result of issuing bonds during the year for capital construction.
- During the current year, the fund balance in the District's General Fund increased by \$4.3 million leaving an ending fund balance of \$12.1 million. The Risk Management Fund has been reclassified from an internal service fund to the General Fund, providing \$3.6 million (net change) of this increase. The remaining increase of \$0.7 million is primarily the result of \$0.9 million in revenues above budget of the General Fund. As a result of the required restrictions of fund balance, the ending unreserved General Fund balance is \$3.8 million.
- The District's total liabilities increased \$50.8 million to \$362.7 million primarily as a result of issuing additional bonds during the year.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 17-54 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 assets and the statement of activities.

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

The statement of activities presents information showing how the net assets of the District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future 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, and special revenue funds with the Minimum Medical Insurance Liability Fund, which is an internal service fund. Business-type activities consist of the Food Service Fund.

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

The government-wide financial statements can be found on pages 17-19 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 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 Other Governmental Funds. Individual fund information for the nonmajor funds is presented as other supplemental information elsewhere in this document.

With the current year exception of the Student Activity (Special Revenue) Fund, a new fund as a result of a split from the Student Activity (Agency) Fund, the District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund is included in the basic financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

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

The Enterprise Fund (Food Service Fund) is listed individually and is considered to be a major fund. Individual internal service fund information is presented as other supplemental information elsewhere in this document. The District's Internal Service Fund is the Minimum Medical Insurance Liability Fund.

The basic proprietary fund financial statements are presented on pages 25-27 of this report.

The District is the fiduciary for assets that belong to student groups. The District is responsible for ensuring that the assets reported in this fund are used only for intended purposes and used by those to whom the 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 28-29 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 31-54 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information concerning the District's nonmajor governmental and internal service funds. Combining and individual fund statements and schedules can be found on pages 56-83 of this report.

Government-wide Financial Analysis

The assets of the District are composed of current assets and capital assets. Cash and investments, receivables, deposits, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are cash and investments, of which 50% is unspent bond proceeds.

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

Current and 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, deferred revenue, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2008. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2008.

As of June 30, 2007, the assets of the primary government's governmental activities exceed liabilities by \$60.1 million with an unrestricted balance of \$2.7 million. At current fiscal year-end the District is able to report positive balances in all three categories of net assets, both for the District as a whole, as well as for its separate governmental and business-type activities. The same was true for the prior fiscal year.

The amount "invested in capital assets, net of related debt" increased as a result of activity in the Building Fund. A net investment of \$20.1 million in land, buildings, and equipment to provide the services to the District's approximate 24,000 public school students represents over 34% of the District's net assets. Colorado Revised Statute Article X, Section 20 (Taxpayer Bill of Rights (TABOR) requires the District to establish reserves. The net assets restricted for TABOR, as required by statute, were \$4.8 million as of June 30, 2007. Net assets restricted for debt service increased by only \$0.3 million to a total of \$32.5 million.

As mentioned earlier, the \$50.8 million increase in liabilities is primarily due to the issuance of bonds during the year.

Table 1 provides a summary of the District's net assets as of June 30, 2007 compared to June 30, 2006.

Table 1
Comparative Summary of Net Assets
as of June 30, 2007 and 2006
(in Thousands)

	Governmental	Activities	Business-Type Activities		Total School District		Total Percentage Change
	2007	2006	2007	2006	2007	2006	2006 - 2007
Assets							
Current assets	\$ 79,831	\$ 73,258	\$ 1,206	\$ 1,310	\$ 81,037	\$ 74,568	8.68%
Noncurrent assets excluding capital assets	76,078	23,132	-	-	76,078	23,132	228.89%
Capital assets	266,609	266,642	1,060	1,143	267,669	267,785	-0.04%
Total Assets	<u>422,518</u>	<u>363,032</u>	<u>2,266</u>	<u>2,453</u>	<u>424,784</u>	<u>365,485</u>	16.22%
Liabilities							
Current liabilities	40,894	34,434	279	242	41,173	34,676	18.74%
Long-term liabilities	321,505	277,154	-	-	321,505	277,154	16.00%
Total Liabilities	<u>362,399</u>	<u>311,588</u>	<u>279</u>	<u>242</u>	<u>362,678</u>	<u>311,830</u>	16.31%
Net Assets							
Invested in capital assets - net of related debt	20,092	10,755	1,060	1,143	21,152	11,898	77.77%
Restricted for TABOR	4,822	4,406	-	-	4,822	4,406	9.44%
Debt Service	32,507	32,201	-	-	32,507	32,201	0.95%
Unrestricted	2,698	4,082	927	1,068	3,625	5,150	-29.60%
Total Net Assets	<u>\$ 60,119</u>	<u>\$ 51,444</u>	<u>\$ 1,987</u>	<u>\$ 2,211</u>	<u>\$ 62,106</u>	<u>\$ 53,655</u>	15.75%

Government -wide Activities

Governmental activities increased the net assets of the District by \$8.7 million while Business-type Activities decrease the net assets by over \$0.2 million, resulting in the overall increase of \$8.5 million in the net assets of the District. Table 2 provides a summary of the District's change in net assets for 2007 compared to 2006.

Table 2
Comparative Schedule of Changes in Net Assets
For the Years Ended June 30, 2007 and 2006
(in Thousands)

	Governmental	Activities	Business-Type Activities		Total School District		Total Percentage Change
	2007	2006	2007	2006	2007	2006	2006 - 2007
Revenues and Transfers							
Program Revenues							
Charges for services	\$ 6,934	\$ 3,857	\$ 3,364	\$ 3,099	\$ 10,298	\$ 6,956	48.04%
Operating grants & contributions	12,330	13,091	2,755	2,443	15,085	15,534	-2.89%
Capital grants & contributions	591	1,054	-	-	591	1,054	-43.88%
General Revenues							
Property taxes	83,553	80,964	-	-	83,553	80,964	3.20%
State revenue	85,050	77,795	-	-	85,050	77,795	9.33%
Other	9,372	3,143	26	335	9,398	3,478	170.21%
Total Revenues and Transfers	<u>197,830</u>	<u>179,904</u>	<u>6,145</u>	<u>5,877</u>	<u>203,975</u>	<u>185,781</u>	9.79%
Expenses							
Instruction	115,031	113,735	-	-	115,031	113,735	1.14%
Supporting services	58,113	53,304	6,369	5,874	64,482	59,178	8.96%
Interest expense	16,011	14,321	-	-	16,011	14,321	11.80%
Total Expenses	<u>189,155</u>	<u>181,360</u>	<u>6,369</u>	<u>5,874</u>	<u>195,524</u>	<u>187,234</u>	4.43%
Increase (decrease) in net assets	8,675	(1,456)	(224)	3	8,451	(1,453)	681.62%
Net assets - 7/1	<u>51,444</u>	<u>52,900</u>	<u>2,211</u>	<u>2,208</u>	<u>53,655</u>	<u>55,108</u>	-2.64%
Net assets - 6/30	<u>\$ 60,119</u>	<u>\$ 51,444</u>	<u>\$ 1,987</u>	<u>\$ 2,211</u>	<u>\$ 62,106</u>	<u>\$ 53,655</u>	15.75%

Total assets of governmental activities increased by \$59,486,734 attributed to the following elements:

**Comparative Schedule of Assets of Governmental Activities
as of June 30, 2007 and 2006**

	2007	2006	Increase (Decrease)
Cash and investments	\$ 146,472,625	\$ 86,344,718	\$ 60,127,907
Accounts receivable	555,496	361,201	194,295
Due from agency fund	301,005	-	301,005
Due from component units	17,525	-	17,525
Grants receivable	1,557,481	3,012,898	(1,455,417)
Interest receivable	235,057	65,593	169,464
Taxes receivable	2,892,739	2,253,528	639,211
Prepaid expenses	773,664	10,576	763,088
Deposits	28,000	28,000	-
Deferred charges	2,717,031	4,004,143	(1,287,112)
Inventories	358,352	308,880	49,472
Capital assets			
Non-depreciable	31,312,083	26,443,470	4,868,613
Depreciable, net	235,297,273	240,198,590	(4,901,317)
Total assets	<u>\$ 422,518,331</u>	<u>\$ 363,031,597</u>	<u>\$ 59,486,734</u>

The net increase in cash and investments (which includes unrestricted and restricted cash and investments) was caused primarily by the issuance of bonds during the year. The increases in accounts receivable and taxes receivable reflect a significant slowdown in the collection of monies due as of June 30, 2007 as compared to June 30, 2006, which is likely a result of the sluggish local economy and the depressed real estate market. The decrease in grants receivable is due to the timely billing and receipt of reimbursable spending within the fund. Interest receivable reflects interest earned through June 2007 that was not received until July 2007. The increase in prepaid expenses is primarily due to the Minimum Medical Insurance Liability Fund for which no prepaid expense existed at June 30, 2006 since employee premiums collected exceeded the claims paid in the prior year (refer to Note 10). The increase in non-depreciable capital assets during the current year is primarily due to the construction in progress of new schools. The decrease in capital assets net of accumulated depreciation is the result of current year depreciation expense, including that of completed construction projects from the prior year, exceeding the investment in capital assets during the year.

Total liabilities of governmental activities increased by \$50,811,191 as follows:

**Comparative Schedule of Liabilities of Governmental Activities
as of June 30, 2007 and 2006**

	2007	2006	Increase (Decrease)
Accounts payable	\$ 4,700,265	\$ 2,264,883	\$ 2,435,382
Due to component unit	-	89,071	(89,071)
Retainage payable	379,066	226,161	152,905
Arbitrage payable	168,123	161,357	6,766
Accrued salaries/benefits, payroll withholdings	16,490,799	15,689,601	801,198
Accrued interest payable	640,839	547,911	92,928
Claims payable	831,751	718,743	113,008
Unearned revenues	2,297,764	2,477,639	(179,875)
Deferred bond premium	15,385,707	12,258,650	3,127,057
Debt due within one year	19,967,412	12,887,902	7,079,510
Debt due in more than one year	301,537,315	264,265,932	37,271,383
Total liabilities	<u>\$ 362,399,041</u>	<u>\$ 311,587,850</u>	<u>\$ 50,811,191</u>

Accounts payable increased primarily due to the construction projects started during the spring of 2007. The amount due to component units at June 30, 2006 was fully repaid as of June 30, 2007. The increase in retainage payable is also related to the new construction projects. Arbitrage payable increased slightly as of the end of the year. The increase in accrued salaries and benefits is the result of several factors, including pay increases effective September 2006, increase in number of teachers as a result of increased number of students during the current year, and increased health insurance premiums effective October 1, 2006. The increase in claims payable is the result of a change in estimate of the potential claims within the Internal Service Funds at June 30, 2007. Unearned revenues decreased as a result of income recognition for fiscal year 2007. Deferred bond premium and debt due within one year increased as a result of bonds issued in November 2006. Debt due in more than one year also increased as a result of the issuance of bonds during the fiscal year.

Total assets of business-type activities decreased by \$186,787 as follows:

**Comparative Schedule of Assets of Business-Type Activities
as of June 30, 2007 and 2006**

	2007	2006	Increase (Decrease)
Cash and Investments	\$ 969,510	\$ 831,082	\$ 138,428
Accounts Receivable	17,066	305,750	(288,684)
Inventories	219,586	172,464	47,122
Capital Assets, Net of Accumulated Depreciation	1,059,518	1,143,171	(83,653)
Total Assets	<u>\$ 2,265,680</u>	<u>\$ 2,452,467</u>	<u>\$ (186,787)</u>

Cash and investments increased by \$138,428 primarily due to the collection of account receivable. Accounts receivable decreased as the result of timely federal reimbursements in June 2007. Inventories increased due to the expanded operations of the Food Service Fund. Net capital assets have decreased primarily due to depreciation exceeding current year additions of capital assets.

Total liabilities for business-type activities increased by \$37,505 to \$279,106. This was primarily due to an increase of \$13,904 in accrued salaries and benefits and an increase of \$23,473 in deferred revenues. The increased pay rates effective September 2006, and increased health insurance premiums effective October 1, 2006 contributed to the additional accrued salaries and benefits at year end.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA, the District received \$6,255 per funded pupil. For the fiscal year ended June 30, 2007, the funded pupil count was 22,263. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and state equalization. The District receives approximately 60.4% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

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

Table 3
Comparative Schedule of Governmental Activities
For the Years Ended June 30, 2007 and 2006
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Instruction	\$ 115,031	\$ 113,735	\$ 99,908	\$ 100,872
Supporting Services	58,113	53,304	53,381	48,165
Interest Expense	16,011	14,321	16,011	14,321
	<u>\$ 189,155</u>	<u>\$ 181,360</u>	<u>\$ 169,300</u>	<u>\$ 163,358</u>

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was \$189.2 million compared to \$181.4 million last year. More than 62% of the increase was in supporting services, the balance was shared almost equally between instruction and interest expense.
- Over \$6.9 million of the cost was financed by the users of the District's programs in the form of charges for services. The majority of charges occurred in the Community Education Fund.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$12.3 million.
- The majority of the District's net cost of services, \$168.6 million, was financed by State and District taxpayers.
- General revenues accounted for \$178.0 million in revenue which was 90% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$19.8 million or 10% of total revenues of \$197.8 million.

Business-type activities consist of the Food Service Fund. This program had revenues and transfers in totaling \$6.1 million and expenses of \$6.4 million. Business-type activities receive no support from tax revenue.

Financial Analysis of the District's Governmental Funds

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

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing

requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$123.8 million, an increase of \$60.8 million in comparison with the prior year. As noted earlier, this increase is due primarily to the increase in cash and investments from the sale of bonds during the year for the construction of capital assets.

Among major funds, the General Fund had \$145.5 million in revenues and \$144.8 million in expenditures. The General Fund's fund balance increased by \$4.4 million to \$12.1 million. The General Fund is the chief operating fund of the District. The increase is primarily the result of \$4.1 million transferred from the Risk Management Fund, no longer considered an internal service fund. The remaining increase of \$0.3 million is due to additional revenue from various sources and under-expenditure from all expense categories (US GAAP basis). All but \$3.8 million of the General Fund balance is reserved, primarily for statutory requirements for instructional purposes and TABOR.

The fund balance of the Bond Redemption Fund increased by \$0.3 million, resulting in a balance of \$32.5 million as of June 30, 2007. This was the net result of revenues of \$26.6 million, and current year payments of existing debt of \$26.3 million. The Bond Redemption Debt Service Fund has adequate resources accumulated to make the December 2007 principal and interest payments. The mill levy to accumulate resources for the June 2008 interest payment will be certified in December 2007.

The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The Building Fund's fund balance increased by \$52.6 million due to the proceeds of \$59.9 from the issuance of bonds and expenditure of \$9.9 million in construction of school sites and other capital improvements during the year. The fund had total revenues of \$2.6 million during the year.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2007 is \$267.7 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, decreased for the current fiscal year by \$0.1 million.

Major capital events during the year include initial construction on three new elementary schools, scheduled to open in the fall of 2008, and one new high school, scheduled to open in the fall of 2009.

Table 4 shows fiscal year 2007 capital assets compared to 2006.

Table 4
Comparative Schedule of Capital Assets
as of June 30, 2007 and 2006
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2007	2006	2007	2006	2007	2006	2006 - 2007
Land	\$ 18,564	\$ 17,282	\$ -	\$ -	\$ 18,564	\$ 17,282	7.42%
Water Rights	4,090	4,090	-	-	4,090	4,090	0.00%
Projects in Progress	8,658	5,072	-	-	8,658	5,072	70.70%
Land Improvements	12,682	11,294	-	-	12,682	11,294	12.29%
Buildings	138,888	141,543	-	-	138,888	141,543	-1.88%
Building Improvements	73,172	76,070	-	-	73,172	76,070	-3.81%
Equipment	10,555	11,291	1,060	1,143	11,615	12,434	-6.59%
Totals	<u>\$ 266,610</u>	<u>\$ 266,642</u>	<u>\$ 1,060</u>	<u>\$ 1,143</u>	<u>\$ 267,669</u>	<u>\$ 267,785</u>	-0.04%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 43 of this report.

Debt Administration. The District issued \$56.8 million of General Obligation Building Bonds in November 2006. The District was assigned underlying ratings of A- from Standard & Poor's and an A3 rating from Moody's Investors Service for its general obligation bond issue in 2006. The custodian and paying agent for all of the District's bond debt is Wells Fargo Bank located in Denver, Colorado.

Total long-term debt outstanding as of June 30, 2007 as compared to June 30, 2006 is shown in Table 5. 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 \$969 million and the legal debt margin was \$651 million.

Table 5
Comparative Schedule of Outstanding Debt
as of June 30, 2007 and 2006
(in Thousands)

	2007	2006	Increase (Decrease)
General Obligation Bonds	\$ 317,870	\$ 272,770	\$ 45,100
Capital Leases	1,629	2,244	(615)
Benefits Payable	2,006	2,140	(134)
Total Debt	<u>\$ 321,505</u>	<u>\$ 277,154</u>	<u>\$ 44,351</u>

Additional information on the District's total bonded debt can be found in Note 8 beginning on page 45 of this report.

Factors Bearing on the District's Future

The Colorado State Constitutional Amendment 23, passed by the voters in November 2000, requires an increase in per pupil funding by at least inflation plus 1%.

- For calendar year 2006, the inflation rate was 3.6%. The District will be receiving \$6,546 per full time pupil (FTE) for the 2007-2008 school year, which is an increase of 4.6% over the 2006-2007 funding of \$6,255 per pupil.

- The increased funding will provide an additional \$9.4 million to the District in fiscal year 2007-2008 (FY08).
- The District continues to increase in enrollment each year, and the District's adopted budget estimated an additional 429 pupil FTE, which represents \$2.8 million additional revenue included above.

On September 8, 2004, the Board of Education adopted a five year strategic plan. The plan has identified the focus areas of student achievement, well-being, and partnerships, and serves as a guide for planning, decision-making, and resource allocation.

In January 2007, the Board established goals for fiscal year 2007-2008, which included offering competitive compensation packages in order to attract and retain superior teachers, administrators, and staff. Although the District was not able to attain this goal, the budget for FY08 included a 3.0% increase in compensation to all employees and the amount paid by most employees for individual health insurance was reduced effective October 1, 2007.

In order to provide adequate cash flow for operations during the year, the District will continue to participate in the State of Colorado Interest-Free Loan Program. As the District's General Fund fund balance continues to improve, so does its cash position. As a result, projected total cash flow borrowing for fiscal year ending June 30, 2008 is expected to be minimal compared to \$4.0 million and \$9.4 million for fiscal years ended June 30, 2007 and 2006, respectively. All loans received during the current year were repaid in full on March 15. Projections for fiscal year 2008 show that initial borrowing will not occur until January with full repayment occurring mid-March 2008.

The adopted General Fund budget for fiscal year 2007-2008 includes projected revenues in excess of expenditures of \$362,000 which will increase fund balance.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

**Statement of Net Assets
June 30, 2007**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Cash and investments	\$ 73,111,914	\$ 969,510	\$ 74,081,424	\$ 4,822,271
Accounts receivable	555,496	17,066	572,562	3,608
Due from agency fund	301,005	-	301,005	-
Due from component units	17,525	-	17,525	-
Grants receivable	1,557,481	-	1,557,481	16,125
Interest receivable	235,057	-	235,057	-
Taxes receivable	2,892,739	-	2,892,739	-
Prepaid expenses	773,664	-	773,664	2,162
Deposits	28,000	-	28,000	-
Deferred charges	2,717,031	-	2,717,031	125,318
Inventories	358,352	219,586	577,938	-
Restricted cash and investments	73,360,711	-	73,360,711	-
Capital assets,				
Non-depreciable	31,312,083	-	31,312,083	1,062,443
Depreciable, net	235,297,273	1,059,518	236,356,791	3,676,688
Total assets	<u>422,518,331</u>	<u>2,265,680</u>	<u>424,784,011</u>	<u>9,708,615</u>
Liabilities				
Accounts payable	4,700,265	185	4,700,450	286,033
Due to primary government	-	-	-	17,525
Retainage payable	379,066	-	379,066	-
Arbitrage payable	168,123	-	168,123	-
Accrued salaries and benefits	13,867,566	186,037	14,053,603	316,989
Payroll withholdings	2,623,233	-	2,623,233	-
Accrued interest payable	640,839	-	640,839	24,867
Claims payable	831,751	-	831,751	-
Unearned revenues	2,297,764	92,884	2,390,648	86,995
Deferred bond premium	15,385,707	-	15,385,707	-
Noncurrent liabilities				
Due within one year	19,967,412	-	19,967,412	81,542
Due in more than one year	301,537,315	-	301,537,315	5,235,000
Total liabilities	<u>362,399,041</u>	<u>279,106</u>	<u>362,678,147</u>	<u>6,048,951</u>
Net Assets				
Invested in capital assets, net of related debt	20,092,457	1,059,518	21,151,975	420,606
Restricted for				
TABOR	4,821,694	-	4,821,694	218,626
Debt service	32,506,943	-	32,506,943	-
Unrestricted	2,698,196	927,056	3,625,252	3,020,432
Total net assets	<u>\$ 60,119,290</u>	<u>\$ 1,986,574</u>	<u>\$ 62,105,864</u>	<u>\$ 3,659,664</u>

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, 2007

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 115,031,293	\$ 6,847,129	\$ 8,276,284	\$ -
Supporting services	58,113,258	86,712	4,053,417	591,496
Interest expense	16,010,493	-	-	-
Total governmental activities	189,155,044	6,933,841	12,329,701	591,496
Business-type Activities				
Food services	6,368,635	3,363,892	2,754,834	-
Total business-type activities	6,368,635	3,363,892	2,754,834	-
Total primary government	\$ 195,523,679	\$ 10,297,733	\$ 15,084,535	\$ 591,496
COMPONENT UNITS				
Instruction	\$ 5,113,970	\$ 793,685	\$ 275,513	\$ -
Supporting services	3,245,225	80,873	165,987	213,414
Interest expense	166,188	-	-	-
Total charter schools	\$ 8,525,383	\$ 874,558	\$ 441,500	\$ 213,414

General Revenues

Property taxes
Specific ownership taxes
Senior Property Tax Exemption
State equalization
Investment income
Other
Gain on sale of land

Transfer from agency fund

Total general revenues and transfers

Change in net assets

Net assets, beginning

Net assets, ending

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

Net (Expense) Revenue and Changes in Net Assets

<u>Primary Government</u>			<u>Component Units</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Charter Schools</u>
\$ (99,907,880)	\$ -	\$ (99,907,880)	\$ -
(53,381,633)	-	(53,381,633)	-
(16,010,493)	-	(16,010,493)	-
(169,300,006)	-	(169,300,006)	-
-	(249,909)	(249,909)	-
-	(249,909)	(249,909)	-
(169,300,006)	(249,909)	(169,549,915)	-
-	-	-	(4,044,772)
-	-	-	(2,784,951)
-	-	-	(166,188)
-	-	-	(6,995,911)
76,597,816	-	76,597,816	-
5,997,044	-	5,997,044	-
957,978	-	957,978	-
85,049,954	-	85,049,954	7,853,229
4,805,951	25,617	4,831,568	99,788
1,201,462	-	1,201,462	513,353
2,270,033	-	2,270,033	-
1,095,313	-	1,095,313	-
177,975,551	25,617	178,001,168	8,466,370
8,675,545	(224,292)	8,451,253	1,470,459
51,443,745	2,210,866	53,654,611	2,189,205
<u>\$ 60,119,290</u>	<u>\$ 1,986,574</u>	<u>\$ 62,105,864</u>	<u>\$ 3,659,664</u>

St. Vrain Valley School District RE-1J

**Balance Sheet
Governmental Funds
June 30, 2007**

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments - unrestricted	\$ 29,312,305	\$ 32,161,770	\$ -	\$ 9,829,688	\$ 71,303,763
Cash and investments - restricted	-	-	73,360,711	-	73,360,711
Accounts receivable	517,085	-	-	12,273	529,358
Due from other funds	920,738	-	-	301,005	1,221,743
Due from component units	2,327	-	-	15,198	17,525
Grants receivable	-	-	-	1,557,481	1,557,481
Interest receivable on investments	-	68,658	166,399	-	235,057
Taxes receivable	1,925,041	967,698	-	-	2,892,739
Prepays	-	-	-	14,257	14,257
Deposits	-	-	-	28,000	28,000
Inventories	358,352	-	-	-	358,352
Total assets	<u>\$ 33,035,848</u>	<u>\$ 33,198,126</u>	<u>\$ 73,527,110</u>	<u>\$ 11,757,902</u>	<u>\$ 151,518,986</u>
Liabilities					
Accounts payable	\$ 1,941,362	\$ 500	\$ 2,031,263	\$ 555,136	\$ 4,528,261
Due to other funds	-	-	27,362	893,376	920,738
Retainage payable	-	-	379,066	-	379,066
Arbitrage payable	-	-	168,123	-	168,123
Accrued salaries and benefits	12,687,199	-	-	1,180,367	13,867,566
Payroll withholdings	2,623,233	-	-	-	2,623,233
Claims payable	831,751	-	-	-	831,751
Deferred revenues	2,862,746	690,683	213,486	603,481	4,370,396
Total liabilities	<u>20,946,291</u>	<u>691,183</u>	<u>2,819,300</u>	<u>3,232,360</u>	<u>27,689,134</u>
Fund Balances					
Reserved for deposits, inventories, prepaids	358,352	-	-	42,257	400,609
Reserved for debt service	-	26,653,242	-	-	26,653,242
Reserved for capital projects	-	-	70,707,810	-	70,707,810
Reserved for statutory requirements	3,520,734	-	-	-	3,520,734
Reserved for TABOR	3,399,804	-	-	-	3,399,804
Reserved for encumbrances	974,885	-	-	-	974,885
Unreserved, designated for contingencies	2,794,463	-	-	69,000	2,863,463
Unreserved, designated for subsequent year expenditures reported in Special Revenue Funds	-	-	-	6,435,330	6,435,330
Unreserved, undesignated reported in General Fund	1,041,319	-	-	-	1,041,319
Special Revenue Funds	-	-	-	1,978,955	1,978,955
Debt Service Fund	-	5,853,701	-	-	5,853,701
Total fund balances	<u>12,089,557</u>	<u>32,506,943</u>	<u>70,707,810</u>	<u>8,525,542</u>	<u>123,829,852</u>
Total liabilities and fund balances	<u>\$ 33,035,848</u>	<u>\$ 33,198,126</u>	<u>\$ 73,527,110</u>	<u>\$ 11,757,902</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	266,609,356
Deferred property taxes 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.	2,072,632
Premium received on issuance of bonds is recognized as other financing source in the governmental funds, but is deferred revenue in the statement of net assets.	(15,385,707)
Bond reacquisition costs are not recognized in the governmental funds, but are capitalized in the statement of net assets	2,717,031
Long-term liabilities (\$321,504,727), including bonds payable and related accrued interest (\$640,839), are not due and payable in the current period and, therefore, are not reported in the funds.	(322,145,566)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>2,421,692</u>
Net assets of governmental activities (page 17)	<u>\$ 60,119,290</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, 2007

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 50,323,952	\$ 25,437,190	\$ -	\$ -	\$ 75,761,142
Specific ownership taxes	5,997,044	-	-	-	5,997,044
Investment income	1,017,622	886,128	2,536,391	318,786	4,758,927
Charges for services	911,681	-	-	3,593,797	4,505,478
Pupil activities	-	-	-	2,428,363	2,428,363
Miscellaneous	987,142	-	46,559	726,961	1,760,662
Local intergovernmental	-	-	-	32,296	32,296
State intergovernmental	85,932,468	321,131	-	4,506,837	90,760,436
Federal intergovernmental	314,450	-	-	7,262,747	7,577,197
Total revenues	145,484,359	26,644,449	2,582,950	18,869,787	193,581,545
Expenditures					
Current					
Instruction	94,338,876	-	224,849	9,566,680	104,130,405
Supporting services	49,861,423	-	3,183,167	3,383,440	56,428,030
Capital outlay	570,674	-	6,496,628	5,729,145	12,796,447
Debt service					
Principal	-	11,700,000	-	-	11,700,000
Interest and fiscal charges	-	14,638,580	-	-	14,638,580
Total expenditures	144,770,973	26,338,580	9,904,644	18,679,265	199,693,462
Excess (deficiency) of revenues over (under) expenditures	713,386	305,869	(7,321,694)	190,522	(6,111,917)
Other Financing Sources (Uses)					
Issuance of debt	-	-	56,800,000	-	56,800,000
Premium received on issuance of bonds	-	-	3,622,791	-	3,622,791
Payment to bond escrow agent	-	-	(479,707)	-	(479,707)
Proceeds from sale of land	-	-	-	2,309,767	2,309,767
Capital lease obligations	-	-	-	(473,254)	(473,254)
Transfers from internal service fund	4,066,099	-	-	-	4,066,099
Transfers from agency fund	-	-	-	1,095,313	1,095,313
Transfers in	-	-	-	423,614	423,614
Transfers out	(423,614)	-	-	-	(423,614)
Total other financing sources (uses)	3,642,485	-	59,943,084	3,355,440	66,941,009
Net change in fund balances	4,355,871	305,869	52,621,390	3,545,962	60,829,092
Fund balances, beginning	7,733,686	32,201,074	18,086,420	4,979,580	63,000,760
Fund balances, ending	\$ 12,089,557	\$ 32,506,943	\$ 70,707,810	\$ 8,525,542	\$ 123,829,852

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, 2007

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

Net change in fund balances of governmental funds (page 21) **\$ 60,829,092**

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	\$ (10,338,754)	
Capital Outlay - Capitalized	10,345,784	
Net Effect of Deleted Assets	(39,734)	(32,704)

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

Current year amortization of premium on bond issue	495,734	
Current year amortization of deferred charges	(1,774,719)	
Change in deferred property tax accrual	836,674	(442,311)

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 sick leave forfeited during the year	30,440	
Accrued vacation earned during the year	(416,296)	
Amount paid during the year	519,344	133,488

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

Bond proceeds	(56,800,000)	
Premium received on issuance of bonds	(3,622,791)	
Bond principal payments	11,700,000	
Accrued interest expense on bonds	(92,928)	
Bond reacquisition costs	487,607	
Long-term lease payments	615,619	(47,712,493)

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 internal service funds is reported with governmental activities.

Change in net assets of governmental activities (page 19)	\$	8,675,545
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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 - Budget and Actual
General Fund
For the Year Ended June 30, 2007**

	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)
Revenues				
Local				
Property taxes	\$ 50,047,000	\$ 50,047,000	\$ 50,323,952	\$ 276,952
Specific ownership taxes	6,276,000	6,276,000	5,997,044	(278,956)
Investment income	727,000	727,000	1,017,622	290,622
Charges for service	270,000	270,000	911,681	641,681
Miscellaneous	643,000	643,000	987,142	344,142
Total local revenues	<u>57,963,000</u>	<u>57,963,000</u>	<u>59,237,441</u>	<u>1,274,441</u>
State				
Equalization, net	81,567,429	81,869,523	80,588,046	(1,281,477)
Special Education	2,782,890	2,782,890	2,843,414	60,524
Vocational Education	500,000	500,000	505,813	5,813
Transportation	867,436	867,436	948,960	81,524
Gifted and Talented	142,500	142,500	197,995	55,495
English Language Proficiency Act	103,000	103,000	211,393	108,393
Senior Property Tax Exemption	-	-	636,847	636,847
Total state revenues	<u>85,963,255</u>	<u>86,265,349</u>	<u>85,932,468</u>	<u>(332,881)</u>
Federal				
Adult Education	140,000	140,000	163,037	23,037
BOCES	75,000	75,000	132,570	57,570
Emergency Impact Relief Aid	-	-	18,843	18,843
Total federal revenues	<u>215,000</u>	<u>215,000</u>	<u>314,450</u>	<u>99,450</u>
Total revenues	<u>144,141,255</u>	<u>144,443,349</u>	<u>145,484,359</u>	<u>1,041,010</u>
Expenditures, encumbered basis				
Current				
Salaries	95,402,961	95,487,361	96,285,173	(797,812)
Benefits	20,093,631	20,115,924	20,714,199	(598,275)
Purchased services	9,455,532	9,600,582	9,136,918	463,664
Supplies and materials	9,311,835	9,346,436	8,524,470	821,966
Loss on claims	1,100,220	987,220	960,546	26,674
Other	577,108	577,108	127,316	449,792
Charter schools	7,581,930	7,953,016	7,853,228	99,788
Capital outlay	215,127	205,883	532,756	(326,873)
Total expenditures, encumbered basis	<u>143,738,344</u>	<u>144,273,530</u>	<u>144,134,606</u>	<u>138,924</u>
Excess of revenues over expenditures before transfers	<u>402,911</u>	<u>169,819</u>	<u>1,349,753</u>	<u>1,179,934</u>
Other Financing (Uses)				
Transfer from internal service fund	-	-	4,066,099	4,066,099
Transfers out	(47,000)	(47,000)	(423,614)	(376,614)
Total other financing sources (uses)	<u>(47,000)</u>	<u>(47,000)</u>	<u>3,642,485</u>	<u>3,689,485</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 355,911</u>	<u>\$ 122,819</u>	<u>\$ 4,992,238</u>	<u>\$ 4,869,419</u>
Reconciliation of expenditures				
Expenditures, encumbered basis			\$ 144,134,606	
Plus: prior year encumbrances			1,611,252	
Less: current year encumbrances			(974,885)	
Expenditures, US GAAP basis			<u>\$ 144,770,973</u>	

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

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St. Vrain Valley School District RE-1J

Statement of Net Assets Proprietary Funds June 30, 2007

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
Assets		
Current assets		
Cash and cash equivalents	\$ 969,510	\$ 1,808,151
Accounts receivable	17,066	26,138
Inventories	219,586	-
Prepaid expenses	-	759,407
Total current assets	<u>1,206,162</u>	<u>2,593,696</u>
Capital assets		
Machinery and equipment	2,312,660	-
Accumulated depreciation	<u>(1,253,142)</u>	<u>-</u>
Total capital assets, net	<u>1,059,518</u>	<u>-</u>
 Total assets	 <u>2,265,680</u>	 <u>2,593,696</u>
Liabilities		
Current liabilities		
Accounts payable	185	172,004
Accrued salaries and benefits	186,037	-
Deferred revenues	<u>92,884</u>	<u>-</u>
 Total liabilities	 <u>279,106</u>	 <u>172,004</u>
Net Assets		
Invested in capital assets	1,059,518	-
Restricted for contractual obligations	-	2,115,130
Unrestricted	<u>927,056</u>	<u>306,562</u>
 Total net assets	 <u>\$ 1,986,574</u>	 <u>\$ 2,421,692</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 Assets **Proprietary Funds** **For the Year Ended June 30, 2007**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
Operating Revenues		
Charges for services	\$ 3,329,507	\$ 12,206,744
Miscellaneous	34,385	-
Total operating revenues	<u>3,363,892</u>	<u>12,206,744</u>
Operating Expenses		
Salaries and benefits	2,940,336	91,570
Purchased services	467,463	-
Supplies and materials	2,632,059	-
Repairs and maintenance	80,483	-
Other	100,000	-
Depreciation	148,294	-
Claims paid	-	12,195,626
Total operating expenses	<u>6,368,635</u>	<u>12,287,196</u>
Operating loss	<u>(3,004,743)</u>	<u>(80,452)</u>
Nonoperating Revenues (Expenses)		
Investment income	25,617	47,024
State match	80,768	-
National School Lunch/Breakfast Program	2,475,854	-
Commodities	198,374	-
Loss on disposal of equipment	(162)	-
Total nonoperating revenues	<u>2,780,451</u>	<u>47,024</u>
Change in net assets before transfers	(224,292)	(33,428)
Transfers out	<u>-</u>	<u>(4,066,099)</u>
Changes in net assets after transfers	(224,292)	(4,099,527)
Net assets, beginning	<u>2,210,866</u>	<u>6,521,219</u>
Net assets, ending	<u><u>\$ 1,986,574</u></u>	<u><u>\$ 2,421,692</u></u>

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

St. Vrain Valley School District RE-1J

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
Cash Flows from Operating Activities		
Cash received from customers	\$ 3,387,365	\$ 12,184,883
Cash paid to suppliers	(3,128,625)	(13,613,065)
Cash paid to employees	(2,926,432)	(91,570)
Net cash used by operating activities	<u>(2,667,692)</u>	<u>(1,519,752)</u>
Cash Flows from Noncapital Financing Activities		
Cash received from State of Colorado	80,768	-
Cash received from Federal government	2,764,538	-
Cash loan repaid from Grants Fund	-	1,644,637
Cash transfer to General Fund (sub-fund)	-	(4,066,099)
Net cash provided (used) by noncapital financing activities	<u>2,845,306</u>	<u>(2,421,462)</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of equipment	<u>(64,803)</u>	<u>-</u>
Cash Flows from Investing Activities		
Investment income	<u>25,617</u>	<u>47,024</u>
Increase (decrease) in cash and cash equivalents	138,428	(3,894,190)
Cash and cash equivalents, beginning of the year	<u>831,082</u>	<u>5,702,341</u>
Cash and cash equivalents, end of the year	<u><u>\$ 969,510</u></u>	<u><u>\$ 1,808,151</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating loss	\$ (3,004,743)	\$ (80,452)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation	148,294	-
Commodities	198,374	-
Changes in Assets and Liabilities		
Accounts receivable	-	(21,861)
Prepaid expenses	-	(759,407)
Inventories	(47,122)	-
Accounts payable	128	60,711
Accrued salaries and benefits	13,904	-
Claims payable	-	(718,743)
Deferred revenues	<u>23,473</u>	<u>-</u>
Net cash used by operating activities	<u><u>\$ (2,667,692)</u></u>	<u><u>\$ (1,519,752)</u></u>
Noncash Transactions		
Commodities received	<u><u>\$ 198,374</u></u>	<u><u>\$ -</u></u>

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

St. Vrain Valley School District RE-1J

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007**

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
	<u> </u>	<u> </u>
Assets		
Cash and investments	\$ 174,501	\$ 1,924,035
Accounts receivable	<u>-</u>	<u>9,366</u>
Total assets	<u>174,501</u>	<u><u>\$ 1,933,401</u></u>
 Liabilities		
Accounts payable	1,000	\$ 142,788
Due to governmental fund	-	301,005
Accrued salaries and benefits	-	503
Undistributed monies	<u>-</u>	<u>1,489,105</u>
Total liabilities	<u>1,000</u>	<u><u>\$ 1,933,401</u></u>
 Net Assets		
Held in trust	<u><u>\$ 173,501</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 Assets
Fiduciary Funds
For the Year Ended June 30, 2007**

	Private Purpose Trust - Student Scholarship
Additions	
Investment income	\$ 6,599
Contributions	61,610
Total additions	68,209
Deductions	
Scholarships	99,125
Total deductions	99,125
Change in net assets	(30,916)
Net assets, beginning	204,417
Net assets, ending	\$ 173,501

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

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St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2007

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 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 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 financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization provided benefits to or imposes financial burdens on the District.

Discretely Presented Component Units – Charter Schools

The Colorado State Legislature enacted the Charter School Act – Colorado Revised Statutes (C.R.S.) Section 22-30.5-10 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. Charter schools have separate governing boards; however, the District's Board of Education must approve all charter school applications and budgets.

The District's Board of Education has approved four charter school applications, Carbon Valley Academy, grades K-8; Flagstaff Academy, grades K-8; Twin Peaks Charter Academy, grades K-8, and Ute Creek Secondary Academy, grades 9-12, all which were operational during the current fiscal year. The respective members of the Charter Schools' Governing Boards are appointed separately from the District's Board of Education. The charter schools are discretely presented component units because of the significance of their financial relationship with the District and are considered nonmajor.

Separately audited financial reports for Carbon Valley Academy and Flagstaff Academy are available from the individual charter schools.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fund). The following are the District's major governmental funds:

General Fund – The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership (personal property) taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended. The *Colorado Preschool and Kindergarten Program (CPKP) Fund* and *Risk Management Fund* are reported as sub-funds of the General Fund. Moneys allocated to the *CPKP 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.

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

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

The other governmental funds of the District are Special Revenue Funds – These funds account for revenues derived from earmarked revenue sources, including transfers from the General Fund, charges for supporting educational services, and tuition.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Special Revenue Funds consist of *Capital Reserve Fund, Community Education Fund, Fair Contributions Fund, Government Designated-Purpose Grants Fund, Student Activity, and Vance Brand Civic Auditorium Fund.*

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

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

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

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

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

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

Government-wide and Fund Financial Statements

The District's financial statements (i.e., the statement of net assets and the statement of activities) report information on all the non-fiduciary activities of the District and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The 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 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. Agency funds have no measurement focus.

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 unreserved 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.

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 food service fund and internal service funds are charges to students or other funds for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Liabilities and Equity

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

Investments – All investments are recorded at fair value.

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

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 nonoperating revenues when expended.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (Continued)

Capital Assets – Capital assets, which include property and equipment, are reported in applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or greater, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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	50 years
Building Improvements	7-50 years
Equipment	5-20 years

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

Employees may accumulate sick leave. Accumulated sick leave is payable upon leaving the District if certain criteria are met. Classified employees with 10 or more years of service with the District will receive 50% of the employee's current daily rate for unused sick leave above 30 days, up to a maximum of 150 paid days. Any licensed employee who retires with 10 years of continuous service or who terminates with 20 years of service will be paid \$35 per day for all unused sick leave over 30 days, up to a maximum of 125 paid days. The unpaid liability for vested sick leave is recorded in the government-wide financial statements.

Deferred Revenues – Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenues is removed and revenue is recognized. Deferred revenues include grants that have been collected, but corresponding expenditures have not been incurred; property taxes earned but not available; and amounts received but not yet earned under the terms of certain investment agreements.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (Continued)

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

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

Net Assets/Fund Equity – In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Reserved fund balances include, but are not limited to, deposits, inventories, and prepaid items; debt service; capital projects; required carryover of unexpended instructional supplies and materials; the Superintendent's 12-month employment contract; TABOR; and encumbrances as of June 30, 2007.

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 2007 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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

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. The District has deferred revenue from property tax collection at June 30, 2007 in the amount of \$2,072,632. 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.

A fee of .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.

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 except the General Fund which budgets on an encumbered basis. 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. The budget for the Food Service Fund includes the related revenues and expenses of commodities and depreciation. All annual appropriations lapse at fiscal year end.

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

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.

Although the General Fund's encumbered basis expenditures of \$141,622,734 exceed budgeted expenditures of \$141,615,710 (excluding sub-funds), the total appropriation of \$149,954,155 adopted by the Board of Education includes fund balance designated for contingencies. In addition, while the Food Service Fund's expenditures of \$6,022,649 exceed budgeted expenditures of \$5,510,000, the total appropriation was \$7,134,171. Therefore, expenditures did not exceed appropriations.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

However, the Student Scholarship Fund's deductions of \$99,125 exceed the budget of \$81,000. Although the fund had beginning net assets of over \$200,000, net assets were not appropriated. This violation of the annual appropriated budget is not considered material.

Although no budget was formally adopted for the Student Activity (Special Revenue) Fund, a new fund as a result of a split from the Student Activity (Agency) Fund, the current year activities were considered in the Agency Fund as a whole when the Agency Fund budget was adopted. This may be a violation of state statute.

The Board of Education throughout the fiscal year may amend budgetary amounts within each fund. Individual amendments to the General Fund budget were not material in relation to the original appropriation. 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.

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 reservations of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over.

Accountability

At June 30, 2007, the District complied with the statutory requirement to budget \$172 per pupil for instructional capital outlay, instructional supplies and materials, and instructional field trips. Statute requires that any unexpended instructional dollars are to be included in the subsequent year's budget. The required carryover from fiscal year 2007 and prior is \$3,344,216 and is fully reserved in fund balance as part of the statutory requirement.

For the year ended June 30, 2007, a combined minimum of \$279 per pupil must be appropriated to the Capital Reserve Fund and Risk Management Fund. Expenditures from those funds must be for the purposes prescribed by state statute. State equalization amounts are divided by funded October 2006 enrollment figures to determine the per pupil appropriation amount. The following summarizes District compliance with the requirement.

	<u>Primary Government</u>		<u>Component Units</u>	<u>Total</u>
	<u>Capital Reserve Fund</u>	<u>Risk Management Fund</u>		
State equalization	\$ 4,461,908	\$ 1,392,349	\$ 350,285	\$ 6,204,542
Funded enrollment				
Oct 2006 (unaudited)	20,983.0	20,983.0	1,255.5	22,238.5
Per pupil expenditure	<u>\$ 213</u>	<u>\$ 66</u>	<u>\$ 279</u>	<u>\$ 279</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2007, the District and component units had cash and investments with the following carrying balances:

	District	Component Units
Cash on hand	\$ 24,126	\$ 1,050
Cash held by the District	-	641,667
Cash with County Treasurer	707,753	-
Cash held by Building Corp	-	998,017
Deposits	68,451,769	610,176
Investments	78,258,487	2,571,361
	<u>\$ 147,442,135</u>	<u>\$ 4,822,271</u>

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the District and component units' deposits may not be returned. 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. At June 30, 2007, State regulatory commissioners indicated that all financial institutions holding deposits for the District and component units are 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 market value of the collateral must be at least equal to 102% of the deposits. While the District does not have a policy regarding custodial credit risk, its deposits as of June 30, 2007 are not deemed to be exposed to custodial credit risk under the provisions of GASB 40. As of June 30, 2007, the District had deposits with a carrying balance of \$68,451,769 and a bank balance of \$69,617,725. Likewise, the component units had deposits with a carrying balance of \$610,176 and a bank balance of \$622,345.

Custodial credit risk – investments. This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The full amount of U.S. Agency Securities is exposed to custodial credit risk because they are uninsured, unregistered and held by the District's brokerage firm which is also the counterparty. As of June 30, 2007, 3.0% of total investments was subject to this risk.

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:

- Direct obligations of the United States Government
- Guaranteed federal agency securities
- Local government investment pools
- Certain money market funds

At June 30, 2007, 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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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. The District had the following investments as of June 30, 2007:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less Than 1</u>	<u>1-5</u>
U.S. Agency Securities	AAA	\$ 43,550,615	\$ 2,697,071	\$ 40,853,544
Money Market Funds	AAA	44,372	44,372	-
Money Market Investment Pools	AAA	34,663,500	34,663,500	-
Total Investments		<u>\$ 78,258,487</u>	<u>\$ 37,404,943</u>	<u>\$ 40,853,544</u>

The component units had the following investments as of June 30, 2007:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less Than 1</u>	<u>1-5</u>
Money Market Investment Pools	AAA	<u>\$ 2,571,361</u>	<u>\$ 2,571,361</u>	<u>\$ -</u>

Interest rate risk. Interest rate risk 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. 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, will be invested in long-term securities with maturity dates greater than three years.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State law permits investment in guaranteed federal agency securities without restrictions since such securities are considered to have minimum credit risk. In order to minimize credit risk, the District's investments have been limited to guaranteed federal agency securities.

Concentration of credit risk. Concentration of credit risk 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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Amounts owed to one fund or business-type activity 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, 2007 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Reserve Fund	\$ 356,488
General Fund	Component Units	2,327
General Fund	Grants Fund	520,896
General Fund	Community Education Fund	15,992
General Fund	Building Fund	10,527
Risk Management Fund	Building Fund	16,835
Grants Fund	Component Units	10,698
Student Activity (Special Rev) Fund	Component Units	4,500
Student Activity (Special Rev) Fund	Student Activity (Agency) Fund	301,005
Total		<u>\$ 1,239,268</u>

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 2007 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Community Education Fund	\$ 150,000
General Fund	Student Activity (Special Rev)	226,614
General Fund	Vance Brand Civic Auditorium Fund	47,000
Risk Mngt (Internal Service)	Risk Mngt (sub-fund of General Fund)	4,066,099
Student Activity (Agency)	Student Activity (Special Rev)	1,095,313
Total		<u>\$ 5,594,166</u>

Effective July 1, 2006, the Colorado Department of Education determined that the District's risk management activities could no longer be accounted for in an internal service fund as permitted by GASB Statement No. 10. As a result, \$4,066,099 of net assets was transferred from the internal service fund type to the Risk Management Fund, a sub-fund of the General Fund.

Effective July 1, 2006, the District divided the Student Activity Fund into the Special Revenue fund type and Agency fund type. This was determined based on the sources of receipts/revenues for each fund. As a result, \$1,095,313 of undistributed monies was transferred from the Student Activity (Agency) Fund to the Student Activity (Special Revenue) Fund.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the District's capital assets for the year ended June 30, 2007:

	Balance 7/1/06	Additions	Deletions & Adjustments	Transfers	Balance 6/30/07
Governmental Activities					
Non-depreciable assets					
Land	\$ 17,281,724	\$ 1,322,451	\$ (39,734)	\$ -	\$ 18,564,441
Projects in progress	5,072,230	8,126,822	-	(4,540,926)	8,658,126
Water rights	4,089,516	-	-	-	4,089,516
Total non-depreciable assets	<u>26,443,470</u>	<u>9,449,273</u>	<u>(39,734)</u>	<u>(4,540,926)</u>	<u>31,312,083</u>
Depreciable assets					
Land improvements	16,974,890	21,350	-	2,264,783	19,261,023
Buildings	176,858,388	-	-	1,684,523	178,542,911
Building improvements	99,353,087	-	-	203,908	99,556,995
Equipment	23,950,193	875,161	-	387,712	25,213,066
Total depreciable assets	<u>317,136,558</u>	<u>896,511</u>	<u>-</u>	<u>4,540,926</u>	<u>322,573,995</u>
Less accumulated depreciation for					
Land improvements	5,681,171	897,964	-	-	6,579,135
Buildings	35,314,984	4,339,123	-	-	39,654,107
Building improvements	23,283,112	3,102,099	-	-	26,385,211
Equipment	12,658,701	1,999,568	-	-	14,658,269
Total accumulated depreciation	<u>76,937,968</u>	<u>10,338,754</u>	<u>-</u>	<u>-</u>	<u>87,276,722</u>
Total depreciable assets, net	<u>240,198,590</u>	<u>(9,442,243)</u>	<u>-</u>	<u>4,540,926</u>	<u>235,297,273</u>
Governmental Activities					
Total capital assets, net	<u>\$ 266,642,060</u>	<u>\$ 7,030</u>	<u>\$ (39,734)</u>	<u>\$ -</u>	<u>\$ 266,609,356</u>
	Balance 7/1/06	Additions	Deletions	Transfers	Balance 6/30/07
Business-type Activities					
Depreciable assets					
Equipment	\$ 2,249,157	\$ 64,803	\$ (1,300)	\$ -	\$ 2,312,660
Less accumulated depreciation for					
Equipment	1,105,986	148,294	(1,138)	-	\$ 1,253,142
Business-type Activities					
Total capital assets, net	<u>\$ 1,143,171</u>	<u>\$ (83,491)</u>	<u>\$ (162)</u>	<u>\$ -</u>	<u>\$ 1,059,518</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 5: CAPITAL ASSETS (Continued)

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

Governmental Activities

Instruction	\$ 9,208,560
Supporting Services	<u>1,130,194</u>
Total	<u><u>\$ 10,338,754</u></u>

Business-Type Activities

Food Service	<u><u>\$ 148,294</u></u>
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The following is a summary of changes in the component units' capital assets for the year ended June 30, 2007:

	<u>Balance 7/1/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/07</u>
Component unit activities				
Governmental activities				
Land	\$ -	\$ 1,062,443	\$ -	\$ 1,062,443
Depreciable assets				
Land improvements	-	155,910	-	155,910
Building	-	3,015,992	-	3,015,992
Leasehold improvements	227,413	99,646	-	327,059
Furniture & Equipment	<u>43,508</u>	<u>213,381</u>	-	<u>256,889</u>
Total depreciable assets	<u>270,921</u>	<u>3,484,929</u>	-	<u>3,755,850</u>
Less accumulated depreciation for				
Land improvements	-	-	-	-
Building	-	30,160	-	30,160
Leasehold improvements	7,313	10,101	-	17,414
Furniture & Equipment	<u>7,740</u>	<u>23,848</u>	-	<u>31,588</u>
Total accumulated depreciation	<u>15,053</u>	<u>64,109</u>	-	<u>79,162</u>
Total depreciable assets, net	<u>255,868</u>	<u>3,420,820</u>	-	<u>3,676,688</u>
Governmental activities				
Total capital assets, net	<u><u>\$ 255,868</u></u>	<u><u>\$ 4,483,263</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,739,131</u></u>

Depreciation has been charged to the Supporting Services programs of the Component Units.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2007 are determined to be as follows:

General Fund	\$ 12,687,199
Other Funds	<u>1,180,367</u>
Total Governmental Funds	13,867,566
Proprietary Funds	<u>186,037</u>
Total Primary Government	<u>\$ 14,053,603</u>
Component Units	<u>\$ 316,989</u>

NOTE 7: DEFERRED REVENUES

Investment Agreement

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

The amount received under the agreement is being amortized over the term of the agreement for US GAAP purposes, rather than being recognized in full when received. For fiscal year ended June 30, 2007, \$230,582 of the deferred amount has been recognized. Income recognized was \$157,860 by the General Fund, \$22,990 by the Building Fund, \$2,672 by the Capital Reserve Fund, and \$47,060 by the Fair Contributions Fund. The remaining balances by fund of \$1,465,898, \$213,486, \$24,816, and \$436,997 respectively, are deferred revenues as of June 30, 2007.

NOTE 8: LONG-TERM DEBT

The District's long-term debt changed as follows during the year ended June 30, 2007.

Governmental activities	Balance 7/1/2006	Additions	Payments	Balance 6/30/2007	Due within One Year
General Obligation Bonds	\$ 272,770,000	\$ 56,800,000	\$ (11,700,000)	\$ 317,870,000	\$ 18,835,000
Capital leases	2,244,163	-	(615,619)	1,628,544	614,666
Vacation payable	469,764	416,296	(469,764)	416,296	416,296
Sick leave payable	<u>1,669,907</u>	<u>(30,440)</u>	<u>(49,580)</u>	<u>1,589,887</u>	<u>101,450</u>
Total	<u>\$ 277,153,834</u>	<u>\$ 57,185,856</u>	<u>\$ (12,834,963)</u>	<u>\$ 321,504,727</u>	<u>\$ 19,967,412</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 8: LONG-TERM DEBT

General Obligation Bonds

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance due at June 30, 2007</u>
Building Bonds (Series 1997), original amount of \$98,675,000, due in varying installments through December 15, 2022, interest from 4.0% to 5.15%. Amounts defeased were \$44,010,000 in 2005 and \$43,895,000 in 2006.	\$ 1,665,000
Refunding Bonds (Series 2002), original amount of \$39,090,000, due in varying installments through December 15, 2010, interest from 2.0% to 5.0%. Proceeds used to retire outstanding refunding bonds (Series 1992). Premium of \$1,613,000 received upon issuance is being amortized over term of bonds.	27,770,000
Building Bonds (Series 2003), original amount of \$92,000,000, due in varying installments through December 15, 2022, interest from 2.0% to 5.25%. Premium of \$4,200,003 received upon issuance is being amortized based on maturity of bonds.	87,655,000
Building Bonds (Series 2004), original amount of \$50,100,000, due in varying installments through December 15, 2024, interest from 3.0% to 5.5%. Premium of \$1,427,510 received upon issuance is being amortized based on maturity of bonds.	47,090,000
Building Bonds (Series 2005A), original amount of \$14,000,000, due in varying installments through December 15, 2022, interest from 3.0% to 5.0%. Premium of \$511,241 received upon issuance is being amortized based on maturity of bonds.	11,370,000
Refunding Bonds (Series 2005B), original amount of \$42,815,000, due in varying installments beginning December 15, 2006, through December 15, 2017, interest at 5%. Premium of \$3,546,660 received upon issuance is being amortized over term of bonds.	42,815,000
Refunding Bonds (Series 2006), original amount of \$43,455,000, due in varying installments through December 15, 2022, interest from 3.5% to 5.25%. Premium of \$2,520,719 received upon issuance is being amortized over term of bonds.	42,705,000
Building Bonds (Series 2006B), original amount of \$56,800,000, due in varying installments through December 15, 2026, interest from 3.8% to 5.0%. Premium of \$3,622,791 received upon issuance is being amortized based on maturity of bonds.	<u>56,800,000</u>
Total general obligation bonds payable	<u>\$ 317,870,000</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 8: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Bond payments to maturity are as follows:

Year ending June 30	GO Bonds		Total
	Principal	Interest	
2008	\$ 18,835,000	\$ 15,215,239	\$ 34,050,239
2009	11,045,000	14,550,070	25,595,070
2010	11,595,000	14,036,076	25,631,076
2011	12,460,000	13,466,536	25,926,536
2012	12,840,000	12,845,184	25,685,184
2013	13,480,000	12,178,265	25,658,265
2014	14,160,000	11,475,815	25,635,815
2015	14,870,000	10,743,059	25,613,059
2016	15,635,000	9,977,596	25,612,596
2017	16,410,000	9,177,978	25,587,978
2018	17,230,000	8,338,633	25,568,633
2019	18,060,000	7,449,363	25,509,363
2020	18,955,000	6,507,625	25,462,625
2021	19,930,000	5,518,125	25,448,125
2022	20,925,000	4,508,844	25,433,844
2023	21,940,000	3,490,875	25,430,875
2024	13,810,000	2,629,750	16,439,750
2025	14,490,000	1,922,250	16,412,250
2026	15,225,000	1,179,375	16,404,375
2027	15,975,000	399,375	16,374,375
	<u>\$ 317,870,000</u>	<u>\$ 165,610,032</u>	<u>\$ 483,480,032</u>

Advance Refunding

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2007, \$87,905,000 of bonds outstanding is considered defeased.

Capital Lease Agreements

The District has entered into capital lease agreements for energy performance contracts, telephone systems, computer systems, and land. The assets, which cost approximately \$6,000,000 and have accumulated depreciation estimated at \$2,000,000, have been recorded as capital assets in the statement of net assets. Payments are made from the General and Capital Reserve Funds.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 8: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Debt service requirements for the District's leases are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 614,666	\$ 76,311	\$ 690,977
2009	390,610	46,079	436,689
2010	275,854	28,508	304,362
2011	244,914	13,762	258,676
2012	<u>102,500</u>	<u>2,501</u>	<u>105,001</u>
Totals	<u>\$ 1,628,544</u>	<u>\$ 167,161</u>	<u>\$ 1,795,705</u>

Compensated Absences

Compensated absences include both vacation pay and sick leave. The District allows employees to carryover unused vacation from one fiscal year to the next. However, all vacation time from the prior year must be used by December 31 of the current year. Any unused vacation as of December 31 is forfeited; however, the amount forfeited is minimal.

Unused sick leave is accumulated and carried over from year to year. When an eligible employee retires, qualified sick leave up to a maximum of 150 days is paid at a pre-determined rate depending on the classification of the employee. The amount payable as of June 30, 2007 includes qualified sick leave for all eligible employees as of June 30, 2007.

The general fund pays for the sick 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.

Component Units Long-Term Debt

During the prior fiscal year, one of the charter schools entered into a note to make building improvements. The note required monthly payments of \$4,270 which included principal and interest at 6.50% and matured July 2011. The note was paid in full on January 8, 2007, from bond proceeds. On December 1, 2006, the charter school's Building Corporation issued revenue bonds. The loan is secured by a mortgage on the facility and a pledge of revenues in trust accounts referred to in the agreement.

Another charter school entered into a capital lease agreement to purchase equipment. The lease requires a monthly payment of \$3,912 which includes principal and interest at 10.5% and matures October 2007.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 8: 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, 2007.

	<u>Balance 7/1/06</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/07</u>	<u>Due in one year</u>
Component unit activities					
Note payable	\$ 217,043	\$ -	\$ 217,043	\$ -	\$ -
Revenue bonds	-	5,305,000	-	5,305,000	70,000
Capital lease	<u>54,811</u>	<u>-</u>	<u>43,269</u>	<u>11,542</u>	<u>11,542</u>
Total	<u>\$ 271,854</u>	<u>\$ 5,305,000</u>	<u>\$ 260,312</u>	<u>\$ 5,316,542</u>	<u>\$ 81,542</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>
2008	\$ 70,000	\$ 296,438	\$ 366,438
2009	75,000	292,359	367,359
2010	80,000	288,000	368,000
2011	80,000	283,500	363,500
2012	85,000	278,859	363,859
2013-2017	510,000	1,314,281	1,824,281
2018-2022	680,000	1,147,500	1,827,500
2023-2027	900,000	926,719	1,826,719
2028-2032	1,205,000	632,953	1,837,953
2033-2037	<u>1,620,000</u>	<u>240,469</u>	<u>1,860,469</u>
Totals	<u>\$ 5,305,000</u>	<u>\$ 5,701,078</u>	<u>\$ 11,006,078</u>

Following is a schedule of the future minimum lease payments at June 30, 2007:

<u>Year ending June 30,</u>	<u>Long-term Debt</u>
2008	\$ 11,736
Less amount representing interest	<u>(194)</u>
Present value of future minimum lease payments	<u>\$ 11,542</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 9: SHORT-TERM DEBT

To meet short-term General Fund cash flow needs the District participates in the State of Colorado Interest-Free Loan Program. Short-term debt activity relating to this program for the year ended June 30, 2007, was as follows:

Beginning Balance 7/1/06	Draws	Payments	Ending Balance 6/30/07
\$ -	\$ 4,036,703	\$ (4,036,703)	\$ -

NOTE 10: 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 Pool – 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, 2007, the District had insurance deductibles of \$50,000 (property), \$150,000 (general liability), and \$25,000 (vehicle liability) per claim. At June 30, 2007, the District's property and liability claims payable was \$221,505.

Prior to July 1, 2002, the District purchased its property and liability insurance from the Northern Colorado School Districts Property Self Insurance Pool, and 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 are now 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. The remaining assets are sufficient to meet these run-off obligations, according to the actuarial reports dated June 11, 2003, and July 12, 2004.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 10: RISK FINANCING (Continued)

Self Insurance Pool (Continued)

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, 2007. At June 30, 2007, the District's workers' compensation claims payable was \$610,246.

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

Claims Liability – Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported. Changes in the reported liability for the years ended June 30, 2006 and 2007 were as follows:

	<u>2007</u>	<u>2006</u>
Beginning fiscal year liability	\$ 718,743	\$ 436,691
Current year claims and adjustments	1,073,554	1,047,209
Claims paid	<u>(960,546)</u>	<u>(765,157)</u>
Ending fiscal year liability	<u>\$ 831,751</u>	<u>\$ 718,743</u>

Employee Medical Insurance Plan

The District entered into a limited liability contract with CIGNA HealthCare, which is an insured contract, not a self-insured or administrative service only agreement. This agreement limits the District's maximum liability to the total of its premiums. This contract is subject to Colorado State Insurance Regulations.

The District pays a premium to CIGNA HealthCare that is determined at renewal (October 1st each year) to appropriately reflect the administrative, risk and profit charges required to provide coverage to District employees. Activity relating to the Plan is accounted for in the Minimum Medical Insurance Liability Internal Service Fund.

Effective October 1, 2007, the District will change the insurance provider from CIGNA HealthCare to United Healthcare, entering into a fully-insured plan.

NOTE 11: DEFINED BENEFITS PENSION PLAN

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 11: DEFINED BENEFITS PENSION PLAN (Continued)

Plan Description (Continued)

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

Funding Policy – Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of Plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. PERA requires contributions of covered salary at rates of 8.0% for members and 10.65% for the District for the period July 1, 2006 to December 31, 2006, and 11.15% for the period January 1, 2007 to June 30, 2007. Of the District's 11.15% rate, 10.13% is allocated to CSSDTF, and 1.02% to the Health Care Trust Fund (see Note 12). Beginning with payroll periods ending after July 1, 2002, the employer contributions paid to the CSSDTF were reduced by an employer match on members' voluntary contributions to approved defined contribution plans.

The match, set by the Board of Trustees of PERA, is 100% of a member's eligible tax-deferred retirement program contributions limited by a per payroll whole percentage of PERA includable salary limit (percentage set for 2003 was 2.0%, and for 2004 was 1.0% ending May 30, 2004). The District's contributions to CSSDTF for the years ended June 30, 2007, 2006, and 2005 were \$10,308,310, \$9,021,975, and \$7,884,999, respectively, equal to the required contributions for each year.

NOTE 12: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy – The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions of the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCTF for the years ended June 30, 2007, 2006 and 2005 were \$1,063,827, \$980,748, and \$880,909, respectively.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

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 BOCES \$1,042,393 for services provided during the year ended June 30, 2007. The BOCES financial statements can be obtained at their administrative office located at 830 S. Lincoln Street, Longmont, Colorado 80501.

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, 2007, 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 materially affect the financial statements.

Construction Contracts

The District has entered into a number of separate construction projects as of June 30, 2007. Contract commitments at June 30, 2007, as a result of these projects, totaled \$50,910,165.

Operating Lease Agreements

The District has entered into an operating lease agreement for administrative facilities. The following is a schedule of the future minimum lease payments under the lease at June 30, 2007.

<u>Year Ending June 30,</u>	
2008	\$ 104,495
2009	80,703
Total minimum lease payments	185,198
Less amount representing interest	3,470
Present value of future minimum lease payments	<u>\$ 181,728</u>

Rental expense for the year ended June 30, 2007, was \$100,475.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2007

NOTE 14: COMMITMENTS AND CONTINGENCIES (Continued)

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. In November 1998, electors within the District authorized the District to collect, retain and/or expend all revenues lawfully received by the District from any source during fiscal year 1998-99 and each year thereafter without regard to the limitations and conditions under the TABOR Amendment of the Colorado Constitution or any other law. The Amendment is complex and subject to judicial interpretation. The TABOR Amendment requires the District to establish a reserve for emergencies. At June 30, 2007, the District has complied with the requirements to include emergency reserves in its net assets and fund balance.

Contingency Reserve

District policy requires that the budget adopted by the Board of Education include an additional appropriated reserve equal to 2% of operating fund expenditures. As of June 30, 2007, the District has complied with this policy.

Minimum Medical Insurance Liability Fund

On June 13, 2007, the District approved to terminate its contract with CIGNA HealthCare effective September 30, 2007. The District will be responsible for run-off obligations as claims are incurred. As of June 30, 2007, the run-off obligations are estimated to be \$2,115,130 which has been reserved in the Minimum Medical Insurance Liability Fund's fund balance.

NOTE 15: CHARTER SCHOOL EVENTS

Charter School Closure

On June 5, 2007, the Ute Creek Secondary Academy Board voted not to renew its contract with the District and to discontinue operations effective July 1, 2007, due to its insurmountable financial challenges. As a result of the charter school's decision, the District Board of Education revoked Ute Creek Secondary Academy's charter on June 27, 2007.

New Charter School

On June 13, 2007, the District Board of Education approved a new charter school application, Imagine Charter School at Firestone, grades K-8, pending approval of the contract between the District and Imagine. On August 22, 2007, the District Board approved the contract effective July 1, 2008. The charter school received \$210,556 in revenues through the Colorado Department of Education subsequent to June 30, 2007.

COMBINING NONMAJOR FUND FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

**Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2007**

	Special Revenue Funds						
	Capital Reserve	Community Education	Fair Contributions	Governmental Designated- Purpose Grants	Student Activity Fund	Vance Brand Civic Auditorium	Total Nonmajor Governmental Funds
Assets							
Cash and investments	\$ 3,339,492	\$ 1,992,993	\$ 3,001,913	\$ -	\$ 1,382,599	\$ 112,691	\$ 9,829,688
Accounts receivable	-	5,621	-	-	187	6,465	12,273
Grants receivable	-	-	-	1,557,481	-	-	1,557,481
Due from other funds	-	-	-	-	301,005	-	301,005
Due from component units	-	-	-	10,698	4,500	-	15,198
Prepaid expenses	14,257	-	-	-	-	-	14,257
Deposits	28,000	-	-	-	-	-	28,000
 Total assets	<u>\$ 3,381,749</u>	<u>\$ 1,998,614</u>	<u>\$ 3,001,913</u>	<u>\$ 1,568,179</u>	<u>\$ 1,688,291</u>	<u>\$ 119,156</u>	<u>\$ 11,757,902</u>
 Liabilities							
Accounts payable	\$ 416,709	\$ 14,919	\$ -	\$ 73,994	\$ 49,012	\$ 502	\$ 555,136
Due to other funds	356,488	15,992	-	520,896	-	-	893,376
Accrued salaries and benefits	-	336,638	-	831,621	3,234	8,874	1,180,367
Deferred revenues	24,816	-	436,997	141,668	-	-	603,481
 Total liabilities	<u>798,013</u>	<u>367,549</u>	<u>436,997</u>	<u>1,568,179</u>	<u>52,246</u>	<u>9,376</u>	<u>3,232,360</u>
 Fund Balances							
Reserved for deposits and prepaids	42,257	-	-	-	-	-	42,257
Unreserved, designated for contingencies	-	69,000	-	-	-	-	69,000
Unreserved, designated for subsequent year expenditures	2,219,687	-	2,564,916	-	1,636,045	14,682	6,435,330
Unreserved	321,792	1,562,065	-	-	-	95,098	1,978,955
 Total fund balances	<u>2,583,736</u>	<u>1,631,065</u>	<u>2,564,916</u>	<u>-</u>	<u>1,636,045</u>	<u>109,780</u>	<u>8,525,542</u>
 Total liabilities and fund balances	<u>\$ 3,381,749</u>	<u>\$ 1,998,614</u>	<u>\$ 3,001,913</u>	<u>\$ 1,568,179</u>	<u>\$ 1,688,291</u>	<u>\$ 119,156</u>	<u>\$ 11,757,902</u>

St. Vrain Valley School District RE-1J

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2007**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Capital Reserve	Community Education	Fair Contributions	Governmental Designated- Purpose Grants	Student Activity Fund	Vance Brand Civic Auditorium	
Revenues							
Intergovernmental	\$ 4,461,908	\$ -	\$ -	\$ 7,339,972	\$ -	\$ -	\$ 11,801,880
Investment income	31,020	80,090	191,735	-	10,726	5,215	318,786
Charges for services	-	3,507,085	-	-	-	86,712	3,593,797
Pupil activities	-	-	-	-	2,428,363	-	2,428,363
Miscellaneous	81,465	-	591,496	-	-	54,000	726,961
Total revenues	<u>4,574,393</u>	<u>3,587,175</u>	<u>783,231</u>	<u>7,339,972</u>	<u>2,439,089</u>	<u>145,927</u>	<u>18,869,787</u>
Expenditures							
Instruction	-	3,311,893	-	4,201,489	2,053,298	-	9,566,680
Supporting services	-	-	38,090	3,104,457	71,673	169,220	3,383,440
Capital outlay	4,155,743	-	1,520,149	34,026	-	19,227	5,729,145
Total expenditures	<u>4,155,743</u>	<u>3,311,893</u>	<u>1,558,239</u>	<u>7,339,972</u>	<u>2,124,971</u>	<u>188,447</u>	<u>18,679,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>418,650</u>	<u>275,282</u>	<u>(775,008)</u>	<u>-</u>	<u>314,118</u>	<u>(42,520)</u>	<u>190,522</u>
Other Financing Sources							
Proceeds from sale of land	2,309,767	-	-	-	-	-	2,309,767
General Fund capital lease oblig	(473,254)	-	-	-	-	-	(473,254)
Transfer from Agency Fund	-	-	-	-	1,095,313	-	1,095,313
Transfers in	-	150,000	-	-	226,614	47,000	423,614
Total other financing sources	<u>1,836,513</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>1,321,927</u>	<u>47,000</u>	<u>3,355,440</u>
Net change in fund balances	<u>2,255,163</u>	<u>425,282</u>	<u>(775,008)</u>	<u>-</u>	<u>1,636,045</u>	<u>4,480</u>	<u>3,545,962</u>
Fund balances, beginning	<u>328,573</u>	<u>1,205,783</u>	<u>3,339,924</u>	<u>-</u>	<u>-</u>	<u>105,300</u>	<u>4,979,580</u>
Fund balances, ending	<u>\$ 2,583,736</u>	<u>\$ 1,631,065</u>	<u>\$ 2,564,916</u>	<u>\$ -</u>	<u>\$ 1,636,045</u>	<u>\$ 109,780</u>	<u>\$ 8,525,542</u>

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SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

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. The *Colorado Preschool and Kindergarten 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.

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

Capital Projects 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.

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.

- *Capital Reserve Fund* – This fund is used to account for required allocation of resources and other revenues for ongoing capital outlay needs of the District, such as equipment purchases.
- *Community Education Fund* – This fund is used to record the tuition-based activities including driver's education, summer school, child care, enrichment, and preschool.
- *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.
- *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, gate receipts, and gifts.
- *Vance Brand Civic Auditorium Fund* – As a joint effort between the District and the City of Longmont, this fund accounts for the general operating revenues, operating expenditures, and capital improvements of the auditorium.

St. Vrain Valley School District RE-1J

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General, Colorado Preschool and Kindergarten Program, and Risk Management Funds
For the Year Ended June 30, 2007**

	General Fund				Colorado Preschool and Kindergarten Fund (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	\$ 50,047,000	\$ 50,047,000	\$ 50,323,952	\$ 276,952	\$ -	\$ -	\$ -	\$ -
Specific ownership taxes	6,276,000	6,276,000	5,997,044	(278,956)	-	-	-	-
Investment income	600,000	600,000	781,621	181,621	-	-	3,205	3,205
Charges for service	270,000	270,000	911,681	641,681	-	-	-	-
Miscellaneous	643,000	643,000	985,939	342,939	-	-	-	-
Total local revenues	57,836,000	57,836,000	59,000,237	1,164,237	-	-	3,205	3,205
State								
Equalization, net	79,843,429	79,954,423	78,672,792	(1,281,631)	329,000	523,100	522,905	(195)
Special Education	2,782,890	2,782,890	2,843,414	60,524	-	-	-	-
Vocational Education	500,000	500,000	505,813	5,813	-	-	-	-
Transportation	867,436	867,436	948,960	81,524	-	-	-	-
Gifted and Talented	142,500	142,500	197,995	55,495	-	-	-	-
English Language Proficiency Act	103,000	103,000	211,393	108,393	-	-	-	-
Senior Property Tax Exemption	-	-	636,847	636,847	-	-	-	-
Total state revenues	84,239,255	84,350,249	84,017,214	(333,035)	329,000	523,100	522,905	(195)
Federal								
Adult Education	140,000	140,000	163,037	23,037	-	-	-	-
BOCES	75,000	75,000	132,570	57,570	-	-	-	-
Emergency Impact Relief Aid	-	-	18,843	18,843	-	-	-	-
Total federal revenues	215,000	215,000	314,450	99,450	-	-	-	-
Total revenues	142,290,255	142,401,249	143,331,901	930,652	329,000	523,100	526,110	3,010
Expenditures, encumbered basis								
Current								
Salaries	95,193,461	95,193,461	96,054,754	(861,293)	40,000	124,400	66,614	57,786
Benefits	20,053,631	20,053,631	20,669,298	(615,667)	8,000	30,293	14,943	15,350
Purchased services	8,327,532	8,327,532	7,882,917	444,615	301,000	333,050	305,170	27,880
Supplies and materials	9,301,835	9,311,079	8,515,988	795,091	10,000	35,357	4,171	31,186
Loss on claims	-	-	-	-	-	-	-	-
Other	571,108	571,108	113,793	457,315	-	-	11,255	(11,255)
Charter schools	7,581,930	7,953,016	7,853,228	99,788	-	-	-	-
Capital outlay	215,127	205,883	532,756	(326,873)	-	-	-	-
Total expenditures, encumbered basis	141,244,624	141,615,710	141,622,734	(7,024)	359,000	523,100	402,153	120,947
Excess (deficiency) of revenues over (under) expenditures before transfers	1,045,631	785,539	1,709,167	923,628	(30,000)	-	123,957	123,957
Other Financing Sources (Uses)								
Transfer from Internal Service Fund	-	-	-	-	-	-	-	-
Transfers out	(47,000)	(47,000)	(423,614)	(376,614)	-	-	-	-
Total other financing sources (uses)	(47,000)	(47,000)	(423,614)	(376,614)	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 998,631	\$ 738,539	\$ 1,285,553	\$ 547,014	\$ (30,000)	\$ -	\$ 123,957	\$ 123,957
Reconciliation of expenditures								
Expenditures, encumbered basis			\$ 141,622,734				\$ 402,153	
Plus: prior year encumbrances			1,611,252				-	
Less: current year encumbrances			(974,885)				-	
Expenditures, US GAAP basis			<u>\$ 142,259,101</u>				<u>\$ 402,153</u>	

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)
\$ -	\$ -	\$ -	\$ -	\$ 50,047,000	\$ 50,047,000	\$ 50,323,952	\$ 276,952
-	-	-	-	6,276,000	6,276,000	5,997,044	(278,956)
127,000	127,000	232,796	105,796	727,000	727,000	1,017,622	290,622
-	-	-	-	270,000	270,000	911,681	641,681
-	-	1,203	1,203	643,000	643,000	987,142	344,142
127,000	127,000	233,999	106,999	57,963,000	57,963,000	59,237,441	1,274,441
1,395,000	1,392,000	1,392,349	349	81,567,429	81,869,523	80,588,046	(1,281,477)
-	-	-	-	2,782,890	2,782,890	2,843,414	60,524
-	-	-	-	500,000	500,000	505,813	5,813
-	-	-	-	867,436	867,436	948,960	81,524
-	-	-	-	142,500	142,500	197,995	55,495
-	-	-	-	103,000	103,000	211,393	108,393
-	-	-	-	-	-	636,847	636,847
1,395,000	1,392,000	1,392,349	349	85,963,255	86,265,349	85,932,468	(332,881)
-	-	-	-	140,000	140,000	163,037	23,037
-	-	-	-	75,000	75,000	132,570	57,570
-	-	-	-	-	-	18,843	18,843
-	-	-	-	215,000	215,000	314,450	99,450
1,522,000	1,519,000	1,626,348	107,348	144,141,255	144,443,349	145,484,359	1,041,010
169,500	169,500	163,805	5,695	95,402,961	95,487,361	96,285,173	(797,812)
32,000	32,000	29,958	2,042	20,093,631	20,115,924	20,714,199	(598,275)
827,000	940,000	948,831	(8,831)	9,455,532	9,600,582	9,136,918	463,664
-	-	4,311	(4,311)	9,311,835	9,346,436	8,524,470	821,966
1,100,220	987,220	960,546	26,674	1,100,220	987,220	960,546	26,674
6,000	6,000	2,268	3,732	577,108	577,108	127,316	449,792
-	-	-	-	7,581,930	7,953,016	7,853,228	99,788
-	-	-	-	215,127	205,883	532,756	(326,873)
2,134,720	2,134,720	2,109,719	25,001	143,738,344	144,273,530	144,134,606	138,924
(612,720)	(615,720)	(483,371)	132,349	402,911	169,819	1,349,753	1,179,934
-	-	4,066,099	4,066,099	-	-	4,066,099	4,066,099
-	-	-	-	(47,000)	(47,000)	(423,614)	(376,614)
-	-	4,066,099	4,066,099	(47,000)	(47,000)	3,642,485	3,689,485
<u>\$ (612,720)</u>	<u>\$ (615,720)</u>	<u>\$ 3,582,728</u>	<u>\$ 4,198,448</u>	<u>\$ 355,911</u>	<u>\$ 122,819</u>	<u>\$ 4,992,238</u>	<u>\$ 4,869,419</u>
		\$ 2,109,719				\$ 144,134,606	
		-				1,611,252	
		-				(974,885)	
		<u>\$ 2,109,719</u>				<u>\$ 144,770,973</u>	

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Reserve Fund
For the Year Ended June 30, 2007**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Equalization	\$ 4,512,000	\$ 4,512,000	\$ 4,461,908	\$ (50,092)
Investment income	88,000	29,000	31,020	2,020
Miscellaneous	-	-	81,465	81,465
Total revenues	<u>4,600,000</u>	<u>4,541,000</u>	<u>4,574,393</u>	<u>33,393</u>
Expenditures				
Capital outlay	<u>7,106,690</u>	<u>6,595,575</u>	<u>4,155,743</u>	<u>2,439,832</u>
Total expenditures	<u>7,106,690</u>	<u>6,595,575</u>	<u>4,155,743</u>	<u>2,439,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,506,690)</u>	<u>(2,054,575)</u>	<u>418,650</u>	<u>2,473,225</u>
Other Financing Sources (Uses)				
Proceeds from sale of land	2,200,000	2,200,000	2,309,767	109,767
General Fund capital lease obligations	<u>(474,000)</u>	<u>(474,000)</u>	<u>(473,254)</u>	<u>746</u>
Total other financing sources (uses)	<u>1,726,000</u>	<u>1,726,000</u>	<u>1,836,513</u>	<u>110,513</u>
Net change in fund balance	<u>\$ (780,690)</u>	<u>(328,575)</u>	<u>2,255,163</u>	<u>2,583,738</u>
Fund balance, beginning		<u>328,573</u>	<u>328,573</u>	<u>-</u>
Fund balance, ending		<u>\$ (2)</u>	<u>\$ 2,583,736</u>	<u>\$ 2,583,738</u>

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, 2007**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 42,000	\$ 48,000	\$ 80,090	\$ 32,090
Charges for services	3,100,000	3,383,000	3,507,085	124,085
Total revenues	3,142,000	3,431,000	3,587,175	156,175
Expenditures				
Instruction	3,242,000	3,431,000	3,311,893	119,107
Total expenditures	3,242,000	3,431,000	3,311,893	119,107
Excess (deficiency) of revenues over (under) expenditures	(100,000)	-	275,282	275,282
Other Financing Sources				
Transfers in	-	-	150,000	150,000
Net change in fund balance	\$ (100,000)	\$ -	425,282	\$ 425,282
Fund balance, beginning			1,205,783	
Fund balance, ending			\$ 1,631,065	

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, 2007**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 146,000	\$ 197,000	\$ 191,735	\$ (5,265)
Cash in lieu	<u>1,190,000</u>	<u>1,060,000</u>	<u>591,496</u>	<u>(468,504)</u>
Total revenues	<u>1,336,000</u>	<u>1,257,000</u>	<u>783,231</u>	<u>(473,769)</u>
Expenditures				
Purchased services	61,000	67,000	38,090	28,910
Capital outlay	<u>4,761,769</u>	<u>4,529,925</u>	<u>1,520,149</u>	<u>3,009,776</u>
Total expenditures	<u>4,822,769</u>	<u>4,596,925</u>	<u>1,558,239</u>	<u>3,038,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,486,769)</u>	(3,339,925)	(775,008)	2,564,917
Fund balance, beginning		<u>3,339,924</u>	<u>3,339,924</u>	<u>-</u>
Fund balance, ending		<u>\$ (1)</u>	<u>\$ 2,564,916</u>	<u>\$ 2,564,917</u>

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Governmental Designated-Purpose Grants Fund
For the Year Ended June 30, 2007**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Local grants	\$ 32,000	\$ 41,000	\$ 32,296	\$ (8,704)
State grants	195,000	49,000	44,929	(4,071)
Federal grants	7,224,000	8,045,000	7,262,747	(782,253)
Total revenues	7,451,000	8,135,000	7,339,972	(795,028)
Expenditures				
Salaries	5,052,000	5,645,000	5,127,211	517,789
Benefits	1,081,000	1,133,000	1,010,528	122,472
Purchased services	571,000	709,000	557,049	151,951
Supplies and materials	573,000	298,000	326,240	(28,240)
Capital outlay	56,000	44,000	34,026	9,974
Other	118,000	306,000	284,918	21,082
Total expenditures	7,451,000	8,135,000	7,339,972	795,028
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Vance Brand Civic Auditorium Fund
For the Year Ended June 30, 2007**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 2,000	\$ 2,000	\$ 5,215	\$ 3,215
Charges for services	69,300	69,300	86,712	17,412
Contributions	54,000	54,000	54,000	-
Total revenues	<u>125,300</u>	<u>125,300</u>	<u>145,927</u>	<u>20,627</u>
Expenditures				
Salaries	120,264	120,264	121,839	(1,575)
Benefits	25,100	25,100	23,728	1,372
Purchased services	13,650	13,650	2,445	11,205
Supplies and materials	10,000	10,000	21,208	(11,208)
Capital outlay	25,000	25,000	19,227	5,773
Total expenditures	<u>194,014</u>	<u>194,014</u>	<u>188,447</u>	<u>5,567</u>
Excess (deficiency) of revenues over (under) expenditures	(68,714)	(68,714)	(42,520)	26,194
Other Financing Sources				
Transfers in	<u>47,000</u>	<u>47,000</u>	<u>47,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (21,714)</u>	(21,714)	4,480	26,194
Fund balance, beginning		<u>105,300</u>	<u>105,300</u>	<u>-</u>
Fund balance, ending		<u>\$ 83,586</u>	<u>\$ 109,780</u>	<u>\$ 26,194</u>

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, 2007**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 28,215,000	\$ 26,116,000	\$ 25,437,190	\$ (678,810)
Investment income	580,000	580,000	886,128	306,128
Senior property tax exemption	-	-	321,131	321,131
Total revenues	<u>28,795,000</u>	<u>26,696,000</u>	<u>26,644,449</u>	<u>(51,551)</u>
Expenditures				
Debt principal	11,700,000	11,700,000	11,700,000	-
Debt interest	13,111,668	14,836,858	14,634,130	202,728
Fiscal charges	8,000	8,000	4,450	3,550
Total expenditures	<u>24,819,668</u>	<u>26,544,858</u>	<u>26,338,580</u>	<u>206,278</u>
Net change in fund balance	<u>\$ 3,975,332</u>	<u>\$ 151,142</u>	305,869	<u>\$ 154,727</u>
Fund balance, beginning			<u>32,201,074</u>	
Fund balance, ending			<u>\$ 32,506,943</u>	

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, 2007**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 500,000	\$ 2,000,000	\$ 2,536,391	\$ 536,391
Miscellaneous	-	-	46,559	46,559
Total revenues	<u>500,000</u>	<u>2,000,000</u>	<u>2,582,950</u>	<u>582,950</u>
Expenditures				
Salaries	-	500,000	242,068	257,932
Benefits	-	100,000	48,071	51,929
Purchased services	-	8,000,000	2,494,600	5,505,400
Supplies and materials	-	4,000,000	392,928	3,607,072
Capital outlay	71,300,000	8,000,000	6,496,628	1,503,372
Other	-	170,000	183,013	(13,013)
Interest expense	-	65,000	47,336	17,664
Total expenditures	<u>71,300,000</u>	<u>20,835,000</u>	<u>9,904,644</u>	<u>10,930,356</u>
Excess (deficiency) of revenues over (under) expenditures	(70,800,000)	(18,835,000)	(7,321,694)	11,513,306
Other Financing Sources (Uses)				
Proceeds of bonds	56,800,000	56,800,000	56,800,000	-
Premium received on issuance of bonds	-	2,462,000	3,622,791	1,160,791
Bond issuance costs	-	(125,000)	(479,707)	(354,707)
Total other financing sources (uses)	<u>56,800,000</u>	<u>59,137,000</u>	<u>59,943,084</u>	<u>806,084</u>
Net change in fund balance	<u>\$ (14,000,000)</u>	<u>\$ 40,302,000</u>	52,621,390	<u>\$ 12,319,390</u>
Fund balance, beginning			<u>18,086,420</u>	
Fund balance, ending			<u>\$ 70,707,810</u>	

SUPPLEMENTARY SCHEDULES – PROPRIETARY FUNDS

Enterprise Fund

Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District's only enterprise fund is the *Food Service Fund* which accounts for the financial transactions related to the food service operations of the District.

Internal Service 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 has one internal service fund as follows:

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

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual
Food Service Fund
For the Year Ended June 30, 2007**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 18,000	\$ 18,000	\$ 25,617	\$ 7,617
Charges for service	3,200,000	3,240,000	3,329,507	89,507
Miscellaneous	45,000	45,000	34,385	(10,615)
State match	62,000	62,000	80,768	18,768
National School Lunch/Breakfast Program	2,335,000	2,335,000	2,475,854	140,854
Total revenues	<u>5,660,000</u>	<u>5,700,000</u>	<u>5,946,131</u>	<u>246,131</u>
Expenses				
Salaries	2,200,000	2,200,000	2,378,556	(178,556)
Benefits	440,000	440,000	561,780	(121,780)
Purchased services	350,000	350,000	467,463	(117,463)
Supplies and materials	2,380,000	2,380,000	2,434,367	(54,367)
Repairs and maintenance	60,000	40,000	80,483	(40,483)
Other	100,000	100,000	100,000	-
Total expenses	<u>5,530,000</u>	<u>5,510,000</u>	<u>6,022,649</u>	<u>(512,649)</u>
Net loss, cash basis	130,000	190,000	(76,518)	(266,518)
Noncash Revenues (Expenses)				
Depreciation	(130,000)	(130,000)	(148,294)	(18,294)
Loss on disposal of equipment	-	-	(162)	(162)
Commodities received	340,000	340,000	198,374	(141,626)
Commodities used	<u>(340,000)</u>	<u>(340,000)</u>	<u>(197,692)</u>	<u>142,308</u>
Change in net assets	<u>\$ -</u>	<u>\$ 60,000</u>	<u>(224,292)</u>	<u>\$ (284,292)</u>
Net assets, beginning			<u>2,210,866</u>	
Net assets, ending			<u>\$ 1,986,574</u>	

St. Vrain Valley School District RE-1J

**Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2007**

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and investments	\$ -	\$ 1,808,151	\$ 1,808,151
Accounts receivable	-	26,138	26,138
Prepaid expenses	<u>-</u>	<u>759,407</u>	<u>759,407</u>
Total assets	<u>-</u>	<u>2,593,696</u>	<u>2,593,696</u>
Liabilities			
Accounts payable	<u>-</u>	<u>172,004</u>	<u>172,004</u>
Total liabilities	<u>-</u>	<u>172,004</u>	<u>172,004</u>
Net Assets			
Restricted for contractual obligations	-	2,115,130	2,115,130
Unrestricted	<u>-</u>	<u>306,562</u>	<u>306,562</u>
Total net assets	<u><u>\$ -</u></u>	<u><u>\$ 2,421,692</u></u>	<u><u>\$ 2,421,692</u></u>

St. Vrain Valley School District RE-1J

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2007**

	<u>Risk Management Fund</u>	<u>Minimum Medical Insurance Liability Fund</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for services	\$ -	\$ 12,206,744	\$ 12,206,744
Total revenues	<u>-</u>	<u>12,206,744</u>	<u>12,206,744</u>
Operating Expenses			
Salaries	-	75,113	75,113
Benefits	-	16,457	16,457
Claims paid	<u>-</u>	<u>12,195,626</u>	<u>12,195,626</u>
Total operating expenses	<u>-</u>	<u>12,287,196</u>	<u>12,287,196</u>
Operating income (loss)	<u>-</u>	<u>(80,452)</u>	<u>(80,452)</u>
Nonoperating Revenues			
Investment income	<u>-</u>	<u>47,024</u>	<u>47,024</u>
Total nonoperating revenues	<u>-</u>	<u>47,024</u>	<u>47,024</u>
Net income	-	(33,428)	(33,428)
Transfer to Risk Management Fund, a sub-fund of the General Fund	<u>(4,066,099)</u>	<u>-</u>	<u>(4,066,099)</u>
Change in net assets after transfers out	(4,066,099)	(33,428)	(4,099,527)
Net assets, beginning	<u>4,066,099</u>	<u>2,455,120</u>	<u>6,521,219</u>
Net assets, ending	<u><u>\$ -</u></u>	<u><u>\$ 2,421,692</u></u>	<u><u>\$ 2,421,692</u></u>

St. Vrain Valley School District RE-1J

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2007**

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash received from customers	\$ 4,277	\$ 12,180,606	\$ 12,184,883
Cash paid to suppliers	(830,036)	(12,783,029)	(13,613,065)
Cash paid to employees	-	(91,570)	(91,570)
Net cash used by operating activities	<u>(825,759)</u>	<u>(693,993)</u>	<u>(1,519,752)</u>
Cash Flows from Noncapital Financing Activities			
Cash loaned repaid from Grants Fund	517,334	1,127,303	1,644,637
Cash transferred to General Fund (sub-fund)	<u>(4,066,099)</u>	-	<u>(4,066,099)</u>
Net cash provided (used) by noncapital financing activities	<u>(3,548,765)</u>	<u>1,127,303</u>	<u>(2,421,462)</u>
Cash Flows from Investing Activities			
Investment income	-	47,024	47,024
Increase (decrease) in cash and cash equivalents	(4,374,524)	480,334	(3,894,190)
Cash and cash equivalents, beginning of year	<u>4,374,524</u>	<u>1,327,817</u>	<u>5,702,341</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,808,151</u></u>	<u><u>\$ 1,808,151</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities			
Operating loss	\$ -	\$ (80,452)	\$ (80,452)
Change in net assets to Net Cash Used by Operating Activities			
Accounts receivable	4,277	(26,138)	(21,861)
Prepaid expenses	-	(759,407)	(759,407)
Accounts payable	(111,293)	172,004	60,711
Claims payable	<u>(718,743)</u>	-	<u>(718,743)</u>
Net cash used by operating activities	<u><u>\$ (825,759)</u></u>	<u><u>\$ (693,993)</u></u>	<u><u>\$ (1,519,752)</u></u>

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St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual
Minimum Medical Insurance Liability Fund
For the Year Ended June 30, 2007**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 44,000	\$ 47,000	\$ 47,024	\$ 24
Charges for service	13,039,000	13,072,000	12,206,744	(865,256)
Total revenues	13,083,000	13,119,000	12,253,768	(865,232)
Expenses				
Salaries	86,000	75,000	75,113	(113)
Benefits	18,000	19,000	16,457	2,543
Supplies and materials	1,000	1,000	-	1,000
Claims paid	13,039,000	13,072,000	12,195,626	876,374
Total expenses	13,144,000	13,167,000	12,287,196	879,804
Change in net assets	<u>\$ (61,000)</u>	(48,000)	(33,428)	14,572
Net assets, beginning		2,455,120	2,455,120	-
Net assets, ending		<u>\$ 2,407,120</u>	<u>\$ 2,421,692</u>	<u>\$ 14,572</u>

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SUPPLEMENTARY SCHEDULES – FIDUCIARY FUNDS

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

- 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*.
- Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only agency fund is the *Student Activity Fund* which is used to record financial transactions related to school-sponsored pupil and athletic events. Additions to this fund are primarily from student fund-raising activities.

St. Vrain Valley School District RE-1J

**Schedule of Additions, Deductions and Changes in Net Assets - Budget and Actual
Student Scholarship Fund
For the Year Ended June 30, 2007**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Additions				
Investment income	\$ 5,000	\$ 5,000	\$ 6,599	\$ 1,599
Contributions	<u>56,000</u>	<u>70,000</u>	<u>61,610</u>	<u>(8,390)</u>
Total additions	<u>61,000</u>	<u>75,000</u>	<u>68,209</u>	<u>(6,791)</u>
Deductions				
Scholarships	<u>72,000</u>	<u>81,000</u>	<u>99,125</u>	<u>(18,125)</u>
Total deductions	<u>72,000</u>	<u>81,000</u>	<u>99,125</u>	<u>(18,125)</u>
Change in net assets	<u><u>\$ (11,000)</u></u>	(6,000)	(30,916)	(24,916)
Net assets, beginning		<u>204,417</u>	<u>204,417</u>	<u>-</u>
Net assets, ending		<u><u>\$ 198,417</u></u>	<u><u>\$ 173,501</u></u>	<u><u>\$ (24,916)</u></u>

St. Vrain Valley School District RE-1J

**Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2007**

	Balance June 30, 2006	Additions	Deductions	Transfers	Balance June 30, 2007
<u>Student Activity (Agency) Fund</u>					
Assets					
Cash and investments	\$ 2,687,318	\$ 3,320,529	\$ 2,988,499	\$ 1,095,313	\$ 1,924,035
Accounts receivable	7,298	9,366	7,298	-	9,366
Due from governmental funds	9,071	-	9,071	-	-
Total assets	<u>\$ 2,703,687</u>	<u>\$ 3,329,895</u>	<u>\$ 3,004,868</u>	<u>\$ 1,095,313</u>	<u>\$ 1,933,401</u>
Liabilities					
Accounts payable	\$ 136,724	\$ 142,788	\$ 136,724	\$ -	\$ 142,788
Due to governmental funds	-	301,005	-	-	301,005
Accrued salaries and benefits	2,386	503	2,386	-	503
Undistributed monies	2,564,577	2,885,599	2,865,758	1,095,313	1,489,105
Total liabilities	<u>\$ 2,703,687</u>	<u>\$ 3,329,895</u>	<u>\$ 3,004,868</u>	<u>\$ 1,095,313</u>	<u>\$ 1,933,401</u>

St. Vrain Valley School District RE-1J

Schedule of Additions, Deductions and Changes in Undistributed Monies - Budget and Actual Student Activity (Agency) Fund For the Year Ended June 30, 2007

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Additions				
Elementary Schools	\$ 508,000	\$ 584,000	\$ 418,100	\$ (165,900)
Middle Schools	875,000	942,000	898,726	(43,274)
High Schools	2,264,000	2,553,000	1,441,425	(1,111,575)
Charter Schools	247,000	162,000	17,381	(144,619)
Other additions	710,000	630,000	127,348	(502,652)
Total additions	4,604,000	4,871,000	2,902,980	(1,968,020)
Deductions				
Elementary Schools	929,749	979,884	442,605	537,279
Middle Schools	1,300,547	1,325,473	865,957	459,516
High Schools	3,671,364	3,522,359	1,479,462	2,042,897
Charter Schools	285,913	205,765	15,518	190,247
Other deductions	1,478,308	1,445,861	77,734	1,368,127
Total deductions	7,665,881	7,479,342	2,881,276	4,598,066
Change in undistributed monies including charter schools before transfers out	<u>\$ (3,061,881)</u>	<u>\$ (2,608,342)</u>	21,704	<u>\$ 2,630,046</u>
Transfers to Student Activities Fund (Special Revenue Fund)			<u>(1,095,313)</u>	
Change in undistributed monies including charter schools after transfers out			<u>\$ (1,073,609)</u>	
Reconciliation excluding charter school activities which are included on the component unit statement				
Change in undistributed monies			\$ (1,073,609)	
Less: charter additions			(17,381)	
Plus: charter deductions			15,518	
Change in undistributed monies			<u>\$ (1,075,472)</u>	

SUPPLEMENTARY SCHEDULES – COMPONENT UNITS

Charter Schools

Carbon Valley Academy, located in Frederick (Weld County), began operations in the fall of fiscal year 2006 to serve students in grades K through 8.

Flagstaff Academy also began operations in the fall of fiscal year 2006 serving students in grades K through 8. The school is temporarily located in Longmont (Boulder County) and intends to permanently locate to Erie (Boulder and Weld Counties).

Twin Peaks Charter Academy began operations in the fall of fiscal year 1998 to serve students in grades K through 8. The school is located along historic Main Street of Longmont (Boulder County).

Ute Creek Secondary Academy, also located in Longmont (Boulder County), began operations in the fall of fiscal year 2001 to serve students in grades 9 through 12. However, the Academy's Board voted not to renew its contract with the District and to discontinue operations effective July 1, 2007. As a result of this decision, the District Board of Education revoked Ute Creek Secondary Academy's charter on June 27, 2007.

St. Vrain Valley School District RE-1J

**Combining Balance Sheet
Component Units
Charter Schools
June 30, 2007**

	Carbon Valley Academy	Flagstaff Academy	Twin Peaks Charter Academy	Ute Creek Secondary Academy	Totals
Assets					
Cash and investments	\$ 659,238	\$ 724,482	\$ 2,421,868	\$ 18,666	\$ 3,824,254
Accounts receivable	3,578	-	-	30	3,608
Grants receivable	16,125	-	-	-	16,125
Total assets	<u>\$ 678,941</u>	<u>\$ 724,482</u>	<u>\$ 2,421,868</u>	<u>\$ 18,696</u>	<u>\$ 3,843,987</u>
Liabilities					
Accounts payable	\$ 35,472	\$ 35,387	\$ 164,912	\$ 127	\$ 235,898
Accrued salaries and benefits	72,967	74,653	169,369	-	316,989
Due to primary government	11,698	-	-	5,827	17,525
Deferred revenues	-	58,045	28,950	-	86,995
Total liabilities	<u>120,137</u>	<u>168,085</u>	<u>363,231</u>	<u>5,954</u>	<u>657,407</u>
Fund Balances					
Reserved for TABOR	60,602	60,041	69,107	28,876	218,626
Designated for emergencies	7,740	17,959	-	-	25,699
Unreserved	490,462	478,397	1,989,530	(16,134)	2,942,255
Total fund balances	<u>558,804</u>	<u>556,397</u>	<u>2,058,637</u>	<u>12,742</u>	<u>3,186,580</u>
Total liabilities and fund balances	<u>\$ 678,941</u>	<u>\$ 724,482</u>	<u>\$ 2,421,868</u>	<u>\$ 18,696</u>	<u>\$ 3,843,987</u>
Amounts reported for component units' statement of net assets are different because					
Total fund balance	\$ 558,804	\$ 556,397	\$ 2,058,637	\$ 12,742	\$ 3,186,580
Add: capital assets	302,143	95,709	-	-	397,852
building corporation net assets	125,202				125,202
Less: accumulated depreciation	(10,591)	(27,837)	-	-	(38,428)
long-term liabilities	-	(11,542)	-	-	(11,542)
Net assets of component units	<u>\$ 975,558</u>	<u>\$ 612,727</u>	<u>\$ 2,058,637</u>	<u>\$ 12,742</u>	<u>\$ 3,659,664</u>

St. Vrain Valley School District RE-1J

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances**

Component Units

Charter Schools

For the Year Ended June 30, 2007

	Carbon Valley Academy	Flagstaff Academy	Twin Peaks Charter Academy	Ute Creek Secondary Academy	Total
Revenues					
Intergovernmental	\$ 2,070,425	\$ 2,179,889	\$ 2,658,401	\$ 944,514	\$ 7,853,229
Investment income	13,443	3,806	81,698	841	99,788
Charges for services	156,341	1,800	67,286	-	225,427
Student activities	40,897	285,103	103,995	4,027	434,022
Miscellaneous	231,276	115,674	19,321	32,074	398,345
State revenues	66,587	70,107	46,344	30,376	213,414
Federal grants	219,223	221,718	559	-	441,500
Total revenues	<u>2,798,192</u>	<u>2,878,097</u>	<u>2,977,604</u>	<u>1,011,832</u>	<u>9,665,725</u>
Expenditures					
Current					
Instruction	1,183,498	1,495,932	1,888,708	545,832	5,113,970
Supporting services	1,204,719	925,765	470,651	479,858	3,080,993
Debt service					
Principal	217,043	-	-	-	217,043
Interest	9,043	-	-	-	9,043
Capital outlay	99,646	16,448	148,301	68	264,463
Total expenditures	<u>2,713,949</u>	<u>2,438,145</u>	<u>2,507,660</u>	<u>1,025,758</u>	<u>8,685,512</u>
Excess (deficiency) of revenues over (under) expenditures	84,243	439,952	469,944	(13,926)	980,213
Other Financing Sources (Uses)					
Bond proceeds, net of issuance costs	-	-	-	-	-
Transfers in	27,535	13,866	-	-	41,401
Transfers out	(27,535)	(13,866)	-	-	(41,401)
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	84,243	439,952	469,944	(13,926)	980,213
Fund balances, beginning	<u>474,561</u>	<u>116,445</u>	<u>1,588,693</u>	<u>26,668</u>	<u>2,206,367</u>
Fund balances, ending	<u>\$ 558,804</u>	<u>\$ 556,397</u>	<u>\$ 2,058,637</u>	<u>\$ 12,742</u>	<u>\$ 3,186,580</u>
Amounts reported for component units' statement of activities are different because					
Net change in fund balance	\$ 84,243	\$ 439,952	\$ 469,944	\$ (13,926)	\$ 980,213
Less: depreciation expense	(6,541)	(16,834)	-	-	(23,375)
Add: building corporation net revenue	125,202				125,202
capital outlay	99,646	27,285	-	-	126,931
payment of long-term liabilities	217,043	43,269	-	-	260,312
change in accrued interest	1,176	-	-	-	1,176
Change in net assets	<u>\$ 520,769</u>	<u>\$ 493,672</u>	<u>\$ 469,944</u>	<u>\$ (13,926)</u>	<u>\$ 1,470,459</u>

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**STATISTICAL SECTION
(UNAUDITED)**

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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.

Contents

Pages

Financial Trends

The schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. 89 – 97

Revenue Capacity

The schedules contain information to help the reader assess the District's most significant local and state revenue sources. 98 – 102

Debt Capacity

The schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. 103 – 107

Demographic and Economic Information

The schedules offer demographic and economic indicators to help the reader understand the environment with which the District's financial activities take place. 108 – 113

Operating Information

The schedules contain information to help the reader understand the staffing of the District, student population it serves, and capital asset data. 114 – 119

Sources: Unless otherwise noted, the information in the schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB 34 in fiscal year 2002; government-wide schedules present information beginning in that year.

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St. Vrain Valley School District RE-1J
Financial Trends
Net Assets by Component
Accrual Basis of Accounting
(Unaudited)

Last Six Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 9,591,783	\$ 18,202,783	\$ 21,648,995	\$ 22,549,614	\$ 10,755,304	\$ 20,092,457
Restricted	15,637,082	23,339,644	27,840,057	32,545,940	36,607,570	37,328,637
Unrestricted	(6,229,946)	(17,198,783)	(14,404,003)	(9,995,867)	4,080,873	2,698,196
Total governmental net assets	<u>18,998,919</u>	<u>24,343,644</u>	<u>35,085,049</u>	<u>45,099,687</u>	<u>51,443,747</u>	<u>60,119,290</u>
Business-type activities						
Invested in capital assets, net of related debt	861,216	821,843	727,684	981,771	1,143,171	1,059,518
Restricted	-	138,799	-	-	-	-
Unrestricted	1,060,020	810,767	1,126,201	1,225,914	1,067,695	927,056
Total business-type net assets	<u>1,921,236</u>	<u>1,771,409</u>	<u>1,853,885</u>	<u>2,207,685</u>	<u>2,210,866</u>	<u>1,986,574</u>
Primary government						
Invested in capital assets, net of related debt	10,452,999	19,024,626	22,376,679	23,531,385	11,898,475	21,151,975
Restricted	15,637,082	23,478,443	27,840,057	32,545,940	36,607,570	37,328,637
Unrestricted	(5,169,926)	(16,388,016)	(13,277,802)	(8,769,953)	5,148,568	3,625,252
Total primary government net assets	<u>\$ 20,920,155</u>	<u>\$ 26,115,053</u>	<u>\$ 36,938,934</u>	<u>\$ 47,307,372</u>	<u>\$ 53,654,613</u>	<u>\$ 62,105,864</u>

St. Vrain Valley School District RE-1J
Financial Trends
Changes in Net Assets
Accrual Basis of Accounting
(Unaudited)

Last Six Fiscal Years

	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities:						
Instruction	\$ 86,474,269	\$ 93,572,030	\$ 85,427,185	\$ 95,661,489	\$ 113,735,114	\$ 115,031,293
Supporting services	43,277,026	42,042,464	49,858,273	49,653,089	53,304,184	58,113,258
Interest	7,266,870	9,599,755	11,647,151	12,247,793	14,320,914	16,010,493
Total governmental activities expenses	<u>137,018,165</u>	<u>145,214,249</u>	<u>146,932,609</u>	<u>157,562,371</u>	<u>181,360,212</u>	<u>189,155,044</u>
Business-type activities:						
Food services	4,221,985	4,254,543	4,410,830	4,885,656	5,873,965	6,368,635
Total primary government expenses	<u>\$ 141,240,150</u>	<u>\$ 149,468,792</u>	<u>\$ 151,343,439</u>	<u>\$ 162,448,027</u>	<u>\$ 187,234,177</u>	<u>\$ 195,523,679</u>
Program Revenues						
Governmental activities:						
Charges for services	\$ 1,923,489	\$ 2,121,666	\$ 2,101,479	\$ 3,185,805	\$ 3,857,647	\$ 6,933,841
Operating grants and contributions	8,240,959	8,069,583	9,513,660	10,930,997	13,090,706	12,329,701
Capital grants and contributions	978,337	1,650,635	1,402,614	1,041,182	1,053,746	591,496
Total governmental activities program revenues	<u>11,142,785</u>	<u>11,841,884</u>	<u>13,017,753</u>	<u>15,157,984</u>	<u>18,002,099</u>	<u>19,855,038</u>
Business-type activities:						
Charges for services	2,819,921	2,734,550	2,820,846	2,978,095	3,098,897	3,363,892
Operating grants and contributions	1,420,269	1,504,411	1,667,815	1,905,055	2,442,897	2,754,834
Capital grants and contributions	186,412	-	-	-	-	-
Total business-type activities program revenues	<u>4,426,602</u>	<u>4,238,961</u>	<u>4,488,661</u>	<u>4,883,150</u>	<u>5,541,794</u>	<u>6,118,726</u>
Total primary government program revenues	<u>\$ 15,569,387</u>	<u>\$ 16,080,845</u>	<u>\$ 17,506,414</u>	<u>\$ 20,041,134</u>	<u>\$ 23,543,893</u>	<u>\$ 25,973,764</u>
Net (expense) / revenue						
Governmental activities	\$(125,875,380)	\$(133,372,365)	\$(133,914,856)	\$(142,404,387)	\$ (163,358,113)	\$ (169,300,006)
Business-type activities	204,617	(15,582)	77,831	(2,506)	(332,171)	(249,909)
Total primary government net expense	<u>\$(125,670,763)</u>	<u>\$(133,387,947)</u>	<u>\$(133,837,025)</u>	<u>\$(142,406,893)</u>	<u>\$ (163,690,284)</u>	<u>\$ (169,549,915)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304	\$ 74,977,182	\$ 76,597,816
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580	5,987,316	5,997,044
Senior property tax exemption	-	-	-	-	-	957,978
State equalization	57,635,616	64,987,668	68,733,866	72,261,580	77,794,994	85,049,954
Investment income	727,029	451,322	1,374,794	2,285,218	2,511,220	4,805,951
Other	1,571,116	4,534,822	1,366,652	444,753	941,954	3,471,495
Transfers	140,000	26,446	-	(340,410)	(310,317)	1,095,313
Total governmental activities	<u>119,625,805</u>	<u>140,287,702</u>	<u>144,656,261</u>	<u>152,419,025</u>	<u>161,902,349</u>	<u>177,975,551</u>
Business-type activities:						
Investment income	14,274	5,755	4,645	15,896	25,035	25,617
Transfers	(140,000)	(140,000)	-	340,410	310,317	-
Total business-type activities	<u>(125,726)</u>	<u>(134,245)</u>	<u>4,645</u>	<u>356,306</u>	<u>335,352</u>	<u>25,617</u>
Total primary government	<u>\$ 119,500,079</u>	<u>\$ 140,153,457</u>	<u>\$ 144,660,906</u>	<u>\$ 152,775,331</u>	<u>\$ 162,237,701</u>	<u>\$ 178,001,168</u>
Change in Net Assets						
Governmental activities	\$ (6,249,575)	\$ 6,915,337	\$ 10,741,405	\$ 10,014,638	\$ (1,455,764)	\$ 8,675,545
Business-type activities	78,891	(149,827)	82,476	353,800	3,181	(224,292)
Total primary government	<u>\$ (6,170,684)</u>	<u>\$ 6,765,510</u>	<u>\$ 10,823,881</u>	<u>\$ 10,368,438</u>	<u>\$ (1,452,583)</u>	<u>\$ 8,451,253</u>

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

Last Six Fiscal Years

	2002	2003	2004	2005	2006	2007
Governmental activities:						
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304	\$ 74,977,182	\$ 76,597,816
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580	5,987,316	5,997,044
State equalization	57,635,616	64,987,668	68,733,866	72,261,580	77,794,994	85,049,954
Total finance act revenues	<u>\$ 117,187,660</u>	<u>\$ 135,275,112</u>	<u>\$ 141,914,815</u>	<u>\$ 150,029,464</u>	<u>\$ 158,759,492</u>	<u>\$ 167,644,814</u>
 Total governmental activities revenues (1)	\$ 130,768,590	\$ 152,129,586	\$ 157,674,014	\$ 167,577,009	\$ 179,904,448	\$ 197,830,589
 Public School Finance Act revenues as percentage of total governmental activities revenues	89.6%	88.9%	90.0%	89.5%	88.2%	84.7%

(1) Governmental activities revenues are a combination of program revenues and general revenues as shown on page 90

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

Last Ten Fiscal Years

	1998	1999	2000	2001
General Fund				
Reserved	\$ 3,554,184	\$ 3,188,781	\$ 3,525,586	\$ 334,443
Unreserved				
Designated	-	-	-	-
Undesignated	(1,149,746)	2,436,434	1,556,556	334,979
Total General Fund	<u>\$ 2,404,438</u>	<u>\$ 5,625,215</u>	<u>\$ 5,082,142</u>	<u>\$ 669,422</u>
All Other Governmental Funds				
Reserved	\$ 10,024,006	\$ 10,777,318	\$ 11,307,320	\$ 11,195,114
Unreserved:				
Designated, reported in:				
Capital projects fund	96,837,945	73,546,677	33,182,386	-
Special revenue funds	2,618,915	3,079,065	3,178,870	-
Undesignated, reported in:				
Capital projects fund	-	-	-	7,932,700
Debt service fund	-	-	-	-
Special revenue funds	350,786	1,606,658	1,975,787	5,115,345
Total all other governmental funds	<u>\$ 109,831,652</u>	<u>\$ 89,009,718</u>	<u>\$ 49,644,363</u>	<u>\$ 24,243,159</u>

2002	2003	2004	2005	2006	2007
\$ 409,975	\$ 366,855	\$ 338,576	\$ 3,963,869	\$ 5,591,445	\$ 8,253,775
-	-	-	-	86,665	2,794,463
(10,754,933)	(14,295,533)	(4,617,697)	-	2,055,576	1,041,319
<u>\$ (10,344,958)</u>	<u>\$ (13,928,678)</u>	<u>\$ (4,279,121)</u>	<u>\$ 3,963,869</u>	<u>\$ 7,733,686</u>	<u>\$ 12,089,557</u>
\$ 78,000	\$ 37,823,604	\$ 98,956,894	\$ 66,434,593	\$ 42,936,664	\$ 97,403,309
-	60,077,668	-	-	-	-
-	618,111	4,415,700	4,414,000	4,857,420	6,504,330
668,302	-	-	-	-	-
11,415,777	9,452,454	-	4,224,358	7,389,406	5,853,701
4,498,278	4,034,598	1,397,256	1,124,842	83,586	1,978,955
<u>\$ 16,660,357</u>	<u>\$ 112,006,435</u>	<u>\$ 104,769,850</u>	<u>\$ 76,197,793</u>	<u>\$ 55,267,076</u>	<u>\$ 111,740,295</u>

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

Last Ten Fiscal Years

	1998	1999	2000	2001
Revenues				
Property taxes	\$ 42,586,147	\$ 45,575,578	\$ 47,332,883	\$ 49,728,660
Specific ownership taxes	3,544,255	4,117,446	4,518,589	4,840,145
Investment income	3,835,250	6,569,857	4,408,488	2,705,613
Charges for service	1,115,788	1,484,935	1,490,324	1,734,421
Student activities (1)	1,762,686	2,258,914	2,992,825	3,494,052
Miscellaneous	835,287	1,147,820	1,293,154	2,100,650
Local intergovernmental	-	-	-	36,054
State intergovernmental	45,007,542	48,322,335	50,275,984	55,304,813
Federal intergovernmental	2,451,591	2,658,431	3,118,694	3,341,144
Total revenues	<u>\$ 101,138,546</u>	<u>\$ 112,135,316</u>	<u>\$ 115,430,941</u>	<u>\$ 123,285,552</u>
Expenditures				
Instruction	\$ 51,871,099	\$ 52,898,379	\$ 59,514,383	\$ 68,155,625
Supporting services	29,628,753	35,869,892	37,073,648	37,931,163
Student activities (1)	1,742,398	2,256,810	3,070,241	3,421,869
Capital outlay	7,188,758	26,472,845	43,036,219	31,480,196
Debt service				
Principal	4,740,000	4,982,937	5,530,653	5,869,000
Accrued interest	-	-	-	-
Interest and fiscal charges	4,973,134	7,435,805	7,422,112	7,355,904
Total expenditures	<u>\$ 100,144,142</u>	<u>\$ 129,916,668</u>	<u>\$ 155,647,256</u>	<u>\$ 154,213,757</u>
Excess of revenues over (under) expenditures	<u>994,404</u>	<u>(17,781,352)</u>	<u>(40,216,315)</u>	<u>(30,928,205)</u>
Other financing sources (uses)				
Bond proceeds	\$ 98,679,466	\$ -	\$ -	\$ -
Premium received on issuance of bonds	-	-	-	-
Paid to bond agent	-	-	-	-
Proceeds from sale of land	-	-	-	-
Lease proceeds	2,891,507	-	452,352	974,281
Lease obligations	-	-	-	-
Contributions	114,098	10,195	-	-
Transfers in (2)	316,490	420,242	429,242	780,513
Transfers out (2)	(176,490)	(250,242)	(289,242)	(640,513)
Total other financing sources (uses)	<u>\$ 101,825,071</u>	<u>\$ 180,195</u>	<u>\$ 592,352</u>	<u>\$ 1,114,281</u>
Net change in fund balances	<u>\$ 102,819,475</u>	<u>\$ (17,601,157)</u>	<u>\$ (39,623,963)</u>	<u>\$ (29,813,924)</u>
Debt service as percentage of noncapital expenditures	<u>11.7%</u>	<u>13.6%</u>	<u>13.0%</u>	<u>12.1%</u>

(1) Student Activities was a governmental fund (special revenue fund) until fiscal year 2002; however, based on reassessment, the Agency Fund was split into a Special Revenue type and Agency type in fiscal year 2007.

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

2002	2003	2004	2005	2006	2007
\$ 53,893,252	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205	\$ 75,761,142
5,215,842	5,437,653	5,980,112	5,976,580	5,987,316	5,997,044
706,332	693,051	1,328,350	2,023,366	2,386,324	4,758,927
1,923,489	2,121,666	2,101,479	3,185,805	3,857,647	4,505,478
-	-	-	-	-	2,428,363
1,622,459	2,387,357	2,696,524	1,470,585	1,670,385	1,760,662
117,222	68,884	72,397	8,350	22,619	32,296
62,022,703	68,712,530	72,329,913	75,947,775	82,136,479	90,760,436
4,037,615	4,344,721	5,917,613	7,244,802	8,749,221	7,577,197
<u>\$ 129,538,914</u>	<u>\$ 148,468,305</u>	<u>\$ 158,973,733</u>	<u>\$ 167,029,363</u>	<u>\$ 179,844,196</u>	<u>\$ 193,581,545</u>
\$ 82,668,776	\$ 82,695,300	\$ 81,655,292	\$ 91,027,699	\$ 97,521,908	\$ 104,130,405
39,687,187	40,270,867	48,298,522	46,484,881	50,716,187	56,428,030
-	-	-	-	-	-
13,216,858	14,994,818	58,421,911	44,165,547	25,050,564	12,796,447
6,377,460	2,123,000	4,200,000	2,850,000	10,680,000	11,700,000
-	-	4,380,000	4,380,000	-	-
7,266,870	12,764,301	11,132,546	13,095,314	13,047,785	14,638,580
<u>\$ 149,217,151</u>	<u>\$ 152,848,286</u>	<u>\$ 208,088,271</u>	<u>\$ 202,003,441</u>	<u>\$ 197,016,444</u>	<u>\$ 199,693,462</u>
<u>(19,678,237)</u>	<u>(4,379,981)</u>	<u>(49,114,538)</u>	<u>(34,974,078)</u>	<u>(17,172,248)</u>	<u>(6,111,917)</u>
\$ -	\$ 131,090,000	\$ 50,100,000	\$ 56,815,000	\$ 43,455,000	\$ 56,800,000
-	5,813,003	1,427,510	4,057,901	2,520,719	3,622,791
-	(40,300,000)	-	(47,074,703)	(45,964,371)	(479,707)
-	-	-	846,813	-	2,309,767
2,461,606	-	-	-	-	-
-	-	-	-	-	(473,254)
-	-	-	-	-	-
491,871	529,710	46,614	47,000	126,455	5,585,026
(351,871)	(503,264)	(46,614)	(47,000)	(126,455)	(423,614)
<u>\$ 2,601,606</u>	<u>\$ 96,629,449</u>	<u>\$ 51,527,510</u>	<u>\$ 14,645,011</u>	<u>\$ 11,348</u>	<u>\$ 66,941,009</u>
<u>\$ (17,076,631)</u>	<u>\$ 92,249,468</u>	<u>\$ 2,412,972</u>	<u>\$ (20,329,067)</u>	<u>\$ (17,160,900)</u>	<u>\$ 60,829,092</u>
<u>11.2%</u>	<u>12.1%</u>	<u>15.2%</u>	<u>14.8%</u>	<u>15.0%</u>	<u>15.5%</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
(Unaudited)

Last Ten Fiscal Years

	1998	1999	2000	2001
Governmental activities:				
Property taxes	\$ 42,586,147	\$ 45,575,578	\$ 47,332,883	\$ 49,728,660
Specific ownership taxes	3,544,255	4,117,446	4,518,589	4,840,145
State equalization	41,779,634	45,127,475	47,208,976	51,470,640
Total finance act revenues	<u>\$ 87,910,036</u>	<u>\$ 94,820,499</u>	<u>\$ 99,060,448</u>	<u>\$ 106,039,445</u>
 Total revenues (1)	 \$ 101,138,546	 \$ 112,135,316	 \$ 115,430,941	 \$ 123,285,552
 Public School Finance Act revenues as percentage of total governmental funds revenues	 86.9%	 84.6%	 85.8%	 86.0%

(1) As shown on the Changes in Fund Balances of Governmental Funds schedule, pages 94-95

2002	2003	2004	2005	2006	2007
\$ 53,893,252	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205	\$ 75,761,142
5,215,842	5,437,653	5,980,112	5,976,580	5,987,316	5,997,044
57,635,616	64,987,668	68,733,866	72,261,580	77,794,994	85,049,954
<u>\$ 116,744,710</u>	<u>\$ 135,127,764</u>	<u>\$ 143,261,323</u>	<u>\$ 149,410,260</u>	<u>\$ 158,816,515</u>	<u>\$ 166,808,140</u>
\$ 129,538,914	\$ 148,468,305	\$ 158,973,733	\$ 167,029,363	\$ 179,844,196	\$ 193,581,545
90.1%	91.0%	90.1%	89.5%	88.3%	86.2%

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 (1)	Commercial Property (1)	Industrial Property (1)	Vacant Property (1)	Oil & Gas (1)	Public Utilities (1)
1997	1998						
1998	1999						
1999	2000						
2000	2001						
2001	2002	\$ 848,410	\$ 312,887	\$ 232,135	\$ 102,780	\$ 45,080	\$ 37,608
2002	2003	858,427	311,003	232,742	99,857	45,475	34,103
2003	2004	915,029	340,925	241,739	131,173	38,071	32,247
2004	2005	958,990	360,142	238,212	116,065	74,077	29,780
2005	2006	1,020,421	380,937	228,926	117,693	100,358	31,745
2006	2007	1,081,625	394,898	241,150	111,786	145,259	31,491

(1) Data by property type was incomplete on a District-wide basis and thus not provided for fiscal years 2001 and prior

(2) Broomfield County was formed on November 15, 2001

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

<u>Agriculture (1)</u>	<u>Natural Resources (1)</u>	<u>Total Taxable Assessed Value (2)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (2)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
		\$ 867,763	\$ 50.022	\$ 5,847,462	14.84%
		929,981	49.635	6,222,689	14.95%
		1,078,732	44.096	7,334,403	14.71%
		1,184,349	36.256	7,914,542	14.96%
\$ 24,217	\$ 4,023	1,607,140	41.025	10,651,757	15.09%
12,876	4,026	1,598,509	40.374	11,416,961	14.00%
12,297	4,562	1,716,043	40.089	13,775,375	12.46%
11,875	5,453	1,794,594	40.089	14,349,937	12.51%
14,382	4,930	1,899,392	39.982	15,258,797	12.45%
13,499	4,880	2,024,588	38.035	16,152,649	12.53%

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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	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage (1)	Total County Millage	City of Longmont Millage
1997	1998	50.022	21.726	22.038	21.293		65.057	13.420
1998	1999	49.635	22.245	22.038	21.656		65.939	13.420
1999	2000	44.096	19.835	22.038	21.614		63.487	13.420
2000	2001	36.256	17.621	20.559	22.461	28.968	89.609	13.420
2001	2002	41.025	20.087	20.056	22.421	28.968	91.532	13.420
2002	2003	40.374	20.088	21.474	22.423	28.968	92.953	13.420
2003	2004	40.089	21.267	19.957	22.517	28.968	92.709	13.420
2004	2005	40.089	21.267	19.957	22.517	28.968	92.709	13.420
2005	2006	39.982	21.867	17.900	22.541	28.968	91.276	13.420
2006	2007	38.035	22.467	16.804	22.410	28.968	90.649	13.420

(1) Broomfield County was formed on November 15, 2001.

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
June 30, 2007
(Unaudited)

Taxpayer	2006			1997		
	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value
Kerr-McGee Rocky Mtn. Corp.	\$ 49,894,600	1	2.48%			
Amgen Inc.	35,984,390	2	1.79%			
Encana Oil & Gas (USA) Inc.	34,685,570	3	1.72%			
US West Communications				6,316,400	2	0.73%
Qwest Corporation	31,471,640	4	1.56%			
Pratt Land Limited Liability Co.				\$ 17,208,020	1	1.98%
Circle Capital Longmont LLC	31,434,280	5	1.56%			
Noble Energy, Inc.	23,998,700	6				
Maxtor Corporation				5,397,090	5	0.62%
Seagate Technology LLC	22,066,420	7	1.10%	4,011,140	8	0.46%
Micro Motion Inc.	9,347,630	8	0.46%			
Xilinx Inc.	8,848,540	9	0.44%			
Twin Peaks Mall Associated Ltd.	8,351,770	10	0.42%	7,107,000	3	0.82%
K/B Fund IV				4,948,380	6	0.57%
Longmont Turkey Processors				3,754,500	4	0.43%
McLane Western Inc.				5,516,970	9	0.64%
Sheldahl, Inc.				3,588,660	7	0.41%
Total	<u>\$ 256,083,540</u>		<u>11.53%</u>	<u>\$ 57,848,160</u>		<u>6.67%</u>

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)
1997	1998	\$ 43,407,240	\$ 42,112,871	97.02%	\$ 473,276	\$ 42,586,147	98.11%	\$ 1,294,368
1998	1999	46,159,628	44,625,780	96.68%	949,798	45,575,578	98.73%	1,517,561
1999	2000	47,567,770	46,182,829	97.09%	1,158,749	47,341,578	99.52%	939,033
2000	2001	49,947,551	48,541,456	97.18%	1,168,071	49,709,527	99.52%	753,125
2001	2002	54,340,378	53,818,169	99.04%	75,084	53,893,253	99.18%	522,209
2002	2003	65,212,583	63,192,297	96.90%	1,510,146	64,702,443	99.22%	2,020,286 (2)
2003	2004	68,894,334	66,833,309	97.01%	1,506,777	68,340,086	99.20%	2,061,024 (2)
2004	2005	71,575,974	69,356,553	96.90%	1,621,778	70,978,331	99.17%	2,219,422 (2)
2005	2006	75,501,852	73,248,325	97.02%	1,489,807	74,738,132	98.99%	2,253,528 (2)
2006	2007	76,540,145	73,647,406	96.22%	1,847,549	75,494,955	98.63%	2,892,740 (2)

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

(2) These outstanding delinquent taxes are included in property taxes receivable.

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

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

Fiscal Year	Governmental Activities			Percentage of Average Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Total		
1998	\$ 150,577,855	\$ 2,891,507	\$ 153,469,362	2.4%	\$ 1,563
1999	147,338,917	2,891,635	150,230,552	2.1%	1,411
2000	143,606,264	2,634,882	146,241,146	1.8%	1,256
2001	141,309,000	3,771,041	145,080,041	1.7%	1,177
2002	139,368,000	5,601,382	144,969,382	2.2%	1,139
2003	228,035,000	4,156,709	232,191,709	3.5%	1,768
2004	273,935,000	3,380,517	277,315,517	4.0%	2,026
2005	283,890,000	2,827,263	286,717,263	3.9%	2,043
2006	272,770,000	2,244,163	275,014,163	(1)	1,934
2007	317,870,000	1,628,544	319,498,544	(1)	2,185

(1) Personal Income data for 2006 and 2007 not available

Note: Personal Income and Per Capita data from the Demographic and Economic Information on pages 108-109

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	Less Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita
1997	1998	\$ 150,577,855	\$ 10,024,006	\$ 140,553,849	2.40%	\$ 1,432
1998	1999	147,338,917	10,777,318	136,561,599	2.19%	1,282
1999	2000	143,606,264	11,307,320	132,298,944	1.80%	1,136
2000	2001	141,309,000	11,195,114	130,113,886	1.64%	1,055
2001	2002	139,368,000	11,415,777	127,952,223	1.20%	1,006
2002	2003	228,035,000	19,625,088	208,409,912	1.83%	1,587
2003	2004	278,315,000	24,180,448	254,134,552	1.84%	1,856
2004	2005	283,890,000	28,636,780	255,253,220	1.78%	1,819
2005	2006	272,770,000	32,201,074	240,568,926	1.58%	1,692
2006	2007	317,870,000	32,506,943	285,363,057	1.77%	1,952

- (1) Refer to Assessed and Estimated Actual Values of Taxable Property schedule on page 98-99
(2) Population data is in the Demographic and Economic Information on page 108-109

St. Vrain Valley School District RE-1J
Debt Capacity
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007
(Unaudited)

Name of Overlapping Entity	2006 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	\$ 147,835,660	\$ 1,745,000	9.04%	\$ 157,748
City & County of Broomfield	873,656,760	2,555,000	0.27%	6,899
Carbon Valley Park & Recreation District	234,523,310	6,920,000	92.61%	6,408,612
Central Colorado Water Conservancy - Groundwater Management	980,305,840	20,000,000	0.03%	6,000
City of Dacono	28,246,930	2,800,000	100.00%	2,800,000
Town of Erie	165,359,570	20,211,095	74.28%	15,012,801
Erie Commons Metro District, Nos 1 & 2	2,439,040	-	100.00%	-
Town of Firestone	96,612,970	415,000	96.43%	400,185
Town of Frederick	112,176,280	6,401,434	100.00%	6,401,434
Frederick-Firestone Fire Protection Dist.	231,489,050	3,755,000	100.00%	3,755,000
Gunbarrel Estates Metro Park & Rec.	9,411,770	90,199	100.00%	90,199
Left Hand Water & Sanitation District	319,434,020	261,496	100.00%	261,496
City of Longmont	982,468,400	6,500,000	100.00%	6,500,000
Lyons Fire Protection District	49,324,900	135,000	100.00%	135,000
Mountain View Fire Protection District	682,017,850	240,000	100.00%	240,000
North Metro Fire Rescue Authority	1,209,764,042	25,250,000	0.20%	50,500
Northern Colorado Water Cons. District	12,076,288,266	4,911,962	15.85%	778,546
St. Vrain Sanitation District	210,443,390	2,110,000	98.00%	2,067,800
Sweetgrass Metro District, Nos 2 & 3	2,346,660	3,346,128	0.25%	8,365
Vista Ridge Metropolitan District	35,041,530	36,177,836	100.00%	36,177,836
Wyndham Hill Metropolitan District No. 2	2,102,230	10,900,000	100.00%	10,900,000
Total				\$ 92,158,421

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2006, 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
(Unaudited)

Last Ten Fiscal Years

	1998	1999	2000	2001
Debt Limit	\$ 173,552,596	\$ 185,996,297	\$ 215,746,374	\$ 236,869,804
Total net debt applicable to limit	150,577,855	147,338,917	143,606,264	141,309,000
Legal debt margin	<u>\$ 22,974,741</u>	<u>\$ 38,657,380</u>	<u>\$ 72,140,110</u>	<u>\$ 95,560,804</u>
Total net debt applicable to the limit as a percentage of debt limit	86.8%	79.2%	66.6%	59.7%

Fiscal Year 2007 Calculation

Under the Colorado Public School Finance Act of 1994, the limitation on bonded indebtedness is the greater of 25 percent of assessed value or 6 percent of actual value.

	Assessed Value	Actual Value
Assessed or Estimated Actual Value	\$ 2,012,360,860 (1)	\$ 16,152,648,643
Debt Limit Percentage	<u>25.00%</u>	<u>6.00%</u>
Legal debt limit	503,090,215	969,158,919
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2006		<u>317,870,000</u>
Legal debt margin		<u>\$ 651,288,919</u>

(1) The assessed valuation shown here includes \$10,756,080 of assessed valuation attributable to the tax increment financing district (Longmont Downtown Development Authority) located within the District. An additional slight difference is due to adjustment to the various County Assessors' compilations of the above information.

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

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 299,759,366	\$ 397,395,385	\$ 826,522,526	\$ 860,996,213	\$ 915,527,849	\$ 969,158,919
139,368,000	232,693,967	278,315,000	283,890,000	272,770,000	317,870,000
<u>\$ 160,391,366</u>	<u>\$ 164,701,418</u>	<u>\$ 548,207,526</u>	<u>\$ 577,106,213</u>	<u>\$ 642,757,849</u>	<u>\$ 651,288,919</u>
46.5%	58.6%	33.7%	33.0%	29.8%	32.8%

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

Last Ten Fiscal Years (as available)

Population District-wide

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
98,176	106,488	116,414	123,295

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Boulder	\$ 9,346,188	\$ 10,304,130	\$ 11,825,466	\$ 12,085,925
Broomfield (1)	n/a	n/a	n/a	n/a
Larimer	6,282,235	6,756,866	7,657,065	8,164,809
Weld	3,752,251	4,167,443	4,586,448	4,950,093
Average	<u>\$ 6,460,225</u>	<u>\$ 7,076,146</u>	<u>\$ 8,022,993</u>	<u>\$ 8,400,276</u>

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2006 and beyond.

Annual Per Capita Personal Income by County

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Boulder	\$ 33,672	\$ 36,041	\$ 40,360	\$ 40,435
Broomfield (1)	n/a	n/a	n/a	n/a
Larimer	26,093	27,369	30,274	31,449
Weld	22,530	23,904	25,038	25,575
Average	<u>\$ 27,432</u>	<u>\$ 29,105</u>	<u>\$ 31,891</u>	<u>\$ 32,486</u>

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2006 and beyond.

- (1) City and County of Broomfield was formed in 2001. Personal income and annual per capita personal income not available for 2001.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
127,223	131,310	136,910	140,363	142,172	146,193

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 11,295,248	\$ 11,406,648	\$ 12,199,592	\$ 12,815,298
1,359,569	1,410,324	1,550,901	1,550,383
8,387,267	8,541,462	8,846,874	9,330,387
5,021,256	5,144,211	5,374,013	5,668,873
<u>\$ 6,515,835</u>	<u>\$ 6,625,661</u>	<u>\$ 6,992,845</u>	<u>\$ 7,341,235</u>

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 40,590	\$ 41,110	\$ 43,640	\$ 45,849
33,293	33,376	36,530	35,743
31,793	32,037	32,893	34,323
24,571	24,279	24,432	24,846
<u>\$ 32,562</u>	<u>\$ 32,701</u>	<u>\$ 34,374</u>	<u>\$ 35,190</u>

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

Last Ten Fiscal Years

Median Age by County

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Boulder	33.2	33.5	33.5	33.6	33.9
Broomfield	n/a	n/a	n/a	33.3	33.4
Larimer	33.0	33.3	33.3	33.3	33.5
Weld	30.9	30.9	30.9	31.0	31.0

Source: Colorado Department of Local Affairs, Division of Local Government
Data subject to revision; not available for Broomfield County prior to 2001

Annual Unemployment Rate by County (1)

		<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Boulder	(2)	2.8%	3.3%	2.6%	2.3%	3.5%
Broomfield	(3)	n/a	n/a	n/a	2.3%	3.7%
Larimer	(4)	3.2%	3.8%	3.1%	2.4%	3.1%
Weld	(5)	3.9%	4.5%	3.6%	2.6%	3.2%

- (1) Figures for the Counties are not seasonally adjusted
- (2) Boulder County includes Boulder-Longmont Metropolitan Statistical Area (MSA)
- (3) Broomfield County, which was formed in November 2001, includes City of Broomfield
- (4) Larimer County includes the Ft Collins/Loveland MSA
- (5) Weld County includes the Greeley MSA
- (6) Information is based on mid-calendar year calculation, not annual averages

Source: Colorado Department of Labor & Employment, Labor Force Averages

2003	2004	2005	2006	2007
34.2	34.6	35.1	35.5	35.8
33.6	33.9	34.2	34.5	34.7
33.9	34.2	34.5	34.9	35.1
31.0	31.0	31.2	31.3	31.5

2003	2004	2005	2006	2007 (6)
5.9%	5.8%	4.5%	4.1%	3.3%
5.8%	6.2%	4.7%	4.7%	3.9%
4.8%	5.3%	4.4%	4.2%	3.3%
5.2%	5.9%	5.1%	5.0%	4.1%

St. Vrain Valley School District RE-1J
Demographic and Economic Information
Major Private Employers
Boulder County and the City and County of Broomfield Combined
Last Five Fiscal Years (1)
(Unaudited)

Name of Employer	Product of Service	2007	
		Estimated Number of Employees (2)	Rank
Sun Microsystems Inc.	Computer hardware, software and services	3,471	1
IBM Corp.	Computer software and equipment	3,400	2
Ball Corp.	Packaging products for beverages/food	2,880	3
Level 3 Communications Inc.	Communication/information services	2,100	4
Seagate Technology	Computer hard disc drives	1,500	5
Covidien (parent of Valleylab)	Surgical solution products	1,347	6
Wal-Mart Stores Inc.	Discount retail chain	1,197	7
Amgen, Inc.	Human Therapeutics	1,100	8
Target Corp.	Discount retail chain	1,066	9
Hunter Douglas Inc., Window Fashions	Window louvers	1,000	10
Storage Technology Corp.	Data storage products		
Safeway Inc. (3)	Food and drug retail		
ConAgra Foods	Food (turkey) products		
Boulder Community Hospital	Hospital facility		
EDS Corp.	Information technology services		
Longmont Foods	Retauk fiid abd fiid service supplier		
Maxtor Corp.	Computer hard disc drives		
Kable Fulfillment Services, Inc., a subsidiary of Kable News Company (4)	Order fulfillment services for publishers		
Micro Motion Inc.	Flowmeters for industrial use		

(1) Data prior to fiscal year 2003 is not available

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

(3) Figures reflect employee total for 11 supermarkets in the two counties

(4) Kable News Company, a subsidiary of AMREP, increased its market share in the magazine subscription industry through acquisition of Electronic Data Systems Corp.'s subscription fulfillment division located in the City of Louisville. The \$10 million deal closed in April 2003.

Source: 2007 data from The Daily Camera, "Top 50 Local Businesses - 2007", July 2, 2007
2006 data from The Daily Camera, "Top 50 Boulder and Broomfield County Employers," April 11, 2005
2005 data from The Daily Camera, "Top 50 Boulder and Broomfield County Employers," June 7, 2004
2004 data from The Daily Camera, "Top 50 Boulder and Broomfield County Employers," May 11, 2003
2003 data from The Boulder County Business Report, "The List," September 20, 2002

2006		2005		2004		2003	
Estimated Number of Employees (2)	Rank	Estimated Number of Employees (2)	Rank	Estimated Number of Employees (2)	Rank	Estimated Number of Employees (2)	Rank
2,700	3	3,100	2			3,250	2
4,500	1	4,700	1	4,800	1	5,000	1
2,975	2	2,600	3			1,925	7
2,150	4	2,200	4			2,350	4
1,200	7	1,200	6	1,080	4	1,010	10
1,000	8	900	10	920	6		
				625	10		
934	9	968	8				
2,000	5	1,800	5	2,000	2	3,000	3
1,245	6	1,049	7	1,000	5		
920	10	950	9	1,200	3		
						2,102	5
						2,000	6
						1,200	8
				828	7	1,200	9
				675	8		
				640	9		

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

Function	Description	2007 FTE	2006 FTE	2005 FTE
Direct Instruction	Classroom teachers, special education and English as a Second Language teachers, teachers' aides	1,337	1,320	1,302
Classroom Support	Librarians, counselors, school principals and assistant principals, support staff including speech services, attendance, and extra-curricular activities	585	569	608
Building Support	Student transportation, utilities, maintenance, custodial services, printing, purchasing, technology services, etc.	307	264	274
Central Support/ Administration	Human resources, finance, payroll, budgeting, legal, clerical support, supervision of instruction, public information, superintendent's office, etc.	87	81	77
Total		<u>2,316</u>	<u>2,234</u>	<u>2,261</u>

(1) Due to the change in compiling and reporting FTE data, the FTE by function is not available prior to fiscal year 2005.

Source: District's Human Resources Department

Note: The 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.

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

Fiscal Year	Student Membership/ Enrollment (1)	Student Full-Time Equivalency (FTE) As of October 1 (2)
1998	17,583.0	16,678.0
1999	18,009.0	17,156.0
2000	18,310.0	17,469.0
2001	19,113.0	18,232.5
2002	20,038.0	19,209.5
2003	20,631.0	19,783.5
2004	20,913.0	20,174.0
2005	21,467.0	20,724.5
2006	22,482.0	21,631.5
2007	23,630.0	22,259.0

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

Source: District's Records Management

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

Fiscal Year	Expenses (1)	Enrollment (2)	Cost per Pupil	Pupil Teacher Ratio (3)	Number of Free and Reduced Students	Percent of Free and Reduced Students in Lunch Program (4)
2002	\$ 137,018,165	20,038.0	\$ 6,838	23.5:1	3,741	18.7%
2003	145,214,249	20,631.0	7,039	23.5:1	4,236	20.5%
2004	146,932,609	20,913.0	7,026	23.5:1	4,516	21.6%
2005	157,562,371	21,467.0	7,340	23.5:1	5,007	23.3%
2006	181,360,212	22,482.0	8,067	24.5:1	6,249	27.8%
2007	189,155,044	23,630.0	8,005	24.5:1	6,940	29.4%

- (1) Expenses for governmental activities from Changes in Net Assets schedule which is presented for six fiscal years
- (2) Enrollment (total membership) from the Student Count schedule
- (3) Provided by the Human Resources Department
- (4) Provided by the Food Service Department

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

	2007	2006	2005	2004	2003	2002
Elementary schools	22	22	22	20	20	20
Total square feet	1,072,642	1,072,642	1,072,642	968,072	968,072	968,072
Total program capacity	10,411	10,411	10,411	9,331	9,331	9,331
Enrollment	9,778	9,632	9,494	9,188	9,079	8,909
Percent capacity	94%	93%	91%	98%	97%	95%
Middle schools	9	9	6	6	6	6
Total square feet	905,153	905,153	569,712	569,712	569,712	569,712
Total program capacity	6,331	6,331	4,054	4,054	4,054	4,054
Enrollment	4,956	4,872	3,873	3,850	3,766	3,611
Percent capacity	78%	77%	96%	95%	93%	89%
High schools	7	7	7	7	7	7
Total square feet	1,083,994	1,083,994	920,371	916,071	916,071	916,071
Total program capacity	6,995	6,995	6,995	6,995	6,995	6,995
Enrollment	6,728	6,461	7,123	6,831	6,698	6,431
Percent capacity	96%	92%	102%	98%	96%	92%
Alternative schools	2	2	2	2	2	2
Total square feet	97,032	97,032	97,032	97,032	97,032	97,032
Enrollment	572	554	483	534	544	485
Charter schools	4	4	2	2	2	2
Enrollment	1,420	1,120	645	669	656	602
Other District Facilities						
Total square feet	144,106	132,853	132,853	132,853	132,853	132,853

Source: District's Planning and Operations & Maintenance Departments

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

Last Ten Fiscal Years

	1998	1999	2000	2001
General Fixed Assets Group / Governmental Activities				
Land/Sites	\$ 6,808,260	\$ 7,039,672	\$ 7,646,977	\$ 7,970,477
Projects in progress	-	-	-	-
Water rights	450,306	450,306	450,306	473,306
Capital assets not depreciated	<u>7,258,566</u>	<u>7,489,978</u>	<u>8,097,283</u>	<u>8,443,783</u>
Land Improvements	-	-	-	-
Buildings	96,580,875	110,817,439	131,730,048	152,318,422
Building Improvements	-	-	-	-
Improvements	6,584,967	8,255,187	8,597,633	10,785,673
Equipment	29,823,557	32,362,710	33,485,689	34,912,821
Capital assets depreciated	<u>132,989,399</u>	<u>151,435,336</u>	<u>173,813,370</u>	<u>198,016,916</u>
Less: accumulated depreciation				
Land Improvements	-	-	-	-
Buildings	-	-	-	-
Building Improvements	-	-	-	-
Improvements	-	-	-	-
Equipment	-	-	-	-
Total accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets depreciated, net	<u>132,989,399</u>	<u>151,435,336</u>	<u>173,813,370</u>	<u>198,016,916</u>
Total capital assets, General Fixed Assets Group / Governmental Activities	<u>\$ 140,247,965</u>	<u>\$ 158,925,314</u>	<u>\$ 181,910,653</u>	<u>\$ 206,460,699</u>
Enterprise Fund / Business-type Activities				
Equipment	\$ 1,553,937	\$ 1,649,268	\$ 1,914,638	\$ 1,283,304
Less: accumulated depreciation	1,048,838	1,127,620	1,161,272	510,089
Total	<u>\$ 505,099</u>	<u>\$ 521,648</u>	<u>\$ 753,366</u>	<u>\$ 773,215</u>

(1) The District implemented GASB 34 in FY02. Total accumulated depreciation as of 7/1/01 was calculated as \$47.4 million.

2002	2003	2004	2005 As Restated	2006	2007
\$ 10,963,016	\$ 11,700,106	\$ 13,101,777	\$ 16,868,344	\$ 17,281,724	\$ 18,564,441
-	3,701,002	47,988,336	20,455,309	5,072,230	8,658,126
2,612,516	2,612,516	2,612,516	2,612,516	4,089,516	4,089,516
13,575,532	18,013,624	63,702,629	39,936,169	26,443,470	31,312,083
11,205,967	11,643,568	13,803,835	16,362,434	16,974,890	19,261,023
103,752,158	104,563,622	104,563,622	163,650,732	176,858,388	178,542,911
75,795,663	76,042,521	83,590,019	87,209,911	99,353,087	99,556,995
-	-	-	-	-	-
14,839,302	15,397,086	17,487,102	23,182,130	23,950,193	25,213,065
205,593,090	207,646,797	219,444,578	290,405,207	317,136,558	322,573,994
3,050,927	3,566,526	4,222,100	4,840,750	5,681,171	6,579,135
27,592,543	29,444,832	31,298,614	33,136,901	35,314,984	39,654,107
13,700,056	15,746,468	18,049,170	19,791,865	23,283,112	26,385,211
-	-	-	-	-	-
8,507,722	9,731,386	10,746,973	11,550,228	12,658,701	14,658,269
52,851,248	(1) 58,489,212	64,316,857	69,319,744	76,937,968	87,276,722
152,741,842	149,157,585	155,127,721	221,085,463	240,198,590	235,297,272
<u>\$ 166,317,374</u>	<u>\$ 167,171,209</u>	<u>\$ 218,830,350</u>	<u>\$ 261,021,632</u>	<u>\$ 266,642,060</u>	<u>\$ 266,609,355</u>
\$ 1,477,203	\$ 1,559,536	\$ 1,576,109	\$ 1,953,186	\$ 2,249,157	\$ 2,312,660
615,987	737,693	848,425	971,415	1,105,986	1,253,142
<u>\$ 861,216</u>	<u>\$ 821,843</u>	<u>\$ 727,684</u>	<u>\$ 981,771</u>	<u>\$ 1,143,171</u>	<u>\$ 1,059,518</u>

