



**Student Achievement è Well-Being è Partnerships**

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2011



**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, 2011

Don Haddad, Ed.D.  
Superintendent of Schools

Prepared by: Financial Services Department

Therese M. Schueler  
Chief Financial Officer

Jane Frederick Schein, CPA  
Senior District Accountant

**THIS PAGE LEFT INTENTIONALLY BLANK**



St. Vrain Valley School District RE-1J

TABLE OF CONTENTS

June 30, 2011

<b>INTRODUCTORY SECTION</b>	<b>Page</b>
Vision and Mission Statements .....	x
Members of the Board of Education .....	xi
Letter of Transmittal .....	xiii
ASBO International Certificate of Excellence in Financial Reporting .....	xxiv
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	xxv
Organizational Chart .....	xxvi
Elected and Appointed Officials .....	xxviii
 <b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	2
Management's Discussion and Analysis .....	5
 <b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Assets .....	19
Statement of Activities .....	20
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	25
Statement of Net Assets – Proprietary Fund .....	27
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund .....	28
Statement of Cash Flows – Proprietary Fund .....	29
Statement of Fiduciary Net Assets – Fiduciary Funds .....	30
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds .....	31
Notes to Financial Statements .....	33

St. Vrain Valley School District RE-1J  
TABLE OF CONTENTS (CONTINUED)  
June 30, 2011

<b>FINANCIAL SECTION</b> (Continued)	<b>Page</b>
<b>Required Supplementary Information</b>	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Colorado Preschool Program, and Risk Management Funds.....	62
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Designated -Purpose Grants.....	64
<b>Supplementary Information</b>	
Supplementary Schedules – Major Governmental Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Bond Redemption Fund .....	66
Building Fund .....	67
Combining Nonmajor Fund Financial Statements	
Combining Balance Sheet – Nonmajor Governmental Funds .....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	72
Supplementary Schedules – Nonmajor Governmental Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Reserve Capital Projects Fund.....	74
Community Education Fund .....	75
Fair Contributions Fund.....	76
Student Activity Fund .....	77
Vance Brand Civic Auditorium Fund .....	78
Supplementary Schedules – Proprietary Fund	
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual – Nutrition Services Fund.....	80
Supplementary Schedules – Fiduciary Funds	
Schedule of Additions, Deductions and Changes in Net Assets – Budget and Actual – Student Scholarship Fund.....	82
Statement of Changes in Assets and Liabilities – Agency Fund.....	83
Schedule of Additions, Deductions and Changes in Undistributed Monies – Budget and Actual – Student Activity (Agency) Fund .....	84

St. Vrain Valley School District RE-1J  
TABLE OF CONTENTS (CONTINUED)  
June 30, 2011

<b>FINANCIAL SECTION</b> (Continued)	<b>Page</b>
<b>Supplementary Information</b> (Continued)	
Supplementary Schedules – Component Units	
Combining Statement of Net Assets – Component Units – Charter Schools .....	86
Combining Statement of Activities – Component Units – Charter Schools .....	88
 <b>STATISTICAL SECTION (Unaudited)</b>	
Net Assets by Component – Accrual Basis of Accounting .....	94
Changes in Net Assets – Accrual Basis of Accounting .....	96
Colorado Public School Finance Act Revenues by Source – Accrual Basis of Accounting .....	98
Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting .....	100
Changes in Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting .....	102
Colorado Public School Finance Act Revenues by Source – Modified Accrual Basis of Accounting .....	104
Assessed Value and Estimated Actual Value of Taxable Property .....	106
Property Tax Rates – Direct and Overlapping Governments .....	108
Principal Taxpayers of the Boulder/Longmont Area .....	109
Property Tax Levied and Collected – All Funds .....	110
Ratios of Outstanding Debt by Type .....	111
Ratios of General Bonded Debt Outstanding .....	112
Direct and Overlapping Governmental Activities Debt .....	113
Legal Debt Margin .....	114
Demographic and Economic Information .....	116
Major Private and Public Employers – Boulder County and City & County of Broomfield Combined .....	121
Full-Time Equivalent (FTE) District Employees by Function .....	122
Student Count .....	124
Other Student Statistics .....	125
District Buildings .....	126
Capital Assets by Type .....	128

St. Vrain Valley School District RE-1J  
TABLE OF CONTENTS (CONTINUED)  
June 30, 2011

COMPLIANCE	Page
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....	133
Report on Compliance with Requirement s That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	135
Schedule of Expenditures of Federal Awards .....	137
Notes to the Schedule of Expenditures of Federal Awards .....	138
Schedule of Findings and Questioned Costs .....	139
Independent Auditors' Report on Electronic Financial Data Integrity Check Figures .....	141
Electronic Financial Data Integrity Check Figures .....	142

## **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  
2010-2011**



Pictured from left to right:

*(Row 1)* President John Creighton, Vice President Rick Hammans,  
Secretary Debbie Lammers, Treasurer Dori Van Lone,

*(Row 2)* Assistant Secretary Bob Smith, and  
Members Mr. Mike Schiers and Mr. Rod Schmidt

**THIS PAGE LEFT INTENTIONALLY BLANK**





December 9, 2011

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

We are pleased to submit to the Board of Education, parents, taxpayers, and community members the Comprehensive Annual Financial Report (CAFR) of the St. Vrain Valley School District RE-1J (the District) for the year ended June 30, 2011. State law requires that the District publish within six months of the close of each fiscal year a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (US GAAS), by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the District as measured by the financial activity of its various funds, and contains all disclosures necessary to enable the reader to gain an understanding of the District's financial activities for the year ended June 30, 2011.

The District's financial statements have been audited by RubinBrown LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with US GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited District's internal controls and compliance with legal

requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This is in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's 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 Auditors' Reports related thereto, and a schedule of findings and questioned costs are included in this document.

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

## **PROFILE OF THE GOVERNMENT – The District and Its Services**

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

The District provides a full range of educational programs and services authorized by Colorado Statutes. These include pre-K through 12 education in elementary, middle, and high schools, special education for students with disabilities, vocational education, multicultural education, and numerous other programs.

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 157,000 residents. Serving nearly 27,000 students, it is the ninth largest of the 178 school districts in the state. The District's Board of Education is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

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

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

As required by accounting principles generally accepted in the United States of America, these financial statements present St. Vrain Valley School District RE-1J (the primary government) and its component units. As of June 30, 2011 there were five 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, 2011, the District's Board of Education has approved six charter schools. Five of the charter schools – Carbon Valley Academy; Flagstaff Academy; Imagine Charter School at Firestone; St. Vrain Community Montessori School; and Twin Peaks Charter Academy – were operational during the year ended June 30, 2011. The sixth charter school, Aspen Ridge Preparatory School, opened in the fall of 2011. The respective members of the Charter Schools' Governing Boards are appointed separately from the District's Board of Education. The Charter Schools are deemed to be fiscally dependent upon the District since the District provides the majority of support to the Charter Schools in the form of per pupil revenue (PPR); therefore, the Charter Schools' financial information has been presented as discretely presented component units.

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

## **ECONOMIC CONDITION AND OUTLOOK**

### National Economy

This summary of the national economic conditions is derived from information posted on the Congressional Budget Office (CBO) website at [www.cbo.gov](http://www.cbo.gov). Specific documents cited are the *August 24, 2011 The Budget and Economic Outlook: An Update*; and the *October 7, 2011 Monthly Budget Review*.

Although economic output began to expand again two years ago, the pace of the recovery has been slow, and the economy remains in a severe slump. Recent turmoil in financial markets in the United States and overseas threatens to prolong the slump. Additional forces, including global economic weakness, continued strains in financial markets, and households' desire to rebuild their savings, are expected to restrain economic growth for the next few years.

CBO estimates that the federal budget deficit was about \$1.30 trillion in fiscal year 2011, approximately the same dollar amount as the shortfall recorded in 2010. The 2011 deficit was equal to 8.6 percent of gross domestic product, CBO estimates, down from 8.9 percent in 2010 and 10.0 percent in 2009, but greater than in any other year since 1945. The estimated 2011 total reflects the shift of some payments from fiscal year 2012 into fiscal year 2011 (that is, from October to September, because October 1 fell on a weekend); without that shift, the deficit in 2011 would have been \$1.27 trillion.

CBO estimates the deficit in September was \$64 billion, \$29 billion greater than the shortfall recorded a year ago. Without the shift to September of certain payments that would ordinarily be made in October, the deficit in September would have been \$2 billion lower than it was in the same month in 2010. CBO expects that the recovery will continue but that real (inflation-adjusted) GDP will stay well below the economy's potential — a level that corresponds to a high rate of use of labor and capital — for several years. On the basis of economic data available through early July, when the agency initially completed its economic forecast, CBO projects that real GDP will increase by 2.3 percent this year and by 2.7 percent next year. Under current law, federal tax and spending policies will impose substantial restraint on the economy in 2013, so CBO projects that economic growth will slow that year before picking up again, averaging 3.6 percent per year from 2013 through 2016.

With modest economic growth anticipated for the next few years, CBO expects employment to expand slowly. The unemployment rate is projected to fall from 9.1 percent in the second quarter of 2011 to 8.9 percent in the fourth quarter of the year and to 8.5 percent in the fourth quarter of 2012 — and then to remain above 8 percent until 2014. Although inflation increased in the first half of 2011, spurred largely by a sharp rise in oil prices, CBO projects that it will diminish in the second half of the year and then stay below 2.0 percent over the next several years.

Net interest on the public debt grew the most, rising by almost 17 percent (\$38 billion) above the outlays recorded in 2010, primarily because of the large increase in the government's debt during the past year. In the other direction, spending for unemployment benefits fell by 24 percent (\$39 billion) in 2011 because fewer claims were filed and, to a lesser extent, because a provision that boosted recipients' benefits by \$25 per week expired. Net payments to Fannie Mae and Freddie Mac also fell, from \$40 billion in 2010 to \$5 billion in 2011. Spending for education, commerce, housing, and space programs declined as well. Defense spending increased by about 1 percent in 2011, after rising by an average of 7 percent per year over the 2006–2010 period. Medicaid outlays increased by just 1 percent this year, in part because the federal government's share of the program's costs declined, as previously legislated increases in that share expired. (In contrast, Medicaid spending grew by almost 9 percent in 2010.) Medicare and Social Security outlays rose by about 4 percent each this year, slightly less than they rose last year.

Beyond the 10-year budget window, the nation will face daunting long-term fiscal challenges posed by the aging of the population and rising costs for health care. Continued large deficits and the resulting increases in federal debt over time would reduce long-term economic growth. Putting the nation on a sustainable fiscal course will require policymakers to restrain the growth of spending substantially, raise revenues significantly above their average percentage of GDP of the past 40 years, or adopt some combination of those approaches.

The partisan deadlock in Washington has made it clear that this November's elections will have a significant impact on both the short-term and long-term budget projections for the country. Key issues such as healthcare reform and the potential extension of tax credits set to expire will have a significant effect on these assumptions.

### State Economy

The September 20, 2011 Office of State Planning and Budgeting (OSPB) report, the *Colorado Economic Forecast – State Revenue and Economic Quarterly Forecasts*, presents the OSPB forecast for Colorado economic and demographic indicators, including: employment and unemployment, inflation, wages and income, population and migration. A summary of this information is presented here. The full report can be found at [www.colorado.gov](http://www.colorado.gov).

Despite recent weakening in the Colorado economy, thus far the state is outperforming the nation. The economy is expected to continue to grow. Recoveries from major financial crises are often marked by waves as the economy slowly repairs itself. However, because of the persistent negative forces weighing on the economy and the hazards that high sovereign debt levels pose to the global financial system, heightened risk remains that economic conditions could worsen.

The historic recession that began in 2008 combined with higher demands on state services has laid bare a difficult and persistent structural gap in the Colorado General Fund budget. In other words, there exists a mismatch between state General Fund revenue and the level of spending needed to support programs as they are currently structured. The state's tax structure and conflicting constitutional fiscal policies have also contributed to the structural gap.

General Fund revenue decreased by over \$600 million from FY 2007-08 to FY 2011-12. However, state obligations for education, health care, and public safety – much of which can be considered essential or mandated spending – did not commensurately decrease due to spending pressures from rising costs and a growing population seeking services.

For example, over this time period enrollment in Medicaid increased by over 220,000 people (56.4 percent), CHP+ caseload grew by 18,000 (31 percent), K-12 saw increases of over 45,000 pupils, higher education enrollment increased by nearly 30,000 (18.8 percent), and attendance at Colorado State Parks increased by about 500,000 visits. This demand on state government services was accommodated within decreasing state General Fund outlays in several different ways, such as using reserves, temporarily increased federal support, refinancing programs with non-General Fund sources, increasing user fees for services, and cutting funding in certain program areas. From FY 2007-08 to FY 2011, state funding for K-12 Education has dropped by \$189,626,425, a 6.3% decrease.

The structural gap developed over many years and will take time to resolve. Based on this forecast, General Fund appropriations in FY 2012-13 are expected to only be able to grow by \$53.4 million, or 0.8 percent. Spending pressures from increasing costs, expiring temporary financing, the returning Senior Homestead Exemption, and rising program caseloads will greatly exceed this amount; thus a substantial gap remains for FY 2012-13 despite the many permanent budget actions taken in FY 2011-12. Because the state must maintain a balanced budget, this means many State programs will see another round of budget reductions.

Based on current law appropriations, the state will end the fiscal year with a reserve equal to 3.7 percent of appropriations, \$18.3 million below the required 4.0 percent reserve level.

The General Fund revenue forecast for the current budget year (FY 2011-12) is essentially unchanged. The predicted weakening in the economy has occurred and will mute tax revenue to the state. Revenue in FY 2011-12 compared with FY 2010-11 is forecast to be essentially flat.

Despite some positive trends in the economy, Colorado's rocky recovery and rebuilding process from the Great Recession has shown some precarious signs of stalling. Continued high debt levels, the slumped housing market, and financial market volatility are a difficult combination of conditions for the economy to contend with. Further, higher levels of uncertainty have caused both hiring and business investment - an integral ingredient for economic growth - to be weak. Because of these conditions, there is a growing risk that the economy may contract, especially as the European sovereign debt and banking situation deteriorates and creates increased stress in the financial system. Colorado appears to be weathering these negative factors better than the nation overall. Nevertheless, if conditions deteriorate, revenue collections will come in below forecast for the current budget year and likely also in FY 2012-13.

Unfortunately, due mostly to expectations for a continued sluggish economy as it continues the difficult rebuilding process from the financial crisis, revenue growth in FY 2012-13 is not expected to improve much, posting a projected 3.0 percent growth rate. Under this forecast, General Fund appropriations will be able to grow 0.8 percent, or \$53.4 million in the next budget year while maintaining a 4.0 percent reserve. Thus, in FY 2012-13, General Fund revenue is expected to still be about \$387.4 million, or 5.0 percent, below its pre-recession level in FY 2007-08.

Colorado's job market has generally performed better than the nation's. Colorado has added 18,700 jobs so far in 2011, though preliminary data from the U.S. Bureau of Labor Statistics indicate that Colorado lost 1,800 jobs in August. The state's better performance is likely due to its educated and versatile

workforce, an attribute increasingly needed in the technologically advanced and dynamic global economy. Colorado has also added jobs in economically important industries. These industries include mining and advanced technology sectors, such as certain high-tech manufacturing, computer systems design, architectural and engineering services, software publishing, and consulting services. These industries are important because they generally pay high salaries and/or they produce high value-added goods and services. The growth in leisure and hospitality is also positive, indicating that an increased number of visitors are spending money in the state. At the same time, the state continues to shed jobs in industries that expanded during the housing boom, most notably in construction and financial services.

Through the first quarter of 2011, personal income has expanded both nationally and in Colorado since the third quarter of 2009. Over this period, Colorado personal income has increased 6.5 percent and national personal income has increased 6.2 percent. Continued improvement in personal income is needed to contribute to an economic recovery as it will support further spending, savings and investment, and debt reduction.

2011 has brought forth new uncertainties as to the strength of the recovery at the national level. Partisan gridlock, natural catastrophes and the European financial crises have added stress to the fragile economy. Colorado has yet to experience significant job growth which leaves households in a weaker financial state and the consumer reluctant to spend. Businesses are still weary as to the path of the recovery. That uncertainty coupled with tight credit-market conditions has left businesses unwilling to spend and take on new investments. Until employment conditions across all sectors and personal income growth steadily improve, a normal recovery cycle will not be realized.

Colorado Senator Rollie Heath has led the charge to bring increased education funding to the voters. He recruited initiative backers who obtained enough signatures on petitions to get Proposition 103 placed on the November ballot. If passed, the measure would raise the state income tax to 5 percent from its current 4.63 percent and the state sales tax to 3 percent from 2.9 percent, returning to their levels in 1999. The increases would be in effect for five years, generating an estimated \$550 million per year to be earmarked for increased funding of school districts and state colleges. It is estimated that the measure would generate about \$3 billion over a five year period after which time it would sunset.

Without Proposition 103, we have been advised that the Colorado K-12 Education budget will be cut by an additional \$200 - \$300 million in FY13.

#### Local Economy

The District's population is estimated at 157,000. This is a 2.0% increase over the fiscal year 2010 average, primarily due to new single family homes in Erie and Firestone and new multi-family housing in Longmont. The largest community within the District is Longmont (the City). According to the City website, with a population of 87,461, the City has reached approximately 77% of residential build out, and 46% of its job capacity build out in commercial and industrial development.

The *2011 Financial Assessment Report*, published in September 2011, provides evidence that the local economy is mirroring the negative indicators on the state and national level. The local unemployment was 7.2% in July of 2011, an increase from 6.4% in July 2010. Personal income fluctuated during this time as well. After a decrease in 2002, average annual wages showed a good increase in 2003, slipped again slightly in 2004, were back up in 2005 through 2009, and decreased by 2.9% in 2010.

Colorado's economy has seen sizable job losses since 2001. Longmont area primary employers reported a combined job loss of over 3,000 in 2001 and 2002 with 2003 netting small gains, 2004 again showing net losses, 2005 and 2006 net gains, followed by losses in 2007 through 2009. 2010 saw a net gain of 336 jobs; however, 97 jobs have been lost through July of 2011. The City of Longmont experienced a 21% increase in population between the 2000 census and the 2010 census as reported by the US Census Bureau, most of which occurred between 2000 and 2001. The Hispanic population showed the largest increase with nearly 56% gain from 2000 to 2010.

The foreclosures in Longmont had been increasing since 2001, but decreased from 722 in 2009 to 575 in 2010. From 2004 to 2008, more than 50% of the foreclosed properties resulted in a sale of the property,

Longmont benefited from strong economic health for several years prior to and into 2001. In 2002, 2003 and 2004, the City recognized the declining economic climate and took steps to offset the expected decline in revenues. The City's economy showed signs of a recovery during 2004 then leveled off in 2005 and 2006. Revenue increases in 2006 were less than what was seen in 2005 while revenue increases in 2007 were 4.8% largely due to the implementation of a new Public Safety tax. Revenue in 2008 and 2009 decreased 3.23% and 2.75% respectively, but then increased by 4.67% in 2010. While Colorado has fared better than the US during this recession, the City of Longmont has had to deal with the impacts of a depressed economy forcing the continuation of tough decisions on the allocations of scarce resources.

Through July 2011, combined sales and use tax collections are up 7.4% from 2010 levels. The number of building permits for new dwelling units through July 2011 is only 25, which is significantly down compared to 2010. There have been 5 commercial permits through July 2011, however, the valuation of these permits is only about half of the permits valuation for 2010, when a Super Wal-Mart was built. Foreclosure rates in Longmont continue to be a concern. The number of housing units on the market as of July 2011 was 617 compared to 480 as of December 2010.

The Weld County portion of the District includes the towns of Erie with a population of about 18,500; Firestone with 10,150; Frederick with about 8,494; and Mead with 3,200. Dacono is the only Weld County town that has not experienced growth in the last year with a population around 4,200. Other District communities with minimal growth include Niwot and Lyons, both located in Boulder County.

#### Continued Enrollment Growth

The District continues to grow in enrollment. Initial counts for the fall of 2011 show an increase of more than 600 students. Over the last 10 years, the enrollment growth has averaged approximately 662 students per year as shown in the chart on page 124. 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, the Board of Education adopted a five-year strategic plan in the fall of 2004, to serve as a guide for planning, decision-making, and resource allocation. This plan was revised in 2009 to include seven Strategic Priority Initiatives designed to strengthen finances and increase student achievement.

#### School Financial Issues

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes, specific ownership taxes from vehicle registration, and state equalization, was approximately 88% of the District's General Fund revenues for fiscal year 2010-2011.

The District is scheduled to receive \$6,328 per pupil FTE as per pupil revenue (PPR) for FY12, as compared to \$6,663 for FY11, a decrease of \$335 (5.3%). This has been cut from \$6,945 in FY10, a per pupil cut of \$617 in the last two years. State officials are warning of additional pre-K to 12 cuts in 2012-2013 of \$250 million or more statewide.

There is an item on the November ballot that could improve the fiscal outlook for schools dramatically. The *Colorado Tax Increase Initiative*, also known as *Proposition 103*, will appear on the November 1, 2011 ballot. The measure would increase the state income tax from 4.63 percent to 5 percent and the sales tax from 2.9 percent to 3 percent. The revenue generated from the tax increase would be used to help fund education in the state. It is estimated that the measure would generate about \$3 billion over a five year period after which time it would sunset.

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 pre-K to 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.

The State of Colorado and the District have adopted new standards called the Colorado Academic Standards. The standards were revised to explicitly include the 21<sup>st</sup> century skills of innovation, critical thinking and reasoning, information literacy, self-direction and collaboration. These skills were woven into each component of the new Colorado Academic Standards, including the prepared graduate competencies, grade level expectations, evidence outcomes, inquiry questions, relevance and application, and nature of statements.

Second, the new standards articulate the concepts and skills students are to master at each grade level, preschool through eighth grade. At the high school level, the mastery expectations are organized by standard and represent what high school graduates should know and be able to do in order to be well prepared for any postsecondary options.

Third, the revised standards document was designed to focus on the few essential concepts and skills, effectively defining all expectations as power standards.

- 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.

The Colorado State Board of Education defines Postsecondary and Workforce Readiness (PWR) as the knowledge, skills, and behaviors essential for high school graduates to be prepared to enter college and the workforce and to compete in the global economy (adopted June 2009). The Colorado Academic Standards represent the knowledge and skills needed to be postsecondary and workforce ready. Additional skills



and behaviors included in PWR are Colorado's 21st century skills, creativity and innovation, work ethic, civic responsibility, communication, personal responsibility, and global and cultural awareness

#### *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.

In addition, the following seven Strategic Priority Initiatives have been identified:

1. Finances
2. Focus Schools
3. Curriculum Alignment
4. Success for All Schools
5. Technology
6. Communication
7. Board of Education Outreach

These Initiatives are being implemented strategically in an effort to increase student achievement and satisfaction among all stakeholders.

#### Transitional Colorado Assessment Program Tests (TCAP)

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 TCAP tests at grades 3-10. On TCAP 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 in part focus on performance and growth on the TCAP tests. Proficient or higher is the target performance range for all students.

#### American College Test (ACT)

Additionally, the ACT (American College Test) is administered to all 11<sup>th</sup> grade students. These coupled with 1<sup>st</sup> grade readiness, 5<sup>th</sup> grade reading levels, successful participation in 8<sup>th</sup> grade algebra, secondary

enrollment in Advanced Level courses, and the overall graduation rate represent the District's student achievement goals.

#### 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 TCAP, 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 86% (or 126/147) of the targets for fiscal year 2011 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. As noted in the chart on page 124, enrollment has grown by an average rate of 3.3% per year and an average annual growth of 662 students since 2002. This totals 6,624 additional students in the district since 2002. Over the same ten year period, projections prepared by the District Planning Department have fallen within an average 0.30% variance. The Department projects that enrollment will continue to increase by an average of approximately 750 students per year over the next three years, to nearly 30,260 by 2015.

Three new elementary schools opened in August 2008, each with strong enrollment. Black Rock Elementary opened over capacity. Four additional classrooms were added during summer 2009 to help ease the strong enrollment growth in the Erie community. Mead High School opened in the fall of 2009. Red Hawk Elementary opened in the Erie community in August 2011 with an enrollment over 470 students. Construction is almost complete for Frederick High School. The building will be furnished in the spring of 2012 and open in the fall of 2012.

### **FINANCIAL INFORMATION**

As of June 30, 2011, the District had a fund balance of \$46.6 million in the General Fund (including its sub-funds). The increase of \$4.3 million is primarily the result of not expending appropriated fund balance as planned in the budget. As a result of the various classifications of fund balance, the ending unassigned General Fund balance is \$8.5 million.

The Board placed two issues on the election ballot for November 2008 and both won voter approval. The successful 7.32 mill levy override was designated for seven purposes. These purposes were 1) recruitment and retention of staff, 2) focus school implementation, 3) expand instructional programming, 4) increased safety and security on school campuses, 5) enhance operations and maintenance services, 6) technology upgrades, and 7) additional funding support for existing charter schools. District voters also authorized bonds in the amount of \$189 million to cover capital construction needs, including a new elementary and high school to meet enrollment growth demands.

In May and June 2011, the District refinanced Series 2003 bonds at a lower interest rate. The net savings from both refunding issues have reduced bond payments for the District by \$3,083,307 between 2011 and 2022. On a present value basis, this savings equals \$2,805,449 net of fees and issuance costs.

**Accounting Policies:** Detailed descriptions of the District's accounting policies are contained in the Notes to Financial Statements on pages 33-40, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information.

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

## **AWARDS and ACKNOWLEDGMENTS**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the seventh consecutive year that the District has achieved these prestigious awards. In order to be awarded a Certificate of Achievement and a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report also satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the team of professionals in the Financial Services Department, as well as the independent auditors, and other administrative staff called upon to provide information and assistance. We would like to express our appreciation to all staff members who assisted and contributed to its preparation, with special thanks to Senior 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,



Don Haddad, Ed.D.  
Superintendent of Schools



Therese M. Schueler  
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, 2010

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, 2010

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.



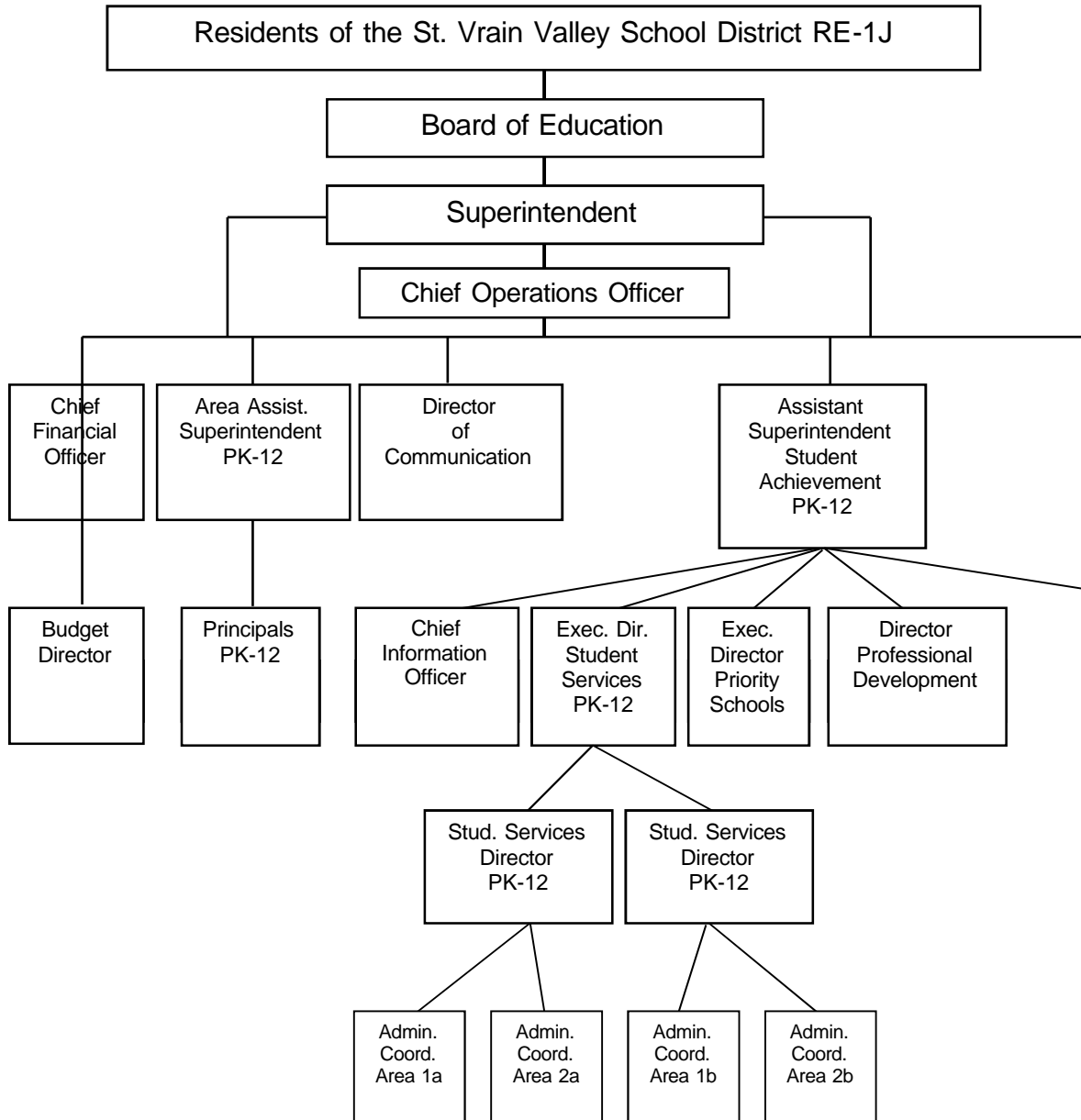
President

Executive Director

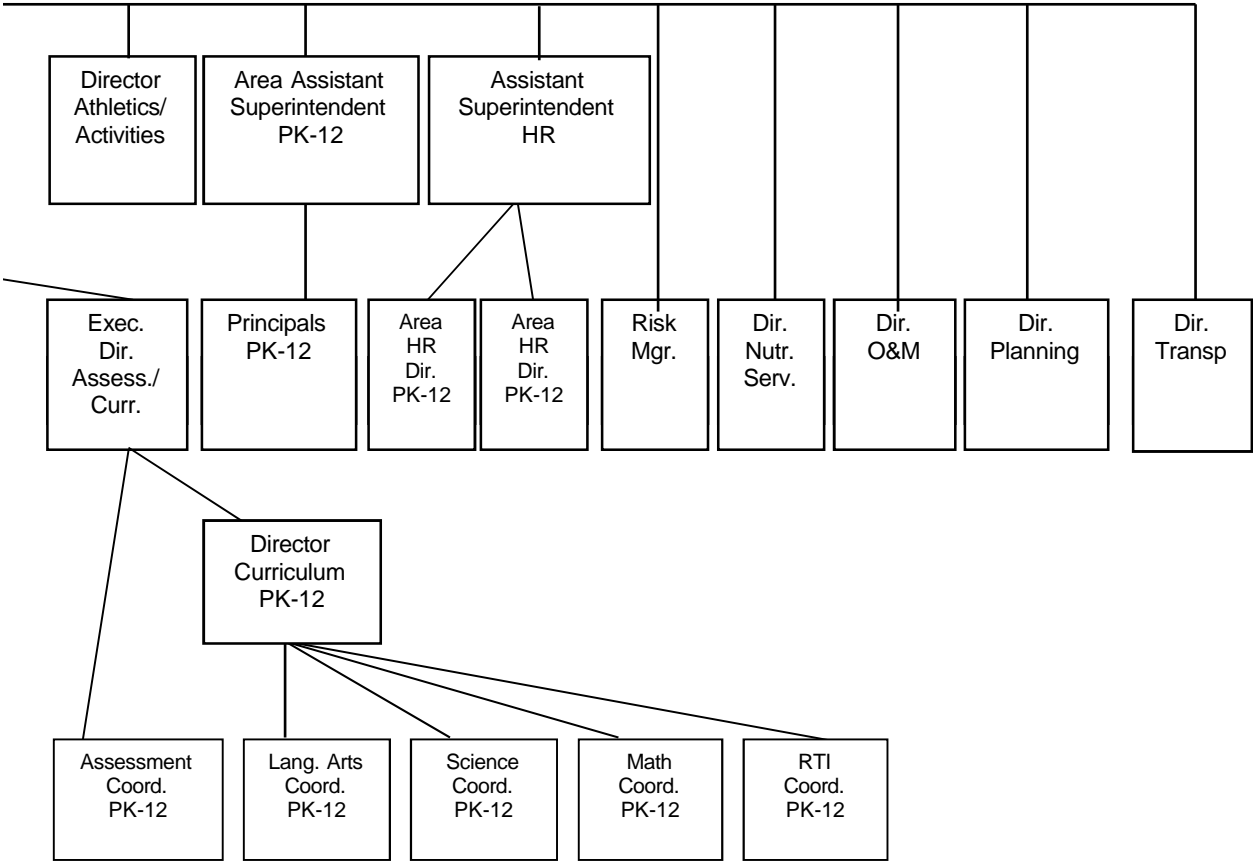
**St. Vrain Valley School District RE-1J**

**ORGANIZATIONAL CHART**

June 2011



Revised September 8, 2010



Statement of Purpose

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

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

### **Elected Officials**

#### **Board of Education as of June 2011**

<b><u>Board Member</u></b>	<b><u>Term of Office</u></b>
Director District A Rick Hammans, Vice President	11/07 - 11/11 (Appointed 10/06)
Director District B Debbie Lammers, Secretary	11/09 - 11/13
Director District C Bob Smith, Assistant Secretary	11/09 - 11/11 (Appointed 11/07)
Director District D Dori Van Lone, Treasurer	11/05 - 11/13
Director District E John Creighton, President	11/07 - 11/11
Director District F Rod Schmidt, Member	11/05 - 11/13
Director District G Mike Schiers, Member	11/07 - 11/11

### **Appointed Officials**

#### **District Leadership Team**

Don Haddad .....	Superintendent
Rick Ring .....	Chief Operations Officer
Terry Schueler .....	Chief Financial Officer
Connie Syferd .....	Assistant Superintendent for Student Achievement
Amy Weed .....	Area One Assistant Superintendent Pre-K to 12
Mark Mills .....	Area Two Assistant Superintendent Pre-K to 12
David Burnison .....	Assistant Superintendent of Human Resources
Joe McBreen .....	Chief Information Officer
Jackie Whittington .....	Executive Director of Student Services
Regina Renaldi .....	Executive Director of Priority Schools
Tori Teague .....	Executive Director of Assessment and Curriculum



## **FINANCIAL SECTION**



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

44 Inverness Drive East  
Englewood, CO 80112

T 303.799.6826  
F 303.799.6926

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

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

### Independent Auditors' Report

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 the St. Vrain Valley School District RE-1J (District), as of and for the year ended June 30, 2011, 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 Twin Peaks Charter Academy, Flagstaff Academy, Carbon Valley Academy, Imagine Charter School at Firestone, and St. Vrain Community Montessori School discretely presented component units, which represent 100% percent of the assets, net assets, and revenues of the District's discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the five separately authorized charter schools (the District's discretely presented component units) is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Twin Peaks Charter Academy, Flagstaff Academy, Carbon Valley Academy, Imagine Charter School at Firestone, and St. Vrain Community Montessori School were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, 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 the District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year

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

then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 and Note 15 to the basic financial statements, the District adopted Governmental Accounting Standards Board Statement No. 54 as of and for the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information, on pages 5 through 16 and pages 62 through 64, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors 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 introductory section; schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; combining and individual major and non-major fund financial statements and schedules; component unit financial statements; and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, combining and individual major and non-major fund financial statements and schedules, and component unit financial statements have been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*RubinBrown LLP*

December 9, 2011

THIS PAGE LEFT INTENTIONALLY BLANK

St. Vrain Valley School District RE-1J  
Management's Discussion and Analysis  
As of and for the Fiscal Year Ended June 30, 2011

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, 2011. 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, 2011 by \$95.9 million (net assets).
- Business-type activities unrestricted net assets increased from \$0.968 million to \$1.534 million. These assets may be used to meet the District's ongoing obligations of the enterprise-related activities, the Nutrition Services Fund.
- Total net assets of the District decreased \$2.827 million during the year ended June 30, 2011, resulting from a \$3.260 million decrease in the net assets of the District's governmental activities, and a \$0.433 million increase in the net assets of the District's business-type activities.
- Fund balance of the District's governmental funds decreased from an ending fund balance of \$246.9 million for fiscal year ended June 30, 2010 to \$187.2 million for fiscal year ended June 30, 2011. The decrease is primarily the result of bond-related capital outlay expenditures of \$57.4 million by the Building Fund.
- During the current year, the fund balance in the District's General Fund increased by \$4.3 million leaving an ending fund balance of \$46.6 million. The increase is primarily due to the District's implementation of a "soft freeze" of expenditures for purchased services, textbook adoption, and technology equipment. The "soft freeze" went into effect February 2011 as a proactive response to the economic climate and declining revenue forecasts. As a result of the various categories of fund balance, the ending unassigned General Fund balance is \$8.5 million.
- The District's total liabilities decreased \$9.4 million to \$504.3 million primarily due to the refinancing of general obligation building 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 19-59 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, Governmental Designated-Purpose Grants Fund, and nonmajor capital projects and special revenue funds. Business-type activities consist of the Nutrition Services Fund.

Also presented on the government-wide financial statements are component units, representing the District's five 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 19-21 of this report.

## **Fund Financial Statements**

Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements for the District include three fund types. The fund types presented here are governmental, proprietary, and fiduciary.

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

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

The District maintains nine different governmental funds. The major funds as of June 30, 2011 are the General Fund, the Governmental Designated-Purpose Grants 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.

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 22-25 of this report.

The District maintained one of two types of proprietary fund, an enterprise fund. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The District uses an enterprise fund, the Nutrition Services Fund, to account for its food service operation.

The other type of proprietary fund is an internal service fund. Internal service funds are used to accumulate and allocate costs internally among the governmental functions. The District has no internal service funds.

The basic proprietary fund financial statements are presented on pages 27-29 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 30-31 of this report.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 33-59 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information as well as other supplementary information concerning the District's nonmajor governmental funds and enterprise fund. Combining and individual fund statements and schedules can be found on pages 61-89 of this report.

### **Government-wide Financial Analysis**

The assets of the District are composed of current assets, other noncurrent assets, and capital assets. Cash and investments, receivables, 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 56% is unspent bond proceeds.

Other noncurrent assets include deferred charges and restricted cash and investments. Capital assets are used in the operations of the District. These assets are land, buildings, and equipment. Capital assets are discussed in greater detail in the section titled, *Capital Assets and Debt Administration*, later in this analysis.

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, unearned 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 2012. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2012.

As of June 30, 2011, the assets of the primary government's governmental activities exceed liabilities by \$93.4 million with an unrestricted balance of \$49.9 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 five prior fiscal years.

The amount “invested in capital assets, net of related debt” for the primary government decreased by \$4.3 million, mainly due to the reduction in Building Fund cash. The reduction in Building Fund cash was \$12 million more than the capital assets added because not all expenses were captured as capital assets. This decrease was marginally offset by the \$9 million reduction in long-term debt due to the refinancing of the 2003 Bond Series. Changes in Building Fund payables accounted for the rest of the reduction in net assets. A net investment of \$2.6 million in land, buildings, and equipment to provide the services to the District’s approximate 27,000 public school students represents 2.7% 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, increased by \$90,000 to \$6.6 million as of June 30, 2011. Net assets restricted for debt service decreased nearly \$3 million resulting in a total of \$30.1 million.

Of the \$9.4 million decrease in liabilities, almost all is attributable to the refinancing and paying down of bond debt in combination with paying off all capital lease liabilities in fiscal year 2011.

Table 1 provides a summary of the District’s net assets as of June 30, 2011 compared to June 30, 2010.

**Table 1**  
**Comparative Summary of Net Assets**  
**As of June 30, 2011 and 2010**  
**(in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2010 - 2011
<b>Assets</b>							
Current assets	\$ 186,117	\$ 244,063	\$ 1,672	\$ 1,211	\$ 187,789	\$ 245,274	-23.44%
Noncurrent assets							
excluding capital assets	32,626	36,704	-	-	32,626	36,704	-11.11%
Capital assets	378,882	329,393	909	1,042	379,791	330,435	14.94%
<b>Total assets</b>	<u>597,625</u>	<u>610,160</u>	<u>2,581</u>	<u>2,253</u>	<u>600,206</u>	<u>612,413</u>	-1.99%
<b>Liabilities</b>							
Current liabilities	26,601	26,559	138	243	26,739	26,802	-0.24%
Long-term liabilities	477,591	486,907	-	-	477,591	486,907	-1.91%
<b>Total liabilities</b>	<u>504,192</u>	<u>513,466</u>	<u>138</u>	<u>243</u>	<u>504,330</u>	<u>513,709</u>	-1.83%
<b>Net Assets</b>							
Invested in capital assets -							
net of related debt	1,650	5,837	909	1,042	2,559	6,879	-62.80%
Restricted for							
TABOR	6,564	6,475	-	-	6,564	6,475	1.37%
Debt service	30,082	32,891	-	-	30,082	32,891	-8.54%
Colo Preschool	485	537	-	-	485	537	-9.68%
Other	4,772	8,970	-	-	4,772	8,970	-46.80%
Unrestricted	49,880	41,984	1,534	968	51,414	42,952	19.70%
<b>Total net assets</b>	<u>\$ 93,433</u>	<u>\$ 96,694</u>	<u>\$ 2,443</u>	<u>\$ 2,010</u>	<u>\$ 95,876</u>	<u>\$ 98,704</u>	-2.87%



## Government-wide Activities

Governmental activities decreased the net assets of the District by \$3.3 million. More notable is the increase of Business-type Activities net assets of approximately \$0.4 million in both the current year and prior year, after showing losses in the three previous years totaling almost as much. The net result is an overall decrease of \$2.8 million in the net assets of the District. Table 2 provides a summary of the District's change in net assets for 2011 compared to 2010.

**Table 2**  
**Comparative Schedule of Changes in Net Assets**  
**For the Years Ended June 30, 2011 and 2010**  
**(in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2010 - 2011
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 12,518	\$ 13,358	\$ 3,709	\$ 3,911	\$ 16,227	\$ 17,269	-6.03%
Grants & contributions:							
Operating	26,906	19,607	4,879	4,206	31,785	23,813	33.48%
Capital	335	453	-	135	335	588	-43.03%
General revenues							
Property, specific ownership, and mill levy override taxes	114,586	115,047	-	-	114,586	115,047	-0.40%
State revenue	101,291	110,042	-	-	101,291	110,042	-7.95%
Other	8,967	5,264	1	1	8,968	5,265	70.33%
<b>Total revenues</b>	<u>264,603</u>	<u>263,771</u>	<u>8,589</u>	<u>8,253</u>	<u>273,192</u>	<u>272,024</u>	0.43%
<b>Expenses</b>							
Instruction	154,559	136,784	-	-	154,559	136,784	12.99%
Supporting services	92,467	106,836	8,156	7,795	100,623	114,631	-12.22%
Interest expense	20,838	19,182	-	-	20,838	19,182	8.63%
<b>Total expenses</b>	<u>267,864</u>	<u>262,802</u>	<u>8,156</u>	<u>7,795</u>	<u>276,020</u>	<u>270,597</u>	2.00%
<b>Increase (decrease) in net assets</b>	(3,261)	969	433	458	(2,828)	1,427	-298.18%
<b>Net assets - 7/1</b>	<u>96,694</u>	<u>95,725</u>	<u>2,010</u>	<u>1,552</u>	<u>98,704</u>	<u>97,277</u>	1.47%
<b>Net assets - 6/30</b>	<u>\$ 93,433</u>	<u>\$ 96,694</u>	<u>\$ 2,443</u>	<u>\$ 2,010</u>	<u>\$ 95,876</u>	<u>\$ 98,704</u>	-2.87%

Total assets of governmental activities decreased by \$12.5 million attributed to the following elements:

**Comparative Schedule of Assets of Governmental Activities  
As of June 30, 2011 and 2010**

	2011	2010	Increase (Decrease)
Cash and investments	\$ 206,476,806	\$ 267,178,557	\$ (60,701,751)
Accounts receivable	138,720	118,677	20,043
Internal balances	-	(67,575)	67,575
Due from component units	-	163,443	(163,443)
Grants receivable	5,435,469	4,665,160	770,309
Interest receivable	29,342	52,588	(23,246)
Taxes receivable	3,275,364	4,013,944	(738,580)
Prepaid expenses	14,257	14,257	-
Deposits	31,893	28,000	3,893
Inventories	408,926	368,341	40,585
Deferred charges	2,932,203	4,231,999	(1,299,796)
Capital assets			
Non-depreciable	91,443,886	49,880,204	41,563,682
Depreciable, net	287,438,644	279,512,401	7,926,243
Total assets	<u>\$ 597,625,510</u>	<u>\$ 610,159,996</u>	<u>\$ (12,534,486)</u>

The net decrease in cash and investments (which includes unrestricted and restricted cash and investments) is primarily due to bond-related capital outlay expenditures of \$57.4 million within the building fund. The increase in grants receivable is due to the delayed receipt of reimbursable expenditures, including American Recovery and Reinvestment Act (ARRA) federal stimulus grant dollars. Interest receivable reflects interest earned through June 2011 that was not received until July 2011; the lower amount is a result of a decreased average interest rate on secure investments. In the prior fiscal year, taxes receivable had decreased by \$0.8 million. In the current fiscal year, taxes receivable dropped an additional \$0.7 million from \$4.0 million to \$3.3 million, indicating that the economy and real estate markets continue to improve slowly. The decrease in deferred charges represents the difference between the reacquisition price and the net carrying amount of bond debt due to the District refinancing its series 2003 bonds in the current fiscal year, as well as a reclassification of previous bond issuance costs. The increase in non-depreciable capital assets during the current year is due to the ongoing construction of major building projects.

Total liabilities of governmental activities decreased by \$9.3 million as follows:

**Comparative Schedule of Liabilities of Governmental Activities  
As of June 30, 2011 and 2010**

	2011	2010	Increase (Decrease)
Accounts payable	\$ 8,129,620	\$ 7,851,996	\$ 277,624
Due to component units	37,926	-	37,926
Retainage payable	2,378,958	1,570,435	808,523
Accrued salaries, benefits, withholdings	14,544,198	15,608,962	(1,064,764)
Accrued interest payable	940,041	999,096	(59,055)
Claims payable	570,621	528,267	42,354
Unearned revenues	1,478,066	1,597,347	(119,281)
Noncurrent liabilities			
Due within one year	14,161,790	13,961,626	200,164
Due in more than one year	461,950,646	471,348,091	(9,397,445)
Total liabilities	<u>\$ 504,191,866</u>	<u>\$ 513,465,820</u>	<u>\$ (9,273,954)</u>

Accounts payable increased slightly due to a ramp-up in capital construction activity as in-progress projects neared completion, such as the new Red Hawk Elementary School which opened in Fall 2011. The increase in retainage payable is also related to the in-progress construction projects. The decrease in accrued salaries, benefits and withholdings is due to a change in the way the District accounts for the recently established self-funded dental insurance plan. The decrease in accrued interest reflects the decreased bond interest due by the District because of the refinancing of series 2003 bonds in May and June of 2011. The increase in claims payable is the fluctuation in estimates of the potential claims within the Risk Management Fund at June 30, 2011. Unearned revenues decreased as a result of increased property tax revenue recognition for fiscal year 2011. The increase in noncurrent liabilities due within one year is primarily due to the increase of \$0.5 million in bond principal due in December 2011, offset by a payoff by the District of more than \$0.3 million in current capital lease liabilities. Noncurrent liabilities due in more than one year decreased as a result of the refinancing and paying down of bond debt in combination with the District paying off all capital lease liabilities in fiscal year 2011.

Total assets of business-type activities increased by \$327,831 as follows:

**Comparative Schedule of Assets of Business-Type Activities  
As of June 30, 2011 and 2010**

	2011	2010	Increase (Decrease)
Cash and investments	\$ 1,065,188	\$ 375,691	689,497
Accounts receivable	85,683	411,672	(325,989)
Internal balances	-	67,575	(67,575)
Inventories	521,306	355,867	165,439
Capital assets, net of accumulated depreciation	908,812	1,042,353	(133,541)
Total assets	<u>\$ 2,580,989</u>	<u>\$ 2,253,158</u>	<u>\$ 327,831</u>

Cash and investments increased in-part due to the timing of the receipt of reimbursable meal costs at year-end compared to last year. A corresponding decrease in accounts receivable was due to the same. Total assets grew by \$327,831 as the food service operations improved through a combination of higher meal prices, increased free and reduced participation and cost-cutting measures.

Total liabilities for business-type activities decreased \$105,330.

**Comparative Schedule of Liabilities of Business-Type Activities  
As of June 30, 2011 and 2010**

	2011	2010	Increase (Decrease)
Accounts payable	\$ 15,234	\$ -	\$ 15,234
Accrued salaries and benefits	122,604	129,743	(7,139)
Unearned revenues	-	113,425	(113,425)
Total liabilities	<u>\$ 137,838</u>	<u>\$ 243,168</u>	<u>\$ (105,330)</u>

The increase in accounts payable was due to the timing of payments made for food service supplies and food purchases at year-end. A decrease of school nutrition hours worked contributed to the decreased accrued salaries and benefits for contracted employees. The school nutrition program no longer tracks unearned grant revenues separately from grant payments and therefore the District wrote off \$113,425 and recognized it as revenue in the current fiscal year, resulting in the elimination of that liability.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA less rescissions, the District received \$6,663 per funded pupil. For the fiscal year ended June 30, 2011, the funded pupil count was 25,493.3, a growth rate of 2.36% over the prior fiscal year. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and state equalization. For FY11, state equalization was reduced by an amount equivalent to an amount received by the federal government for one-time ARRA Stabilization Fund and Education Jobs Fund. The District received SFA funding of approximately 4.1% from federal grants and 60% from state equalization. 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, 2011 and 2010  
(in Thousands)**

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$ 154,559	\$ 136,784	\$ 122,720	\$ 111,472
Supporting services	92,467	106,836	84,547	98,730
Interest expense	20,838	19,182	20,838	19,182
	<u>\$ 267,864</u>	<u>\$ 262,802</u>	<u>\$ 228,105</u>	<u>\$ 229,384</u>

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was \$267.9 million compared to \$262.8 million last year. The increase in instruction reflects expenditures related to ARRA and i-3 grant implementation including six weeks of additional class time for students achieving below grade level. The reduction in supporting services mainly reflects the phase-in of budget cuts implemented in FY10 and FY11. Interest expense increased from the prior year due to the cost of refinancing bonds.
- About \$12.5 million of the cost was financed by the users of the District's programs in the form of charges for services, a slight decrease of \$840,000 from 2010. The decrease does not reflect

less participation in District programs, but rather is a result of an increase in students eligible for free and reduced lunches. The number of students eligible for free and reduced lunches increased from 28% in fiscal year 2009 to 32% in fiscal year 2011, resulting in a higher number of students who are allowed to participate in District programs without a fee.

- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$27.2 million, an increase over \$7 million received during fiscal year 2010.
- The majority of the District's net cost of services, \$228.1 million, was financed by State and District taxpayers.
- General revenues accounted for \$224.8 million in revenue which was 85.0% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$39.8 million or 15.0% of total revenues of \$264.6 million. These percentages reflect a shift of 2.3% of total revenue from general to program specific revenues.

Business-type activities consist of the Nutrition Services Fund. This program had revenues and contributions totaling \$8.59 million and expenses of \$8.16 million. Due to improved operations, the program realized an operating income in fiscal years 2011 and 2010, unlike the operating losses in the three previous fiscal years. Business-type activities receive no support from local tax revenue. The business-type activities do receive funding from the National School Lunch Program (NSLP). In addition, some revenue is received through state matching funds.

### **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 \$187.2 million, a decrease from \$246.9 million in the prior year. As noted earlier, this decrease is predominantly the result of bond-related capital outlay expenditures of \$57.4 million within the building fund.

Among major funds, the General Fund had \$203.7 million in revenues, and \$199.4 million in expenditures and other financing uses. The General Fund's fund balance increased from \$42.3 million to \$46.6 million. This increase is primarily the result of cost-saving measures implemented by the District in order to help offset the anticipated additional rescissions to K-12 funding by the state of Colorado in fiscal year 2012. The cost-savings measures included a "soft freeze" on expenditures such as purchased services, supplies, textbook adoption, and technology replacement. The General Fund is the chief operating fund of the District. As a result of the various categories of fund balance, the ending unassigned General Fund balance is \$8.5 million.

Fiscal year 2011 is the third consecutive year that Governmental Designated-Purpose Grants Fund met the qualifications to become a major fund. Revenues of \$12.5 million were offset by equal expenditures.

The fund balance of the Bond Redemption Fund decreased \$2.8 million, resulting in a balance of \$30.1 million as of June 30, 2011. This was the net result of revenues of \$33.5 million, current year payments of existing debt of \$35.6 million, and net refinancing costs of \$0.7 million. Due to the current economy, the District proactively used a portion of the fund balance of the Bond Redemption Fund in order to reduce the fiscal year 2011 property tax impact for local businesses and residents. Because of the

preparedness of the District, the Bond Redemption Fund has adequate resources accumulated to make the December 2011 principal and interest payments. The mill levy to accumulate resources for the June 2012 interest payment will be certified in December 2011.

The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The Building Fund's fund balance decreased by \$62.7 million due to planned capital outlay construction activity during the fiscal year. The fund had total other revenues of just under \$1.7 million and total expenditures of \$64.4 million in construction of schools and other capital improvements 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, 2011 is \$379.8 million (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, projects in progress, and equipment. The District's investment in capital assets, net of accumulated depreciation, increased for the current fiscal year by \$49.4 million. Major capital events during the year included the construction of an elementary school and a high school which are scheduled to open in fall of 2011 and 2012, respectively.

Table 4 shows fiscal year 2011 capital assets compared to 2010.

**Table 4**  
**Comparative Schedule of Capital Assets**  
**As of June 30, 2011 and 2010**  
**(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2010 - 2011
Land	\$ 20,073	\$ 19,793	\$ -	\$ -	\$ 20,073	\$ 19,793	1.41%
Water rights	1,096	4,943	-	-	1,096	4,943	-77.83%
Projects in progress	70,275	25,145	-	-	70,275	25,145	179.48%
Land improvements	13,131	10,879	-	-	13,131	10,879	20.70%
Buildings	192,979	195,314	-	-	192,979	195,314	-1.20%
Building improvements	73,164	64,658	-	-	73,164	64,658	13.16%
Equipment	8,165	8,661	909	1,042	9,074	9,703	-6.48%
Totals	<u>\$ 378,883</u>	<u>\$ 329,393</u>	<u>\$ 909</u>	<u>\$ 1,042</u>	<u>\$ 379,792</u>	<u>\$ 330,435</u>	14.94%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 46.

**Debt Administration.** The District was assigned an underlying rating of Aa2 rating from Moody's Investors Service for its general obligation refunding bond issues in 2011. 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, 2011 as compared to June 30, 2010 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 \$472 million and the legal debt margin was \$20 million.

**Table 5**  
**Comparative Schedule of Outstanding Debt**  
**As of June 30, 2011 and 2010**  
**(in Thousands)**

	2011	2010	Increase (Decrease)
General obligation bonds	\$ 451,865	\$ 465,295	\$ (13,430)
Deferred bond premium	21,731	16,669	5,062
Capital leases	-	756	(756)
Benefits payable	2,516	2,590	(74)
Total debt	<u>\$ 476,112</u>	<u>\$ 485,310</u>	<u>\$ (9,198)</u>

Additional information on the District's total bonded debt can be found in Note 8 beginning on page 48 of this report.

### Factors Bearing on the District's Future

The Colorado State Constitutional Amendment 23, passed by the voters in November 2000, which requires an increase in per pupil funding by at least inflation plus 1%, did sunset in 2011. A change in the interpretation of Amendment 23 resulted in reduced financial support. In fact, because of the budget shortfalls at the state level, per pupil funding in both fiscal year 2010 and 2011 was cut by the State legislature despite Amendment 23.

- The successful mill levy election in November 2008 increased the District's per pupil revenue by \$645 in 2010-11, for total override revenues of \$17,180,635. This is a decrease from \$701 per pupil in FY10 and a decrease of \$273,555 in actual revenue. The mill levy is expected to bring in less revenue again in FY12 due to the drop in assessed valuation in Boulder County.
- The District per pupil revenue (PPR) for 2010-11 was \$6,663 as compared to \$6,945 for FY10, a decrease of \$282 or 4.06%. This follows rescissions in FY10 equating to 2.28% of total program funding. Details of the rescissions on Colorado districts can be found at [http://www.cde.state.co.us/cdefinance/SchoolFinanceFundingFY2010\\_-11.htm](http://www.cde.state.co.us/cdefinance/SchoolFinanceFundingFY2010_-11.htm).
- This was the third straight year of rescissions at the state level. In 2008-09 per pupil funding from the school finance formula had state rescissions equating to \$41 per pupil. These rescissions continue to grow in the future as the state of Colorado struggles with serious deficits. State officials are warning of additional Pre-K to 12 cuts in 2011-12 of \$250 million or more statewide without some change in tax policy or constitutional law.
- There is an item on the November ballot that could improve the fiscal outlook for schools dramatically. The *Colorado Tax Increase Initiative*, also known as *Proposition 103*, will appear on the November 1, 2011 ballot. The measure would increase the state income tax from 4.63 percent to 5 percent and the sales tax from 2.9 percent to 3 percent. The revenue generated from the tax increase would be used to help fund education in the state. It is estimated that the measure would generate about \$3 billion over a five year period after which time it would sunset.
- In an effort to help Districts deal with the funding rescissions, the State eliminated the mandatory requirements for contributions to instructional materials and the capital reserve/self-insurance fund for FY10. In response, the School Board passed policy requiring that the contribution levels continue. The total new instructional materials money for FY11 was \$4,473,679 as compared to \$4,772,794 in FY10. The FY11 new capital reserve/self-insurance budget was \$7,194,782 as compared to \$7,120,531 in FY10. Unexpended amounts in these budgets carry forward for these purposes unless the Board takes action to change that practice. The Board did waive these contribution levels and carryover practices in developing the FY12 budget.

- The District's assessed valuation is up 5% for 2009-2011 so the override revenue is expected to grow over time, though the high rate of foreclosures is affecting this growth in the short term.
- The District continues to increase in enrollment each year, and the District's adopted budget for FY12 estimates an additional 569 pupil FTE, a growth of 2.15% above FY11. This growth is helping to cushion the entire impact of the per pupil cuts.

In July 2009, then Deputy Superintendent Don Haddad succeeded retiring Superintendent Dr. Randy Zila as the new Superintendent of Schools. He has established goals in student achievement, finances and communication for the next 5 years.

The successful mill levy override election generated a positive cash flow so the District did not have to borrow from the state's interest-free loan program in fiscal year 2010 or 2011 and is not expected to need to borrow from the state in fiscal year 2012.

The adopted General Fund budget for fiscal year 2011-2012 does not include compensation increases because negotiations at the end of FY10 resulted in a two-year agreement that gave the teachers a 1.3% increase on the base beginning January 2011. The offer also includes funding for education advancement, additional PERA funding and stable employee contributions for health and dental insurance premiums. In exchange for the base pay increase, the teachers added one work day to their calendar beginning in 2011-12. The Board also gave classified staff a pay increase averaging 1.3% and administrators .75% beginning in January 2011.

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

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

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



## **BASIC FINANCIAL STATEMENTS**

**THIS PAGE LEFT INTENTIONALLY BLANK**

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

**Statement of Net Assets  
June 30, 2011**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
<b>Assets</b>				
Cash and investments	\$ 176,783,258	\$ 1,065,188	\$ 177,848,446	\$ 6,851,497
Accounts receivable	138,720	85,683	224,403	19,567
Due from primary government	-	-	-	37,926
Grants receivable	5,435,469	-	5,435,469	-
Interest receivable	29,342	-	29,342	-
Taxes receivable	3,275,364	-	3,275,364	-
Prepaid expenses	14,257	-	14,257	5,837
Deposits	31,893	-	31,893	7,998
Inventories	408,926	521,306	930,232	-
Deferred charges	2,932,203	-	2,932,203	835,569
Restricted cash and investments	29,693,548	-	29,693,548	5,184,333
Capital assets,				
Non-depreciable	91,443,886	-	91,443,886	6,849,991
Depreciable, net	287,438,644	908,812	288,347,456	26,589,647
Total assets	<u>597,625,510</u>	<u>2,580,989</u>	<u>600,206,499</u>	<u>46,382,365</u>
<b>Liabilities</b>				
Accounts payable	8,129,620	15,234	8,144,854	887,513
Due to component units	37,926	-	37,926	-
Loans payable	-	-	-	20,000
Retainage payable	2,378,958	-	2,378,958	390,858
Accrued salaries and benefits	9,242,126	122,604	9,364,730	741,247
Payroll withholdings	5,302,072	-	5,302,072	-
Accrued interest payable	940,041	-	940,041	582,683
Claims payable	570,621	-	570,621	-
Unearned revenues	1,478,066	-	1,478,066	284,094
Noncurrent liabilities				
Due within one year	14,161,790	-	14,161,790	260,000
Due in more than one year	461,950,646	-	461,950,646	37,255,000
Total liabilities	<u>504,191,866</u>	<u>137,838</u>	<u>504,329,704</u>	<u>40,421,395</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	1,650,384	908,812	2,559,196	668,475
Restricted for				
TABOR	6,564,440	-	6,564,440	590,079
Debt service	30,081,745	-	30,081,745	1,094,782
Colorado Preschool Fund	485,273	-	485,273	-
Other purposes	4,771,934	-	4,771,934	36,998
Unrestricted	49,879,868	1,534,339	51,414,207	3,570,636
Total net assets	<u>\$ 93,433,644</u>	<u>\$ 2,443,151</u>	<u>\$ 95,876,795</u>	<u>\$ 5,960,970</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, 2011

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
Instruction	\$ 154,559,432	\$ 12,415,487	\$ 19,424,255	\$ -
Supporting services	92,466,787	103,008	7,481,506	334,803
Interest expense	20,837,721	-	-	-
Total governmental activities	267,863,940	12,518,495	26,905,761	334,803
Business-type activities				
Food services	8,155,509	3,709,186	4,878,818	-
Total business-type activities	8,155,509	3,709,186	4,878,818	-
Total primary government	\$ 276,019,449	\$ 16,227,681	\$ 31,784,579	\$ 334,803
COMPONENT UNITS				
Instruction	\$ 10,620,741	\$ 1,271,917	\$ 440,544	\$ -
Supporting services	8,804,689	1,563,968	85,065	186,684
Interest expense	2,346,294	-	-	-
Total component units	\$ 21,771,724	\$ 2,835,885	\$ 525,609	\$ 186,684

### General Revenues

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

### Total general revenues

Change in net assets

Net assets, beginning

Restatement for change in reporting entity

Adjusted net assets, beginning

Net assets, ending

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Charter Schools
\$ (122,719,690)	\$ -	\$ (122,719,690)	\$ -
(84,547,470)	-	(84,547,470)	-
(20,837,721)	-	(20,837,721)	-
(228,104,881)	-	(228,104,881)	-
-	432,495	432,495	-
-	432,495	432,495	-
(228,104,881)	432,495	(227,672,386)	-
-	-	-	(8,908,280)
-	-	-	(6,968,972)
-	-	-	(2,346,294)
-	-	-	(18,223,546)
91,600,278	-	91,600,278	-
5,805,254	-	5,805,254	-
101,290,756	-	101,290,756	-
-	-	-	16,245,500
17,180,635	-	17,180,635	1,294,338
2,014,620	666	2,015,286	8,217
6,952,806	-	6,952,806	321,254
-	-	-	1,119,238
224,844,349	666	224,845,015	18,988,547
(3,260,532)	433,161	(2,827,371)	765,001
96,694,176	2,009,990	98,704,166	5,415,239
-	-	-	(219,270)
96,694,176	2,009,990	98,704,166	5,195,969
\$ 93,433,644	\$ 2,443,151	\$ 95,876,795	\$ 5,960,970

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

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

**Balance Sheet  
Governmental Funds  
June 30, 2011**

	General	Governmental Designated- Purpose Grants	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash & investments - unrestricted	\$ 55,840,378	\$ -	\$ -	\$ 105,171,050	\$ 15,771,830	\$ 176,783,258
Cash & investments - restricted	102,463	-	29,591,085	-	-	29,693,548
Accounts receivable	118,629	-	-	-	20,091	138,720
Due from other funds	4,761,046	-	-	-	-	4,761,046
Grants receivable	302,727	5,132,742	-	-	-	5,435,469
Interest receivable on investments	-	-	128	29,214	-	29,342
Taxes receivable	2,278,064	-	997,300	-	-	3,275,364
Prepays	-	-	-	-	14,257	14,257
Deposits	3,893	-	-	-	28,000	31,893
Inventories	408,926	-	-	-	-	408,926
Total assets	<u>\$ 63,816,126</u>	<u>\$ 5,132,742</u>	<u>\$ 30,588,513</u>	<u>\$ 105,200,264</u>	<u>\$ 15,834,178</u>	<u>\$ 220,571,823</u>
<b>Liabilities</b>						
Accounts payable	\$ 966,391	\$ 100,863	\$ -	\$ 6,446,777	\$ 615,589	\$ 8,129,620
Due to other funds	-	4,245,784	-	-	515,262	4,761,046
Due to component units	37,926	-	-	-	-	37,926
Retainage payable	-	-	-	2,360,511	18,447	2,378,958
Accrued salaries and benefits	8,419,304	613,128	-	-	209,694	9,242,126
Payroll withholdings	5,302,072	-	-	-	-	5,302,072
Claims payable	399,435	-	-	-	-	399,435
Deferred revenues	2,088,355	172,967	506,768	116,066	270,198	3,154,354
Total liabilities	<u>17,213,483</u>	<u>5,132,742</u>	<u>506,768</u>	<u>8,923,354</u>	<u>1,629,190</u>	<u>33,405,537</u>
<b>Fund Balances</b>						
Nonspendable:						
deposits, inventories, prepaids	412,819	-	-	-	42,257	455,076
Restricted: TABOR	6,564,440	-	-	-	-	6,564,440
Restricted: Colorado Preschool	485,273	-	-	-	-	485,273
Restricted: debt service	-	-	30,081,745	-	-	30,081,745
Restricted: dental self-insurance trust	102,439	-	-	-	-	102,439
Restricted: special revenue funds	-	-	-	-	4,669,495	4,669,495
Committed: capital projects	-	-	-	96,276,910	4,359,923	100,636,833
Committed: risk management	6,797,608	-	-	-	-	6,797,608
Committed: special revenue fund	-	-	-	-	3,420,330	3,420,330
Assigned: Mill Levy Override	16,583,100	-	-	-	-	16,583,100
Assigned: subsequent year expenditures reported in						
General Fund	7,130,463	-	-	-	-	7,130,463
Capital Projects Fund	-	-	-	-	1,712,983	1,712,983
Unassigned reported in						
General Fund	8,526,501	-	-	-	-	8,526,501
Total fund balances	<u>46,602,643</u>	<u>-</u>	<u>30,081,745</u>	<u>96,276,910</u>	<u>14,204,988</u>	<u>187,166,286</u>
Total liabilities and fund balances	<u>\$ 63,816,126</u>	<u>\$ 5,132,742</u>	<u>\$ 30,588,513</u>	<u>\$ 105,200,264</u>	<u>\$ 15,834,178</u>	<u>\$ 220,571,823</u>

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

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

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
June 30, 2011**

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

<b>Governmental funds total fund balances (page 22)</b>	<b>\$ 187,166,286</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	378,882,530
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.	1,676,288
Premium received on issuance of bonds is recognized as other financing source in the governmental funds but is deferred in the statement of net assets.	(21,730,908)
Bond reacquisition costs are not recognized in the governmental funds but are deferred in the statement of net assets	2,932,203
Long-term liabilities, including compensated absences (\$2,516,528), and bonds payable (\$451,865,000), as well as related accrued interest (\$940,041) and claims payable (\$171,186) are not due and payable in the current period and, therefore, are not reported in the funds.	(455,492,755)
<b>Net assets of governmental activities (page 19)</b>	<b><u>\$ 93,433,644</u></b>

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, 2011**

	General	Governmental Designated- Purpose Grants	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 59,083,619	\$ -	\$ 33,493,371	\$ -	\$ -	\$ 92,576,990
Specific ownership taxes	5,805,254	-	-	-	-	5,805,254
Mill levy override	17,180,635	-	-	-	-	17,180,635
Investment income	277,331	-	1,573	1,652,776	82,940	2,014,620
Charges for services	4,329,791	-	-	-	3,242,521	7,572,312
Pupil activities	-	-	-	-	5,273,683	5,273,683
Miscellaneous	5,327,582	-	-	30,199	1,040,428	6,398,209
Local intergovernmental	-	889,400	-	-	-	889,400
State intergovernmental	103,014,594	657,033	-	-	4,890,250	108,561,877
Federal intergovernmental	8,719,330	10,915,310	-	-	-	19,634,640
Total revenues	203,738,136	12,461,743	33,494,944	1,682,975	14,529,822	265,907,620
<b>Expenditures</b>						
Current						
Instruction	128,633,857	6,102,364	-	164,711	7,869,559	142,770,491
Supporting services	67,636,812	5,859,143	-	6,734,034	2,230,990	82,460,979
Capital outlay	2,971,842	500,236	-	57,443,886	3,132,640	64,048,604
Debt service						
Principal	-	-	12,560,000	-	-	12,560,000
Interest and fiscal charges	-	-	23,023,214	40,973	-	23,064,187
Total expenditures	199,242,511	12,461,743	35,583,214	64,383,604	13,233,189	324,904,261
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	4,495,625	-	(2,088,270)	(62,700,629)	1,296,633	(58,996,641)
<b>Other Financing Sources (Uses)</b>						
Refunding bond proceeds	-	-	65,505,000	-	-	65,505,000
Refunding bond premium	-	-	8,370,336	-	-	8,370,336
Payment to refunding bond escrow agent	-	-	(74,596,274)	-	-	(74,596,274)
Transfers in	89,378	-	-	-	4,945,265	5,034,643
Transfers out	(330,542)	-	-	-	(4,704,101)	(5,034,643)
Total other financing sources (uses)	(241,164)	-	(720,938)	-	241,164	(720,938)
Net change in fund balances	4,254,461	-	(2,809,208)	(62,700,629)	1,537,797	(59,717,579)
Fund balances, beginning	42,348,182	-	32,890,953	158,977,539	12,667,191	246,883,865
Fund balances, ending	\$ 46,602,643	\$ -	\$ 30,081,745	\$ 96,276,910	\$ 14,204,988	\$ 187,166,286

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, 2011**

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

**Net change in fund balances of governmental funds (page 24)** **\$ (59,717,579)**

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, net of deletions and adjustments	(11,049,404)	
Capital outlay - capitalized, net of deleted assets	<u>60,539,329</u>	49,489,925

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

Current year amortization of premium on bond issue	758,047	
Current year amortization of deferred charges	276,336	
Long term portion of claims payable	(171,186)	
Change in deferred property tax accrual	<u>(976,712)</u>	(113,515)

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

Accrued annual leave earned during the year	(164,067)	
Accrued vacation earned during the year	(924,252)	
Amount paid during the year	<u>1,161,282</u>	72,963

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	(65,505,000)	
Premium received on issuance of bonds	(8,370,336)	
Defeasance of bond issuance costs and premiums	2,002,522	
Reclassification of bond issuance costs and premiums	(869,494)	
Bond principal payments	78,935,000	
Accrued interest expense on bonds	59,055	
Long-term lease additions	(181,599)	
Long-term lease payments	<u>937,526</u>	<u>7,007,674</u>

**Change in net assets of governmental activities (page 21)** **\$ (3,260,532)**

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

**THIS PAGE LEFT INTENTIONALLY BLANK**

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

**Statement of Net Assets  
Proprietary Fund  
June 30, 2011**

	<u>Business-type Activities</u>
	<u>Enterprise Fund</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,065,188
Accounts receivable	85,683
Inventories	<u>521,306</u>
Total current assets	<u>1,672,177</u>
Capital assets	
Machinery and equipment	2,823,299
Accumulated depreciation	<u>(1,914,487)</u>
Total capital assets, net	<u>908,812</u>
 Total assets	 <u>2,580,989</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	15,234
Accrued salaries and benefits	<u>122,604</u>
 Total liabilities	 <u>137,838</u>
<b>Net Assets</b>	
Invested in capital assets	908,812
Unrestricted	<u>1,534,339</u>
 Total net assets	 <u>\$ 2,443,151</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 Fund  
For the Year Ended June 30, 2011**

	Business-type Activities
	<u>Enterprise Fund</u>
<b>Operating Revenues</b>	
Charges for services	\$ 3,603,178
Other food service charges	106,008
Total operating revenues	<u>3,709,186</u>
<b>Operating Expenses</b>	
Salaries and benefits	3,854,308
Purchased services	47,201
Supplies and materials	3,779,703
Small equipment	78,614
Other	190,678
Depreciation	205,005
Total operating expenses	<u>8,155,509</u>
Operating loss	<u>(4,446,323)</u>
<b>Nonoperating Revenues</b>	
Investment income	666
State match	118,813
National School Lunch/Breakfast Program	4,094,026
Commodities entitlement	665,979
Total nonoperating revenues	<u>4,879,484</u>
Change in net assets	433,161
Net assets, beginning	<u>2,009,990</u>
Net assets, ending	<u><u>\$ 2,443,151</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 Fund  
For the Year Ended June 30, 2011**

	Business-type Activities
	Enterprise Fund
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 3,595,761
Cash paid to suppliers	(3,580,422)
Cash paid to employees	(3,861,447)
Net cash used in operating activities	<u>(3,846,108)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash received from State of Colorado	118,813
Cash received from Federal government	4,420,015
Cash loan paid from other funds	67,575
Net cash provided by noncapital financing activities	<u>4,606,403</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchases of equipment	<u>(71,464)</u>
<b>Cash Flows from Investing Activities</b>	
Investment income	<u>666</u>
Increase in cash and cash equivalents	689,497
Cash and cash equivalents, beginning of the year	<u>375,691</u>
Cash and cash equivalents, end of the year	<u><u>\$ 1,065,188</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating loss	\$ (4,446,323)
Adjustments to reconcile operating loss to Net cash used by operating activities	
Depreciation	205,005
Commodities entitlement	665,979
Changes in assets and liabilities	
Increase in inventories	(165,439)
Increase in accounts payable	15,234
Decrease in accrued salaries and benefits	(7,139)
Decrease in deferred revenues	<u>(113,425)</u>
Net cash used in operating activities	<u><u>\$ (3,846,108)</u></u>
<b>Noncash Transactions</b>	
Commodities received	<u><u>\$ 665,979</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, 2011**

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
<b>Assets</b>		
Cash and investments	\$ 197,761	\$ 127,538
Accounts receivable	3,606	31
Total assets	<u>201,367</u>	<u>\$ 127,569</u>
<b>Liabilities</b>		
Accounts payable	1,800	\$ -
Undistributed monies	-	127,569
Total liabilities	<u>1,800</u>	<u>\$ 127,569</u>
<b>Net Assets</b>		
Held in trust	<u>\$ 199,567</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, 2011**

	Private Purpose Trust - Student Scholarship
<b>Additions</b>	
Investment income	\$ 240
Contributions	57,853
Resources from agency fund	<u>5,978</u>
Total additions	<u>64,071</u>
<b>Deductions</b>	
Scholarships	<u>71,205</u>
Total deductions	<u>71,205</u>
Change in net assets	(7,134)
Net assets, beginning	<u>206,701</u>
Net assets, ending	<u><u>\$ 199,567</u></u>

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

**THIS PAGE LEFT INTENTIONALLY BLANK**



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

### **Notes to Financial Statements**

June 30, 2011

#### **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 District, the ninth largest in the state of Colorado, has 25 elementary, 9 middle, 1 middle/senior, 7 high, 2 alternative, and 5 charter schools, serving nearly 27,000 students.

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 five charter school applications, Carbon Valley Academy, grades K-12; Flagstaff Academy, grades K-8; Imagine Charter School at Firestone, grades K-8; St. Vrain Community Montessori School, K-6; and Twin Peaks Charter Academy, grades K-12. Although a sixth charter school application, Aspen Ridge Preparatory School, K-5, was conditionally approved by the District's Board of Education, the school was not operational during the fiscal year. Effective December 2010, Carbon Valley Academy closed its secondary school and returned to serving students in grades K-8. No new charter applications have been received.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

**Discretely Presented Component Units – Charter Schools (Continued)**

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, Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School, and Twin Peaks Charter Academy are available from the individual charter schools.

**Fund Accounting**

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

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

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

*General Fund* – The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership (personal property) taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended. The *Colorado Preschool Program (CPP) Fund* and *Risk Management Fund* are reported as sub-funds of the General Fund. Moneys allocated to the *CPP Fund* from the General Fund are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District's preschool program pursuant to C.R.S. 22-28-102. Moneys allocated to the *Risk Management Fund* from the General Fund are used to account for the payment of loss or damage to the property of the District, workers' compensation, property and liability claims, and the payment of related administration expenses.

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

*Government Designated-Purpose Grants Fund* – This special revenue fund is used to account for restricted state and federal grants that are obtained primarily to provide for specific instructional programs.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

**Fund Accounting (Continued)**

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 two capital projects funds, the *Building Fund*, a major fund, and the *Capital Reserve Fund*, a nonmajor fund. The *Building Fund* accounts for the proceeds of bond sales and expenditures for capital outlay for land, buildings, improvements of grounds, construction of buildings, additions or remodeling of buildings or initial, additional and replacement equipment.

The remaining nonmajor governmental funds are the *Capital Reserve Fund*, formerly a special revenue fund, and Special Revenue Funds. The *Capital Reserve Fund* is used to account for the District-designated allocation of resources and other revenues for on-going capital outlay needs of the District, such as equipment purchases. Special Revenue Funds account for revenues derived from earmarked revenue sources, charges for supporting educational services, and tuition. Special Revenue Funds consist of *Community Education Fund*, *Fair Contributions Fund*, *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: *Nutrition Services 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 no internal service funds.

Fiduciary funds' 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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2011

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

**Government-wide and Fund Financial Statements (Continued)**

extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the District's government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund 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.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

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

Under Colorado law, all property taxes become due and payable on January 1 in the year following that in which they are levied. Property taxes are levied on December 15 based on the assessed value of the property as certified by the county assessor. Payments are due in full on April 30, or in two installments on February 28 and June 15. When taxes become delinquent, the property is sold at the tax sale on September 30. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

**Assets, Liabilities 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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2011

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

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

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

*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 annual leave. Accumulated annual leave is payable upon leaving the District if certain criteria are met. Classified employees with 10 or more years of continuous service with the District will receive 50% of the employee's current daily rate for unused annual leave above 20 days, up to a maximum of 150 paid days. Any 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 annual leave over 30 days, up to a maximum of 125 paid days. The unpaid liability for vested annual leave is recorded in the government-wide financial statements.

*Deferred Revenues/Charges* – Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

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

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. Deferred charges include the difference between the reacquisition price and the net carrying amount of the old debt in a refunding of debt.

*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 fund balances as nonspendable, restricted, committed, assigned, and unassigned. Nonspendable balances include deposits, inventories, and prepaid items. Restricted balances are those imposed by creditors, grantors, contributors, or laws and regulations and include TABOR, debt service, the Colorado Preschool Program, a dental self-insurance trust, and statute-defined special revenue funds. Committed balances are those pursuant to constraints imposed by the District Board of Education's formal action and include, but are not limited to, capital projects, encumbrances, risk management activities, and special revenue funds with intergovernmental agreements. Assigned balances include, but are not limited to, instructional supplies and materials; the Superintendent's 12-month employment contract; appropriated fund balances of the subsequent year; and the Mill Levy Override. As part of the Superintendent's management responsibilities set forth in Board policy, the Superintendent or his designee (e.g. Chief Financial Officer) may assign amounts to a specific purpose. Fund balances that do not meet the definitions described above are unassigned.

**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 2011 is as follows:

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

**Property Taxes (Continued)**

**Tax Year**

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

**Collection Year**

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

Property taxes are recorded initially at the budgeted collection rate as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected in governmental funds and in the period for which the taxes are levied in the government-wide statements. The District has deferred revenue from property tax collection at June 30, 2011 in the amount of \$2,653,000. 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 Nutrition Services 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



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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

**Budgetary Information (Continued)**

means of financing them. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution.

Total expenditures for each fund and sub-fund may not legally exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenues. Authorization to transfer budgeted amounts between departments within any fund and the reallocation of budget line items within any department within any fund rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

The Board of Education throughout the fiscal year may amend budgetary amounts within each fund. Individual amendments to the General Fund budget 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**

Although the School Finance Act no longer requires school districts to budget a minimum amount per pupil for instructional supplies and materials, instructional capital outlay, and instructional field trips, the District continues to do so to meet its goals and needs. For fiscal year 2011, the District budgeted \$7,472,763 for instructional purposes, which includes the unexpended amount of \$2,629,017 from prior years. The District expended \$6,550,336 for instructional purposes during fiscal year ended June 30, 2011. The carryover from fiscal year 2011 and prior is \$922,427 and is fully reserved as assigned fund balance at June 30, 2011. Due to the current economy and revenue forecasts, however, the Board waived its own policy regarding the instructional supplies and materials requirement for the adopted fiscal year 2012 budget.

Direct allocation of funding to the Capital Reserve Fund and Risk Management Fund was also discontinued by the Legislature. However, the District will continue to fund these needs according to prior statute. For fiscal year ended June 30, 2011, the District allocated \$4,890,250 to the Capital Reserve Fund and \$2,305,000 to the Risk Management Fund for a total of \$7,195,250. Again, in light of the current economy and revenue forecasts, the Board chose to waive its policy regarding the transfer and allocation of funds to Capital Reserve and Risk Management Funds for the adopted fiscal year 2012 budget.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 3: DEPOSITS AND INVESTMENTS**

At June 30, 2011, the District's deposits and investments were reported in the financial statements as follows:

Governmental activities	\$ 206,476,806
Business-type activities	1,065,188
Agency	127,538
Private purpose trust scholarship	197,761
	<u>\$ 207,867,293</u>
Component units	<u>\$ 12,035,830</u>

At June 30, 2011, the District and component units had cash and investments with the following carrying balances:

	<u>District</u>	<u>Component Units</u>
Cash	\$ 20,213,368	\$ 5,030,350
Investments	187,653,925	7,005,480
	<u>\$ 207,867,293</u>	<u>\$ 12,035,830</u>

**Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. The State regulatory commissioners regulate the eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the deposits. The District does not have a deposit policy. As of June 30, 2011, the District had bank deposits of \$3,674,923 collateralized with securities held by the financial institutions' agent not in the District's name. The component units had deposits with a bank balance of \$2,654,046, all which was fully insured. On October 3, 2008, as part of the Economic Stabilization Act, Congress temporarily increased FDIC insurance from \$100,000 to \$250,000 per depositor.

**Investments**

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

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

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

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

**Investments (Continued)**

At June 30, 2011, the District had the following investments, excluding agency:

Investment Type	S&P's or Moody's Rating	Fair Value	Investment Maturities (in years)	
			Less Than 1	1-5
U.S. Agency Securities	A to AA+	\$ 21,654,995	\$ 11,350,000	\$ 10,304,995
Commercial paper	A-1	7,441,759	7,441,759	-
Repurchase agreement	Baa3 to Aaa	51,458,650	-	51,458,650
Money market mutual funds	AAAm, AAA	15,813,420	15,813,420	-
Money market custodial account	AAAm	17,872,975	17,872,975	-
Money market investment pools	AAAm	73,412,126	73,412,126	-
Total investments		<u>\$ 187,653,925</u>	<u>\$ 125,890,280</u>	<u>\$ 61,763,645</u>

The component units had the following investments as of June 30, 2011:

Investment Type	S&P or Moody's Rating	Fair Value	Investment Maturities (in years)
			Less Than 1
Money market investment pool-CSAFE	AAAm	\$ 3,068,546	\$ 3,068,546
Money market investment pool-ColoTrust	AAAm	835,020	835,020
Money market funds	Aaa	3,101,914	3,101,914
Total investments		<u>7,005,480</u>	<u>7,005,480</u>

*Local Government Investment Pools* – At June 30, 2011, the District and its component units invested in the Colorado Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE), which are money market investment pools established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. To obtain more information, go to [www.colotrust.com](http://www.colotrust.com) and [www.csafe.org](http://www.csafe.org).

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

*Custodial Credit Risk* – 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 and commercial paper is exposed to custodial credit risk because they are uninsured, unregistered and held by the District's brokerage firm which is also the counterparty. The District does not have a policy for custodial credit risk. As of June 30, 2011, 16% of total investments was subject to this risk.

The repurchase agreement is collateralized with U.S. Treasury and U.S. Agency Securities. Collateral is not held by the provider (Bayerische Landesbank) but rather is held by a third party custodian (Wells Fargo Bank, N.A.). This agreement must be collateralized at no less than 105% of U.S. Treasury or 102% U.S. Agency Securities. As of June 30, 2011, the total collateral on these investments was 112%.

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

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

*Concentration of Credit Risk* – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Given the small amount available for investment in securities, and the relative low risk of U.S. agency securities, the District has not established a policy limiting the amount of investment in this type of security and deems it unnecessary at this time. At June 30, 2011, the repurchase agreement, money market custodial account, and money market investment pool were 27%, 10%, and 39%, respectively, of the District's total investments.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**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/component units as of June 30, 2011 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Reserve Capital Projects Fund	\$ 234,478
General Fund	Student Activities Fund	280,784
General Fund	Grants Fund	4,245,784
Total governmental funds		<u>\$ 4,761,046</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 2011 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Capital Reserve Fund	Capital Reserve Capital Projects Fund	\$ 4,587,260
General Fund	Student Activities Fund	330,542
Community Education Fund	General Fund	89,378
Community Education Fund	Student Activities Fund	20,929
Student Activities Fund	Community Education Fund	6,534
Total governmental funds		<u>\$ 5,034,643</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes in the District's capital assets for the year ended June 30, 2011:

	Balance 7/1/10	Additions	Deletions & Adjustments	Transfers	Balance 6/30/11
<b>Governmental activities</b>					
Non-depreciable assets					
Land	\$ 19,792,539	\$ -	\$ 280,840	\$ -	\$ 20,073,379
Projects in progress	25,144,438	58,540,560	602,420	(14,012,489)	70,274,929
Water rights	4,943,227	-	(3,847,649)	-	1,095,578
Total non-depreciable assets	49,880,204	58,540,560	(2,964,389)	(14,012,489)	91,443,886
Depreciable assets					
Land improvements	20,178,134	118,416	-	3,105,947	23,402,497
Buildings	246,727,350	-	2,459,679	-	249,187,029
Building improvements	100,398,102	269,035	968,963	10,906,542	112,542,642
Equipment	29,210,118	1,672,261	(525,196)	-	30,357,183
Total depreciable assets	396,513,704	2,059,712	2,903,446	14,012,489	415,489,351
Less accumulated depreciation for					
Land improvements	9,298,853	945,500	26,971	-	10,271,324
Buildings	51,412,991	4,498,995	295,916	-	56,207,902
Building improvements	35,740,474	3,608,899	29,633	-	39,379,006
Equipment	20,548,985	1,904,531	(261,041)	-	22,192,475
Total accumulated depreciation	117,001,303	10,957,925	91,479	-	128,050,707
Total depreciable assets, net	279,512,401	(8,898,213)	2,811,967	14,012,489	287,438,644
Governmental activities			-		
Total capital assets, net	<b><u>\$ 329,392,605</u></b>	<b><u>\$ 49,642,347</u></b>	<b><u>\$ (152,422)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 378,882,530</u></b>
	Balance 7/1/10	Additions	Deletions	Transfers	Balance 6/30/11
<b>Business-type activities</b>					
Depreciable assets					
Equipment	\$ 2,756,630	\$ 71,464	\$ (4,795)	\$ -	\$ 2,823,299
Less accumulated depreciation for					
Equipment	1,714,277	205,005	(4,795)	-	1,914,487
Business-type activities					
Total capital assets, net	<b><u>\$ 1,042,353</u></b>	<b><u>\$ (133,541)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 908,812</u></b>

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

**Notes to Financial Statements (Continued)**

June 30, 2011

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

Based on Management's review of water rights during the fiscal year, the District reclassified \$3,847,649 from water rights to the cost of buildings and projects in process in the amounts of \$3,245,229 and \$602,420, respectively. The accumulated depreciation related to the reclassified building cost was \$321,480 as of June 30, 2011.

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

**Governmental activities**

Instruction	\$ 9,634,958
Supporting services	<u>1,322,967</u>
Total	<u><u>\$ 10,957,925</u></u>

**Business-type activities**

Food service	<u><u>\$ 205,005</u></u>
--------------	--------------------------

The following is a summary of changes in the component units' capital assets for the year ended June 30, 2011:

	<u>Balance 7/1/10</u>	<u>Additions</u>	<u>Reclassifications &amp; Deletions</u>	<u>Balance 6/30/11</u>
<b>Component units</b>				
Non-depreciable assets				
Land	\$ 1,608,251	\$ 1,121,238	\$ (75,808)	\$ 2,653,681
Construction in progress	-	<u>4,196,310</u>	-	<u>4,196,310</u>
Total non-depreciable assets	<u>1,608,251</u>	<u>5,317,548</u>	<u>(75,808)</u>	<u>6,849,991</u>
Depreciable assets				
Land improvements	280,487	-	60,808	341,295
Building	26,810,954	-	-	26,810,954
Leasehold improvements	626,563	22,951	15,000	664,514
Furniture & equipment	427,119	69,924	-	497,043
Software costs	<u>20,021</u>	-	-	<u>20,021</u>
Total depreciable assets	<u>28,165,144</u>	<u>92,875</u>	<u>75,808</u>	<u>28,333,827</u>
Less accumulated depreciation	<u>1,003,076</u>	<u>741,104</u>	-	<u>1,744,180</u>
Total depreciable assets, net	<u>27,162,068</u>	<u>(648,229)</u>	<u>75,808</u>	<u>26,589,647</u>
Total capital assets, net	<u><u>\$ 28,770,319</u></u>	<u><u>\$ 4,669,319</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,439,638</u></u>

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

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 6: ACCRUED SALARIES AND BENEFITS**

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2011 are determined to be as follows:

General Fund	\$ 8,419,304
Grants Fund	613,128
Other funds	209,694
Total governmental funds	<u>9,242,126</u>
Proprietary funds	<u>122,604</u>
<b>Total primary government</b>	<b><u>\$ 9,364,730</u></b>
<b>Component units</b>	<b><u>\$ 741,247</u></b>

**NOTE 7: SALE OF FUTURE INVESTMENT INCOME**

**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, 2011, \$257,815 of the deferred amount has been recognized. Income recognized was \$176,504 by the General Fund, \$25,705 by the Building Fund, \$2,988 by the Capital Reserve Fund, and \$52,618 by the Fair Contributions Fund. The remaining balances by fund of \$796,963, \$116,066, \$13,491, and \$237,581 respectively, are deferred revenues as of June 30, 2011.

**NOTE 8: LONG-TERM DEBT**

The District's long-term debt changed as follows during the year ended June 30, 2011.

<b>Governmental activities</b>	Balance 7/1/2010	Additions	Payments/ Amortization	Balance 6/30/2011	Due within one year
General obligation bonds	\$ 465,295,000	\$ 65,505,000	\$ (78,935,000)	\$ 451,865,000	\$ 13,060,000
Deferred bond premium	16,669,299	8,370,336	(3,308,727)	21,730,908	-
Capital leases	755,927	181,599	(937,526)	-	-
Vacation payable	913,914	924,252	(913,914)	924,252	924,252
Annual leave payable	1,675,577	164,067	(247,368)	1,592,276	177,538
<b>Total</b>	<b><u>\$ 485,309,717</u></b>	<b><u>\$ 75,145,254</u></b>	<b><u>\$ (84,342,535)</u></b>	<b><u>\$ 476,112,436</u></b>	<b><u>\$ 14,161,790</u></b>



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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 8: LONG-TERM DEBT (Continued)**

**General Obligation Bonds**

Description, Interest Rates, and Maturity Dates

Balance  
due at  
June 30, 2011

Refunding Bonds (Series 2002), original amount of \$39,090,000, due in varying installments through December 15, 2010, interest at 5.0%. Proceeds used to retire outstanding refunding bonds (Series 1992). Premium of \$1,613,000 received upon issuance was amortized over term of bonds. Final installment made during fiscal year 2011.

\$ -

Building Bonds (Series 2003), original amount of \$92,000,000, due in varying installments through December 15, 2022, interest from 5.0% to 5.25%. Premium of \$4,200,003 received upon issuance is being amortized based on maturity of bonds. Amounts defeased were \$66,375,000 during fiscal year 2011. Premium and issuance cost amortization adjusted accordingly.

16,080,000

Building Bonds (Series 2004), original amount of \$50,100,000, due in varying installments through December 15, 2024, interest from 5.0% to 5.5%. Premium of \$1,427,510 received upon issuance is being amortized based on maturity of bonds.

44,375,000

Building Bonds (Series 2005A), original amount of \$14,000,000, due in varying installments through December 15, 2022, interest from 4.0% to 5.0%. Premium of \$511,241 received upon issuance is being amortized based on maturity of bonds.

9,170,000

Refunding Bonds (Series 2005B), original amount of \$42,815,000, due in varying installments through December 15, 2017, interest at 5%. Proceeds used to refund certain outstanding general obligation building bonds (Series 1997). Premium of \$3,546,660 received upon issuance is being amortized over term of bonds.

40,485,000

Refunding Bonds (Series 2006), original amount of \$43,455,000, due in varying installments through December 15, 2022, interest from 3.65% to 5.25%. Proceeds used to refund certain outstanding general obligation building bonds (Series 1997). Premium of \$2,520,719 received upon issuance is being amortized over term of bonds.

38,950,000

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.

48,500,000

Building Bonds (Series 2009), original amount of \$104,000,000, due in varying installments through December 15, 2033, interest from 2.0% to 5.0%. Premium of \$504,199 received upon issuance is being amortized based on maturity of bonds.

103,800,000

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 8: LONG-TERM DEBT (Continued)**

**General Obligation Bonds (Continued)**

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

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

Refunding Bonds (Series 2011), original amount of \$34,355,000, due in varying installments through December 15, 2019, interest from 2.0% to 5.0%. Proceeds used to retire \$34,605,000 of outstanding building bonds (Series 2003). Premium of \$4,011,133 received upon issuance is being amortized based on maturity of bonds. 34,355,000

Refunding Bonds (Series 2011B), original amount of \$31,150,000, due in varying installments through December 15, 2022, interest from 2.0% to 5.0%. Proceeds used to retire \$31,770,000 of outstanding building bonds (Series 2003). Premium of \$4,359,203 received upon issuance is being amortized based on maturity of bonds. 31,150,000

Total general obligation bonds payable \$ 451,865,000

**Advance Refunding**

On May 12, 2011, the District issued \$34,355,000 in general obligation bonds with an average interest rate of 4.58% to advance refund \$34,605,000 of outstanding 2003 Series bonds with an average interest rate of 5.0%. The net proceeds of \$38.1 million were used to purchase open market securities (SLGs). Those securities were deposited in an irrevocable trust with an escrow agent along with \$720,000 in accrued interest, to provide for future debt service payments (2015-2019) on the 2003 Series bonds. As a result, that portion of the 2003 Series bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group. By advance refunding those portions of the 2003 Series bonds, the District reduced its total debt service payments over the next 9 years by over \$2 million and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of almost \$1.2 million.

On June 16, 2011, the District issued \$31,150,000 in general obligation bonds with an average interest rate of 4.65% to advance refund \$31,770,000 of outstanding 2003 Series bonds with an average interest rate of 5.02%. The net proceeds of \$35.3 million were used to purchase open market securities (U.S. Government). Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments (2013, 2014, 2020-2022) on the 2003 Series bonds. As a result, that portion of the 2003 Series bonds are considered to be defeased and the liability for those bonds has been removed from the general fund long-term debt account group. By advance refunding those portions of the 2003 Series bonds, the District reduced its total debt service payments over the next 12 years by over \$1.7 million and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of almost \$1.6 million.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 8: LONG-TERM DEBT (Continued)**

**Advance Refunding (Continued)**

The amount of defeased debt still outstanding as of June 30, 2011 is \$66,375,000.

Bond payments to maturity are as follows:

Year ending June 30	GO Bonds		Total
	Principal	Interest	
2012	\$ 13,060,000	\$ 22,338,027	\$ 35,398,027
2013	13,870,000	21,668,816	35,538,816
2014	13,610,000	20,979,216	34,589,216
2015	14,415,000	20,338,841	34,753,841
2016	15,845,000	19,709,685	35,554,685
2017-2021	90,900,000	86,293,043	177,193,043
2022-2026	97,575,000	62,483,008	160,058,008
2027-2031	110,950,000	37,007,452	147,957,452
2032-2034	81,640,000	6,688,296	88,328,296
Total	<u>\$ 451,865,000</u>	<u>\$ 297,506,384</u>	<u>\$ 749,371,384</u>

**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 \$6,995,000 and have accumulated depreciation estimated at \$2,972,500, have been recorded as capital assets in the statement of net assets. Amortization of the capital leases is included in depreciation. Payments are made from the General and Capital Reserve Funds.

**Future Debt Service Requirements**

The District's capital leases were paid in full during the fiscal year. Therefore, there are no future debt service requirements.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 8: LONG-TERM DEBT (Continued)**

**Compensated Absences**

Compensated absences include both vacation pay and annual leave. The District allows employees to carryover unused vacation from one fiscal year to the next. 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. Thus, the liability recognized as of June 30, 2011 is considered payable within one year.

Unused annual leave is accumulated and carried over from year to year. When an eligible employee retires, qualified annual 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, 2011 includes qualified annual leave for all eligible employees as of June 30, 2011.

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

**Component Units Long-Term Debt**

On December 1, 2006, Carbon Valley Academy's Building Corporation issued \$5,305,000 of 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.

In August 2008, Flagstaff Academy's Building Corporation issued \$13,505,000 of revenue bonds. Proceeds of the bonds were used to construct Flagstaff Academy's building. The charter school is required to make lease payments to the Building Corporation for use of the building.

In November 2008, Twin Peaks Charter Academy's Building Corporation issued \$14,235,000 of revenue bonds. Proceeds of the bonds were used to construct Twin Peaks Charter Academy's building. In April 2011, Twin Peaks Charter Academy's Building Corporation issued \$4,775,000 of revenues bonds. Proceeds of the bonds were used to construct improvements to the charter school's building. The charter school is required to make equal lease payments to the Building Corporation for use of the building.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**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, 2011.

	<u>Balance 7/1/10</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/11</u>	<u>Due within one year</u>
Component units					
Revenue bonds	<u>\$ 32,820,000</u>	<u>\$ 4,775,000</u>	<u>\$ 80,000</u>	<u>\$ 37,515,000</u>	<u>\$ 260,000</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>
2012	\$ 260,000	\$ 2,479,790	\$ 2,739,790
2013	495,000	2,477,388	2,972,388
2014	535,000	2,445,121	2,980,121
2015	570,000	2,410,563	2,980,563
2016	605,000	2,373,807	2,978,807
2017-2021	3,650,000	11,224,799	14,874,799
2022-2026	5,020,000	9,812,217	14,832,217
2027-2031	6,940,000	7,835,279	14,775,279
2032-2036	10,050,000	5,040,368	15,090,368
2037-2041	8,100,000	1,140,838	9,240,838
2042-2043	<u>1,290,000</u>	<u>115,454</u>	<u>1,405,454</u>
Total	<u>\$ 37,515,000</u>	<u>\$ 47,355,624</u>	<u>\$ 84,870,624</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 9: RISK FINANCING**

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

**Risk Management Fund**

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

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

Since July 1, 2002, the District has been a member of the Colorado School Districts Self Insurance Pool for property and liability insurance. During the fiscal year ended June 30, 2011, the District had insurance deductibles of \$50,000 (property), \$150,000 (general liability), and \$1,000 (vehicle liability) per claim. At June 30, 2011, the District's property and liability claims payable was \$139,011.

Prior to July 1, 2002, the District purchased its property insurance from the Northern Colorado School Districts Property Self Insurance Pool, and its liability insurance from the Northern Colorado School Districts Liability Self Insurance Pool, respectively. These two pools have since been dissolved. The property pool funds were distributed to the former members in June 2006. The remaining assets from the liability pool 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. In February 2010, the three former member districts received a planned distribution. The final distribution is planned in 2017/2018. The remaining assets are sufficient to meet these run-off obligations, according to the actuarial reports dated June 11, 2003 and July 12, 2004.

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, 2011. At June 30, 2011, the District's workers' compensation claims payable was \$431,610.

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

St. Vrain Valley School District RE-1J

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 9: RISK FINANCING (Continued)**

**Risk Management Fund (Continued)**

**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. The claims liability on a government-wide basis includes losses from currently available funds as well as estimates for claims that have been incurred but not reported. Based on historic trends, approximately 70% of the total claims payable, or \$399,435, is considered payable from current resources and is reported accordingly on the fund statements. Changes in the reported liability on a government-wide basis for the years ended June 30, 2011 and 2010 were as follows:

	2011	2010
Beginning fiscal year liability	\$ 528,267	\$ 499,005
Current year claims and adjustments	929,990	867,104
Claims paid	(887,636)	(837,842)
Ending fiscal year liability	<u>\$ 570,621</u>	<u>\$ 528,267</u>

**NOTE 10: DEFINED BENEFIT PENSION PLAN**

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

The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for SDTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Funding Policy** – The District is required to contribute member and employer contributions to PERA 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 C.R.S., as amended. The contribution rate for members is 8.0% and for the District is 10.15% of covered salary. A portion of the District's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (see Note 11). The District is also required to pay an amortization equalization disbursement (AED) equal to 2.6% of the total payroll for the calendar year 2011, (2.2% for calendar year 2010 and 1.8% for calendar year 2009).

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 10: DEFINED BENEFIT PENSION PLAN** (Continued)

**Funding Policy** (Continued)

Additionally, the District is required to pay a supplemental amortization equalization disbursement (SAED) equal to 2.0% of the total payroll for the calendar year 2011 (1.5% for the calendar year 2010 and 1.0% for calendar year 2009). If the District rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including AED and SAED) on the amounts paid for the retiree. Effective January 1, 2011, working retiree contributions are required at the same 8.0% member contribution rate. For the years ending June 30, 2011, 2010, and 2009, the District's employer contributions to the SDTF were \$17,914,737, \$16,609,146, and \$14,137,945, respectively, equal to its required contributions for each year.

**NOTE 11: POSTEMPLOYMENT HEALTH CARE BENEFITS**

**Plan Description** – The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer health care trust 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 C.R.S., as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

**Funding Policy** – The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contribution to the HCTF from the defined benefit plan employer contribution (see Note 10) is established under Title 24, Article 51, Section 208 of the C.R.S., as amended. For the years ending June 30, 2011, 2010, and 2009, the District's employer contributions to the HCTF were \$1,375,322, \$1,366,451, and \$1,257,547, respectively, equal to its required contributions for each year.

**NOTE 12: DEFINED CONTRIBUTION PENSION PLAN**

**Plan Description** – Employees of the District who are members of the SDTF (see Note 10) may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code (IRC) Section 401(k) defined contribution (DC) plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature. PERA issues a publicly available Annual Report for Colorado PERA's 401(k) and DC Plans. That report may be obtained online at [www.copera.org](http://www.copera.org) or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).



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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 12: DEFINED CONTRIBUTION PENSION PLAN (Continued)**

**Funding Policy** – The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the Internal Revenue Service (\$16,500 for the calendar year 2010 and the calendar year 2011). In addition, catch-up contributions, up to \$5,500 for the calendar year 2010 and for calendar year 2011, were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v). The contribution requirements for the District are established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. For the year ended June 30, 2011 and 2010, the 401(k) Plan member contributions from the District were \$1,610,962 and \$1,783,958, respectively.

**NOTE 13: JOINTLY GOVERNED ORGANIZATION**

**Centennial Board of Cooperative Educational Services**

The District, in conjunction with other surrounding districts, created the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational and computer services at a shared lower cost per district. The BOCES Board is comprised of one member from each participating district. The District paid the BOCES \$598,568 for services provided during the year ended June 30, 2011. The BOCES financial statements can be obtained at their administrative office located at 2020 Clubhouse Drive, Greeley, Colorado 80634.

**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, 2011, 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, 2011. Contract commitments at June 30, 2011, as a result of these projects, totaled \$13,377,674.

**BEST Grant**

During fiscal year 2011, the District was awarded a \$1,010,881 Building Excellent Schools Today (BEST) competitive grant to assist with the funding of certain construction projects. The District local match requirement for this grant is \$1,052,141.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 14: COMMITMENTS AND CONTINGENCIES (Continued)**

**Operating Lease Agreements**

The District entered into an operating lease agreement for administrative facilities. The future minimum lease payments under the lease through July 31, 2011 are \$8,967 which includes \$37 of interest. Rental expense for the year ended June 30, 2011, was \$118,483. Effective July 31, 2011, the District is no longer leasing this facility.

**TABOR Amendment**

In November 1992, Colorado voters passed Article X, Section 20 (TABOR Amendment) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. In November 1998, electors within the District authorized the District to collect, retain and/or expend all revenues lawfully received by the District from any source during fiscal year 1999 and each year thereafter without regard to the limitations and conditions under the TABOR Amendment of the Colorado Constitution or any other law. The Amendment is complex and subject to judicial interpretation. The TABOR Amendment requires the District to establish a reserve for emergencies. At June 30, 2011, the District has complied with the requirements to include emergency reserves in its net assets and fund balance.

**Contingency Reserve**

As allowed by state statute, the District Board of Education may provide for an operating reserve in the General Fund. District policy requires that the budget adopted by the Board include an additional appropriated reserve equal to 2% of operating fund expenditures. Although the District's current policy does not meet the specificity requirements to commit these dollars, the District has met the 2% contingency requirement, which is reported in the unassigned fund balance, as of June 30, 2011.

**NOTE 15: ACCOUNTING CHANGE**

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

**NOTE 16: RESTATEMENT FOR CHANGE IN REPORTING ENTITY**

To eliminate a liability incorrectly reported in the prior fiscal year, the beginning net assets of Imagine Charter School at Firestone were increased by \$79,356. In addition, beginning net assets of Flagstaff Academy were decreased by \$252,603 due to a deposit on the balance sheet not properly expensed in a prior year. Finally, due to a reclassification entry by the District, the District decreased the net assets as of July 1, 2010 on its report for Twin Peaks Charter Academy by \$46,023 to agree with the charter school's audit report.

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

**Notes to Financial Statements (Continued)**

June 30, 2011

**NOTE 17: CHARTER SCHOOL EVENT**

On February 10, 2010, the District Board of Education conditionally approved a new charter school application, Aspen Ridge Preparatory School, grades K-5. The school is planning to open in the fall of 2011. As of June 30, 2011, the charter school recorded a grant receivable of \$120,422 to be paid through the Colorado Department of Education.

THIS PAGE LEFT BLANK INTENTIONALLY

## REQUIRED SUPPLEMENTARY INFORMATION

General Fund – The *General Fund* is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The *Colorado Preschool Program Fund* is reported as a sub-fund of the General Fund. Moneys allocated to this fund from the General Fund are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District's preschool program. The *Risk Management Fund*, also a sub-fund of the General Fund, is used to account for the payment of loss or damage to the property of the District, workers' compensation, property and liability claims, and the payment of related administration expenses

Governmental Designated-Purpose Grants – This major special revenue fund is used to account for restricted state or federal grants that are obtained primarily to provide for specific instructional programs.

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

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General, Colorado Preschool Program, and Risk Management Funds  
For the Year Ended June 30, 2011**

	General Fund				Colorado Preschool 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)
<b>Revenues</b>								
Local								
Property taxes	\$ 60,613,000	\$ 58,786,045	\$ 59,083,619	\$ 297,574	\$ -	\$ -	\$ -	\$ -
Specific ownership taxes	6,170,000	6,089,000	5,805,254	(283,746)	-	-	-	-
Mill levy override	17,454,000	17,144,000	17,180,635	36,635	-	-	-	-
Investment income	277,000	277,000	229,250	(47,750)	2,000	2,000	903	(1,097)
Charges for services	4,106,000	4,209,000	4,325,991	116,991	-	-	-	-
Miscellaneous	1,522,000	1,732,000	5,308,447	3,576,447	-	-	-	-
Total local revenues	<u>90,142,000</u>	<u>88,237,045</u>	<u>91,933,196</u>	<u>3,696,151</u>	<u>2,000</u>	<u>2,000</u>	<u>903</u>	<u>(1,097)</u>
State								
Equalization, net	99,498,000	99,273,405	93,174,585	(6,098,820)	940,000	948,401	920,921	(27,480)
Special Education	3,309,000	3,223,351	3,409,328	185,977	-	-	-	-
Vocational Education	900,000	613,470	856,693	243,223	-	-	-	-
Transportation	1,154,000	1,154,000	1,492,279	338,279	-	-	-	-
Gifted and Talented	216,000	243,863	243,673	(190)	-	-	-	-
English Language Proficiency Act	273,000	482,031	482,031	-	-	-	-	-
BEST grant	-	1,010,881	130,084	(880,797)	-	-	-	-
Total state revenues	<u>105,350,000</u>	<u>106,001,001</u>	<u>99,788,673</u>	<u>(6,212,328)</u>	<u>940,000</u>	<u>948,401</u>	<u>920,921</u>	<u>(27,480)</u>
Federal								
Adult Education	155,000	155,000	150,646	(4,354)	-	-	-	-
BOCES	100,000	100,000	87,026	(12,974)	-	-	-	-
Build America Bond rebates	-	1,628,131	1,628,131	-	-	-	-	-
Education Jobs Fund	-	-	4,952,078	4,952,078	-	-	-	-
ARRA: Stabilization Funds	-	-	1,901,449	1,901,449	-	-	-	-
Total federal revenues	<u>255,000</u>	<u>1,883,131</u>	<u>8,719,330</u>	<u>6,836,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>195,747,000</u>	<u>196,121,177</u>	<u>200,441,199</u>	<u>4,320,022</u>	<u>942,000</u>	<u>950,401</u>	<u>921,824</u>	<u>(28,577)</u>
<b>Expenditures, encumbered basis</b>								
Current								
Salaries	120,996,507	121,888,807	121,726,840	161,967	180,000	180,000	119,480	60,520
Benefits	30,051,151	31,972,518	31,737,232	235,286	52,000	52,000	34,247	17,753
Purchased services	9,403,232	10,492,113	8,838,255	1,653,858	890,000	890,000	761,912	128,088
Supplies and materials	14,559,737	14,711,525	13,128,897	1,582,628	7,000	7,000	38,457	(31,457)
Claims paid	-	-	-	-	-	-	-	-
Other	823,591	823,591	620,105	203,486	20,000	20,000	19,660	340
Charter schools	17,766,656	17,399,250	17,539,838	(140,588)	-	-	-	-
Capital outlay	1,237,050	1,241,660	3,317,762	(2,076,102)	-	-	-	-
Total expenditures, encumbered basis	<u>194,837,924</u>	<u>198,529,464</u>	<u>196,908,929</u>	<u>1,620,535</u>	<u>1,149,000</u>	<u>1,149,000</u>	<u>973,756</u>	<u>175,244</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>909,076</u>	<u>(2,408,287)</u>	<u>3,532,270</u>	<u>5,940,557</u>	<u>(207,000)</u>	<u>(198,599)</u>	<u>(51,932)</u>	<u>146,667</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	89,378	89,378	-	-	-	-
Transfers out	(345,000)	(345,000)	(330,542)	14,458	-	-	-	-
Total other financing sources (uses)	<u>(345,000)</u>	<u>(345,000)</u>	<u>(241,164)</u>	<u>103,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources uses	<u>\$ 564,076</u>	<u>\$ (2,753,287)</u>	<u>3,291,106</u>	<u>\$ 6,044,393</u>	<u>\$ (207,000)</u>	<u>\$ (198,599)</u>	<u>(51,932)</u>	<u>\$ 146,667</u>
Fund balance, beginning			<u>35,362,415</u>				<u>537,205</u>	
Fund balance, ending			<u>\$ 38,653,521</u>				<u>\$ 485,273</u>	
Reconciliation of expenditures								
Expenditures, encumbered basis			\$ 196,908,929				\$ 973,756	
Plus: prior year encumbrances			185,509				-	
Less: current year encumbrances			(851,750)				-	
<b>Expenditures, US GAAP basis</b>			<u>196,242,688</u>				<u>973,756</u>	
Excess revenues over expenditures (US GAAP)			3,957,347				(51,932)	
Fund balance, beginning			<u>35,362,415</u>				<u>537,205</u>	
Fund balance, ending			<u>\$ 39,319,762</u>				<u>\$ 485,273</u>	

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

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)
\$ -	\$ -	\$ -	\$ -	\$ 60,613,000	\$ 58,786,045	\$ 59,083,619	\$ 297,574
-	-	-	-	6,170,000	6,089,000	5,805,254	(283,746)
-	-	-	-	17,454,000	17,144,000	17,180,635	36,635
30,000	30,000	47,178	17,178	309,000	309,000	277,331	(31,669)
-	-	3,800	3,800	4,106,000	4,209,000	4,329,791	120,791
5,000	5,000	19,135	14,135	1,527,000	1,737,000	5,327,582	3,590,582
35,000	35,000	70,113	35,113	90,179,000	88,274,045	92,004,212	3,730,167
2,305,000	2,305,000	2,305,000	-	102,743,000	102,526,806	96,400,506	(6,126,300)
-	-	-	-	3,309,000	3,223,351	3,409,328	185,977
-	-	-	-	900,000	613,470	856,693	243,223
-	-	-	-	1,154,000	1,154,000	1,492,279	338,279
-	-	-	-	216,000	243,863	243,673	(190)
-	-	-	-	273,000	482,031	482,031	-
-	-	-	-	-	1,010,881	130,084	(880,797)
2,305,000	2,305,000	2,305,000	-	108,595,000	109,254,402	103,014,594	(6,239,808)
-	-	-	-	155,000	155,000	150,646	(4,354)
-	-	-	-	100,000	100,000	87,026	(12,974)
-	-	-	-	-	1,628,131	1,628,131	-
-	-	-	-	-	-	4,952,078	4,952,078
-	-	-	-	-	-	1,901,449	1,901,449
-	-	-	-	255,000	1,883,131	8,719,330	6,836,199
2,340,000	2,340,000	2,375,113	35,113	199,029,000	199,411,578	203,738,136	4,326,558
293,000	293,000	236,900	56,100	121,469,507	122,361,807	122,083,220	278,587
69,000	69,000	52,495	16,505	30,172,151	32,093,518	31,823,974	269,544
901,000	901,000	822,647	78,353	11,194,232	12,283,113	10,422,814	1,860,299
17,000	17,000	20,377	(3,377)	14,583,737	14,735,525	13,187,731	1,547,794
990,000	990,000	887,636	102,364	990,000	990,000	887,636	102,364
68,000	68,000	5,476	62,524	911,591	911,591	645,241	266,350
-	-	-	-	17,766,656	17,399,250	17,539,838	(140,588)
2,000	2,000	536	1,464	1,239,050	1,243,660	3,318,298	(2,074,638)
2,340,000	2,340,000	2,026,067	313,933	198,326,924	202,018,464	199,908,752	2,109,712
-	-	349,046	349,046	702,076	(2,606,886)	3,829,384	6,436,270
-	-	-	-	-	-	89,378	89,378
-	-	-	-	(345,000)	(345,000)	(330,542)	14,458
-	-	-	-	(345,000)	(345,000)	(241,164)	103,836
\$ -	\$ -	349,046	\$ 349,046	\$ 357,076	\$ (2,951,886)	3,588,220	\$ 6,540,106
		6,448,562				42,348,182	
		\$ 6,797,608				\$ 45,936,402	
		\$ 2,026,067				199,908,752	
		-				185,509	
		-				(851,750)	
		2,026,067				199,242,511	
		349,046				4,254,461	
		6,448,562				42,348,182	
		\$ 6,797,608				\$ 46,602,643	

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

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Governmental Designated-Purpose Grants  
For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Local grants	\$ 70,000	\$ 71,000	\$ 889,400	\$ 818,400
State grants	523,000	523,000	657,033	134,033
Federal grants	10,381,000	11,118,347	8,136,385	(2,981,962)
ARRA - Federal education stimulus grants	<u>9,709,000</u>	<u>9,709,000</u>	<u>2,778,925</u>	<u>(6,930,075)</u>
Total revenues	<u>20,683,000</u>	<u>21,421,347</u>	<u>12,461,743</u>	<u>(8,959,604)</u>
<b>Expenditures</b>				
Salaries	7,994,000	8,345,220	6,361,738	1,983,482
Benefits	1,907,000	1,993,162	1,492,188	500,974
Purchased services	2,187,000	2,279,828	2,171,323	108,505
Supplies and materials	2,520,000	2,530,850	1,346,996	1,183,854
Capital outlay	4,151,000	1,925,000	500,236	1,424,764
Other	<u>1,925,000</u>	<u>4,347,287</u>	<u>589,262</u>	<u>3,758,025</u>
Total expenditures	<u>20,684,000</u>	<u>21,421,347</u>	<u>12,461,743</u>	<u>8,959,604</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,000)</u>	-	-	<u>\$ -</u>
Fund balance, beginning		-	-	
Fund balance, ending		<u>\$ -</u>	<u>\$ -</u>	

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



## **SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS**

### **Major Governmental Funds**

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.

**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, 2011**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 33,000,000	\$ 33,444,691	\$ 33,493,371	\$ 48,680
Investment income	90,000	1,587	1,573	(14)
Total revenues	<u>33,090,000</u>	<u>33,446,278</u>	<u>33,494,944</u>	<u>48,666</u>
<b>Expenditures</b>				
Debt principal	12,560,000	12,560,000	12,560,000	-
Debt interest	23,744,083	23,744,083	23,018,314	725,769
Fiscal charges	7,050	7,050	4,900	2,150
Total expenditures	<u>36,311,133</u>	<u>36,311,133</u>	<u>35,583,214</u>	<u>727,919</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(3,221,133)</u>	<u>(2,864,855)</u>	<u>(2,088,270)</u>	<u>776,585</u>
<b>Other Financing Sources (Uses)</b>				
Refunding bond proceeds	-	-	65,505,000	65,505,000
Premium on bonds issued	-	-	8,370,336	8,370,336
Payment to refunded bond escrow agent	-	-	(74,596,274)	(74,596,274)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(720,938)</u>	<u>(720,938)</u>
Net change in fund balances	<u>\$ (3,221,133)</u>	<u>(2,864,855)</u>	<u>(2,809,208)</u>	<u>\$ 55,647</u>
Fund balance, beginning		<u>32,890,953</u>	<u>32,890,953</u>	
Fund balance, ending		<u>\$ 30,026,098</u>	<u>\$ 30,081,745</u>	

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

**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, 2011**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 1,200,000	\$ 1,200,000	\$ 1,652,776	\$ 452,776
Miscellaneous	-	-	30,199	30,199
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,682,975</u>	<u>482,975</u>
<b>Expenditures</b>				
Salaries	500,000	500,000	661,623	(161,623)
Benefits	115,000	115,000	161,896	(46,896)
Purchased services	5,000,000	5,000,000	4,460,482	539,518
Supplies and materials	3,000,000	3,000,000	751,305	2,248,695
Capital outlay	100,000,000	100,000,000	57,443,886	42,556,114
Other	500,000	500,000	863,439	(363,439)
Interest expense	16,000	16,000	40,973	(24,973)
Total expenditures	<u>109,131,000</u>	<u>109,131,000</u>	<u>64,383,604</u>	<u>44,747,396</u>
Net change in fund balances	<u>\$ (107,931,000)</u>	<u>(107,931,000)</u>	<u>(62,700,629)</u>	<u>\$ 45,230,371</u>
Fund balance, beginning		<u>158,977,539</u>	<u>158,977,539</u>	
Fund balance, ending		<u>\$ 51,046,539</u>	<u>\$ 96,276,910</u>	

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

**THIS PAGE LEFT INTENTIONALLY BLANK**

## **SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS**

### **Nonmajor Capital Projects Fund**

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

### **Nonmajor Special Revenue Funds**

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

- *Capital Reserve Fund* – The Capital Reserve Fund is no longer allowed due to implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions*. As a result, the District transferred the fund balance to the Capital Reserve Capital Projects Fund, a nonmajor fund described above.
- *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.
- *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 Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011**

		<u>Special Revenue Funds</u>	
	Capital Reserve Capital Projects Fund	Capital Reserve	Community Education
<b>Assets</b>			
Cash and investments	\$ 6,613,289	\$ -	\$ 2,037,314
Accounts receivable	-	-	4,275
Prepays	14,257	-	-
Deposits	28,000	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 6,655,546</u>	<u>\$ -</u>	<u>\$ 2,041,589</u>
<b>Liabilities</b>			
Accounts payable	\$ 282,814	\$ -	\$ 16,283
Due to other funds	234,478	-	-
Accrued salaries and benefits	-	-	202,884
Construction retainage payable	9,600	-	-
Deferred revenues	13,491	-	19,126
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>540,383</u>	<u>-</u>	<u>238,293</u>
<b>Fund Balances</b>			
Nonspendable: deposits, prepaids	42,257	-	-
Restricted: special revenue funds	-	-	1,803,296
Committed: capital projects	4,359,923	-	-
Committed: special revenue fund	-	-	-
Assigned	1,712,983	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>6,115,163</u>	<u>-</u>	<u>1,803,296</u>
Total liabilities and fund balances	<u>\$ 6,655,546</u>	<u>\$ -</u>	<u>\$ 2,041,589</u>

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

Special Revenue Funds

<u>Fair Contributions</u>	<u>Student Activity</u>	<u>Vance Brand Civic Auditorium</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 3,894,793	\$ 3,031,644	\$ 194,790	\$ 15,771,830
-	5,316	10,500	20,091
-	-	-	14,257
-	-	-	28,000
<u>\$ 3,894,793</u>	<u>\$ 3,036,960</u>	<u>\$ 205,290</u>	<u>\$ 15,834,178</u>
\$ 228,035	\$ 88,457	\$ -	\$ 615,589
-	280,784	-	515,262
-	3,205	3,605	209,694
8,847	-	-	18,447
237,581	-	-	270,198
<u>474,463</u>	<u>372,446</u>	<u>3,605</u>	<u>1,629,190</u>
-	-	-	42,257
-	2,664,514	201,685	4,669,495
-	-	-	4,359,923
3,420,330	-	-	3,420,330
-	-	-	1,712,983
<u>3,420,330</u>	<u>2,664,514</u>	<u>201,685</u>	<u>14,204,988</u>
<u>\$ 3,894,793</u>	<u>\$ 3,036,960</u>	<u>\$ 205,290</u>	<u>\$ 15,834,178</u>

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

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

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2011**

		<u>Special Revenue Funds</u>	
	Capital Reserve Capital Projects Fund	Capital Reserve	Community Education
<b>Revenues</b>			
Intergovernmental	\$ 4,890,250	\$ -	\$ -
Investment income	11,747	-	2,609
Charges for services	-	-	3,139,513
Pupil activities	-	-	8,159
Miscellaneous	705,625	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	5,607,622	-	3,150,281
	<hr/>	<hr/>	<hr/>
<b>Expenditures</b>			
Instruction	4,739	-	3,042,434
Supporting services	1,351,714	-	83,886
Capital outlay	2,723,266	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	4,079,719	-	3,126,320
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	1,527,903	-	23,961
	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses)</b>			
Transfers in	4,587,260	-	6,534
Transfers out	-	(4,587,260)	(110,307)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	4,587,260	(4,587,260)	(103,773)
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	6,115,163	(4,587,260)	(79,812)
	<hr/>	<hr/>	<hr/>
Fund balances, beginning	-	4,587,260	1,883,108
	<hr/>	<hr/>	<hr/>
Fund balances, ending	\$ 6,115,163	\$ -	\$ 1,803,296
	<hr/>	<hr/>	<hr/>

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



Special Revenue Funds			
Fair Contributions	Student Activity	Vance Brand Civic Auditorium	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 4,890,250
62,813	5,621	150	82,940
-	-	103,008	3,242,521
-	5,265,524	-	5,273,683
334,803	-	-	1,040,428
397,616	5,271,145	103,158	14,529,822
-	4,822,386	-	7,869,559
568,228	183,300	43,862	2,230,990
63,739	345,635	-	3,132,640
631,967	5,351,321	43,862	13,233,189
(234,351)	(80,176)	59,296	1,296,633
-	351,471	-	4,945,265
-	(6,534)	-	(4,704,101)
-	344,937	-	241,164
(234,351)	264,761	59,296	1,537,797
3,654,681	2,399,753	142,389	12,667,191
\$ 3,420,330	\$ 2,664,514	\$ 201,685	\$ 14,204,988

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

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Capital Reserve Capital Projects Fund  
For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Equalization	\$ 4,909,000	\$ 4,889,782	\$ 4,890,250	\$ 468
Investment income	20,000	20,000	11,747	(8,253)
Miscellaneous	<u>-</u>	<u>-</u>	<u>705,625</u>	<u>705,625</u>
Total revenues	<u>4,929,000</u>	<u>4,909,782</u>	<u>5,607,622</u>	<u>697,840</u>
 <b>Expenditures</b>	 <u>8,378,000</u>	 <u>8,378,000</u>	 <u>4,079,719</u>	 <u>4,298,281</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	(3,449,000)	(3,468,218)	1,527,903	4,996,121
 <b>Other Financing Sources</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>4,587,260</u>	<u>4,587,260</u>
Net change in fund balances	<u><u>\$ (3,449,000)</u></u>	<u>(3,468,218)</u>	<u>6,115,163</u>	<u><u>\$ 9,583,381</u></u>
Fund balance, beginning		<u>4,587,260</u>	<u>-</u>	
Fund balance, ending		<u><u>\$ 1,119,042</u></u>	<u><u>\$ 6,115,163</u></u>	

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

**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, 2011**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 5,000	\$ 5,000	\$ 2,609	\$ (2,391)
Charges for services	3,400,000	3,400,000	3,139,513	(260,487)
Resources from agency fund	-	-	8,159	8,159
Total revenues	<u>3,405,000</u>	<u>3,405,000</u>	<u>3,150,281</u>	<u>(254,719)</u>
<b>Expenditures</b>				
Instruction	3,763,000	3,763,000	3,042,332	720,668
Support services	42,000	42,000	83,886	(41,886)
Resources to agency fund	-	-	102	(102)
Total expenditures	<u>3,805,000</u>	<u>3,805,000</u>	<u>3,126,320</u>	<u>678,680</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(400,000)	(400,000)	23,961	423,961
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	6,534	6,534
Transfers out	-	-	(110,307)	(110,307)
Total other financing sources (uses)	-	-	(103,773)	(103,773)
Net change in fund balances	<u>\$ (400,000)</u>	<u>(400,000)</u>	<u>(79,812)</u>	<u>\$ 320,188</u>
Fund balance, beginning		<u>1,883,108</u>	<u>1,883,108</u>	
Fund balance, ending		<u>\$ 1,483,108</u>	<u>\$ 1,803,296</u>	

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

**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, 2011**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 11,000	\$ 11,000	\$ 62,813	\$ 51,813
Cash in lieu	269,000	269,000	334,803	65,803
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>397,616</u>	<u>117,616</u>
<b>Expenditures</b>				
Purchased services	-	-	564,737	(564,737)
Supplies and materials	-	-	3,491	(3,491)
Capital outlay	3,695,530	3,934,681	63,739	3,870,942
Total expenditures	<u>3,695,530</u>	<u>3,934,681</u>	<u>631,967</u>	<u>3,302,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,415,530)</u>	(3,654,681)	(234,351)	<u>\$ 3,420,330</u>
Fund balance, beginning		<u>3,654,681</u>	<u>3,654,681</u>	
Fund balance, ending		<u>\$ -</u>	<u>\$ 3,420,330</u>	

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

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Student Activity Fund  
For the Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Investment income	\$ 6,000	\$ 6,000	\$ 5,621	\$ (379)
Athletic activities	1,657,000	1,657,000	1,875,582	218,582
Pupil activities	2,609,000	2,609,000	3,007,557	398,557
PTO/Gift activities	447,000	447,000	380,829	(66,171)
Resources from agency fund	<u>-</u>	<u>-</u>	<u>1,556</u>	<u>1,556</u>
Total revenues	<u>4,719,000</u>	<u>4,719,000</u>	<u>5,271,145</u>	<u>552,145</u>
<b>Expenditures</b>				
Athletic activities	3,016,000	2,719,000	1,967,544	751,456
Pupil activities	4,385,000	4,066,753	2,964,460	1,102,293
PTO/Gift activities	599,135	599,000	383,279	215,721
Resources to agency fund	<u>-</u>	<u>-</u>	<u>36,038</u>	<u>(36,038)</u>
Total expenditures	<u>8,000,135</u>	<u>7,384,753</u>	<u>5,351,321</u>	<u>2,033,432</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(3,281,135)	(2,665,753)	(80,176)	2,585,577
<b>Other Financing Sources (Uses)</b>				
Transfers in	266,000	266,000	351,471	85,471
Transfers out	<u>-</u>	<u>-</u>	<u>(6,534)</u>	<u>(6,534)</u>
Total other financing sources (uses)	<u>266,000</u>	<u>266,000</u>	<u>344,937</u>	<u>78,937</u>
Net change in fund balances	<u><u>\$ (3,015,135)</u></u>	<u>(2,399,753)</u>	<u>264,761</u>	<u><u>\$ 2,664,514</u></u>
Fund balance, beginning		<u>2,399,753</u>	<u>2,399,753</u>	
Fund balance, ending		<u><u>\$ -</u></u>	<u><u>\$ 2,664,514</u></u>	

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

**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, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Investment income	\$ 200	\$ 200	\$ 150	\$ (50)
Charges for services	71,000	71,000	103,008	32,008
Contributions	42,000	-	-	-
Total revenues	<u>113,200</u>	<u>71,200</u>	<u>103,158</u>	<u>31,958</u>
<b>Expenditures</b>				
Salaries	139,000	139,000	32,336	106,664
Benefits	33,000	33,000	5,555	27,445
Purchased services	2,000	2,000	609	1,391
Supplies and materials	20,000	20,000	5,162	14,838
Capital outlay	4,000	4,000	-	4,000
Other	-	-	200	(200)
Total expenditures	<u>198,000</u>	<u>198,000</u>	<u>43,862</u>	<u>154,138</u>
Excess (deficiency) of revenues over (under) expenditures	(84,800)	(126,800)	59,296	186,096
<b>Other Financing Sources</b>				
Transfers in	<u>79,000</u>	<u>79,000</u>	-	(79,000)
Net change in fund balances	<u><u>\$ (5,800)</u></u>	<u>(47,800)</u>	59,296	<u><u>\$ 107,096</u></u>
Fund balance, beginning		<u>142,389</u>	<u>142,389</u>	
Fund balance, ending		<u><u>\$ 94,589</u></u>	<u><u>\$ 201,685</u></u>	

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

## **SUPPLEMENTARY SCHEDULES – PROPRIETARY FUND**

### **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 *Nutrition Services Fund* which accounts for the financial transactions related to the food service operations of the District.

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

**Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual**  
**Nutrition Services Fund**  
**For the Year Ended June 30, 2011**

	Original Budget	2nd Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 1,000	\$ 10,000	\$ 666	\$ (9,334)
Charges for services	3,992,000	3,850,000	3,603,178	(246,822)
Other food service charges	78,000	150,000	106,008	(43,992)
State match	100,000	115,000	118,813	3,813
National School Lunch/Breakfast Program	3,400,000	3,950,000	4,094,026	144,026
Total revenues	<u>7,571,000</u>	<u>8,075,000</u>	<u>7,922,691</u>	<u>(152,309)</u>
<b>Expenses</b>				
Salaries	2,980,000	3,200,000	2,975,470	224,530
Benefits	843,000	896,000	878,838	17,162
Purchased services	175,000	150,000	47,201	102,799
Supplies and materials	3,115,000	3,675,000	3,779,703	(104,703)
Small equipment	50,000	50,000	78,614	(28,614)
Other	100,000	104,000	190,678	(86,678)
Total expenses	<u>7,263,000</u>	<u>8,075,000</u>	<u>7,950,504</u>	<u>124,496</u>
Net income, cash basis	308,000	-	(27,813)	(27,813)
<b>Noncash Revenues (Expenses)</b>				
Depreciation	(166,000)	(166,000)	(205,005)	(39,005)
Commodities entitlement	-	-	665,979	665,979
Change in net assets	<u>\$ 142,000</u>	<u>(166,000)</u>	<u>433,161</u>	<u>\$ 599,161</u>
Net assets, beginning		<u>2,009,990</u>	<u>2,009,990</u>	
Net assets, ending		<u>\$ 1,843,990</u>	<u>\$ 2,443,151</u>	

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



## **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:

- Private purpose trust funds account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is the *Student Scholarship Fund*.
- 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, 2011**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Additions</b>				
Investment income	\$ -	\$ -	\$ 240	\$ 240
Contributions	60,000	60,000	57,853	(2,147)
Resources from agency fund	-	-	5,978	5,978
Total additions	<u>60,000</u>	<u>60,000</u>	<u>64,071</u>	<u>4,071</u>
<b>Deductions</b>				
Scholarships	<u>69,000</u>	<u>150,000</u>	<u>71,205</u>	<u>78,795</u>
Change in net assets	<u>\$ (9,000)</u>	(90,000)	(7,134)	<u>\$ 82,866</u>
Net assets, beginning		<u>206,701</u>	<u>206,701</u>	
Net assets, ending		<u>\$ 116,701</u>	<u>\$ 199,567</u>	

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

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

**Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Year Ended June 30, 2011**

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b><u>Student Activity (Agency)</u></b>				
<b><u>Fund</u></b>				
<b>Assets</b>				
Cash and investments	\$ 1,687	\$ 227,394	\$ 101,543	\$ 127,538
Accounts receivable	385	31	385	31
Due from governmental funds	67,321	-	67,321	-
Total assets	<u>\$ 69,393</u>	<u>\$ 227,425</u>	<u>\$ 169,249</u>	<u>\$ 127,569</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Undistributed monies	69,393	227,425	169,249	127,569
Total liabilities	<u>\$ 69,393</u>	<u>\$ 227,425</u>	<u>\$ 169,249</u>	<u>\$ 127,569</u>

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

**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, 2011**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Additions</b>				
Elementary Schools	\$ 104,000	\$ 104,000	\$ 123,838	\$ 19,838
Middle Schools	25,000	25,000	19,780	(5,220)
High Schools	21,000	21,000	41,387	20,387
Other additions	7,000	7,000	6,280	(720)
Resources from special revenue funds	-	-	36,140	36,140
Total additions	<u>157,000</u>	<u>157,000</u>	<u>227,425</u>	<u>70,425</u>
<b>Deductions</b>				
Elementary Schools	168,707	115,000	117,878	(2,878)
Middle Schools	37,146	37,146	15,934	21,212
High Schools	27,850	27,850	16,123	11,727
Other deductions	70,856	46,397	3,621	42,776
Resources to special revenue funds	-	-	9,715	(9,715)
Resources to trust fund	-	-	5,978	(5,978)
Total deductions	<u>304,559</u>	<u>226,393</u>	<u>169,249</u>	<u>57,144</u>
Change in undistributed monies	<u>\$ (147,559)</u>	(69,393)	58,176	<u>\$ 127,569</u>
Undistributed monies, beginning		<u>69,393</u>	<u>69,393</u>	
Undistributed monies, ending		<u>\$ -</u>	<u>\$ 127,569</u>	

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

## **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. In 2009 the school opened a secondary academy with grade 9 and planned to add a grade each year until 12<sup>th</sup> grade. However, the secondary academy was closed in December 2010.

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

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

St. Vrain Community Montessori School began operations in the fall of fiscal year 2009 serving students in grades K through 2. The school, currently located in Longmont (Boulder County), will add a grade each year until 6<sup>th</sup> grade.

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 in Longmont (Boulder County).

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

**Combining Statement of Net Assets  
Component Units  
June 30, 2011**

	Carbon Valley Academy	Flagstaff Academy	Imagine Charter School at Firestone
<b>Assets</b>			
Cash and investments	\$ 635,147	\$ 3,032,761	\$ 1,145,754
Accounts receivable	4,083	653	286
Due from primary government	-	10,636	9,591
Prepays	-	-	-
Deposits	1,000	500	-
Deferred charges	104,187	253,787	-
Restricted cash and investments	498,726	1,559,139	-
Capital assets,			
Non-depreciable	1,082,443	61,287	-
Depreciable, net	3,583,483	10,232,005	-
Total assets	<u>5,909,069</u>	<u>15,150,768</u>	<u>1,155,631</u>
<b>Liabilities</b>			
Accounts payable	10,358	12,637	20,597
Loans payable	-	-	-
Retainage payable	-	-	-
Accrued salaries and benefits	98,492	303,238	98,630
Accrued interest payable	22,346	387,765	-
Unearned revenue	4,910	114,673	-
Noncurrent liabilities			
Due within one year	85,000	-	-
Due in more than one year	4,915,000	13,505,000	-
Total liabilities	<u>5,136,106</u>	<u>14,323,313</u>	<u>119,227</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	(334,074)	(1,713,856)	-
Restricted for			
Emergencies	90,676	180,000	141,000
Debt service	498,726	-	-
Other purposes	36,998		
Unrestricted	480,637	2,361,311	895,404
Total net assets	<u>\$ 772,963</u>	<u>\$ 827,455</u>	<u>\$ 1,036,404</u>

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

			Component Units
St Vrain Community Montessori School	Twin Peaks Charter Academy	Total Charter Schools	
\$ 232,356	\$ 1,805,479	\$ 6,851,497	
7,375	7,170	19,567	
-	17,699	37,926	
2,807	3,030	5,837	
6,498	-	7,998	
-	477,595	835,569	
-	3,126,468	5,184,333	
-	5,706,261	6,849,991	
55,483	12,718,676	26,589,647	
304,519	23,862,378	46,382,365	
11,635	832,286	887,513	
20,000	-	20,000	
-	390,858	390,858	
4,189	236,698	741,247	
-	172,572	582,683	
81,298	83,213	284,094	
-	175,000	260,000	
-	18,835,000	37,255,000	
117,122	20,725,627	40,421,395	
-	2,716,405	668,475	
26,000	152,403	590,079	
-	596,056	1,094,782	
		36,998	
161,397	(328,113)	3,570,636	
\$ 187,397	\$ 3,136,751	\$ 5,960,970	

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

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

**Combining Statement of Activities  
Component Units  
For the Year Ended June 30, 2011**

	Carbon Valley Academy	Flagstaff Academy	Imagine Charter School at Firestone
<b>Expenses</b>			
Instruction	\$ 1,827,028	\$ 3,454,829	\$ 1,897,872
Supporting services	872,021	1,326,453	2,309,314
Interest expense	289,648	1,015,258	-
Total expenses	<u>2,988,697</u>	<u>5,796,540</u>	<u>4,207,186</u>
<b>Program Revenues</b>			
Charges for Services	259,255	500,853	369,972
Operating Grants and Contributions	32,303	304,528	-
Capital Grants and Contributions	-	65,588	51,728
Total program revenues	<u>291,558</u>	<u>870,969</u>	<u>421,700</u>
<b>General Revenues</b>			
Per pupil revenue	2,423,399	4,853,460	3,827,331
Mill levy override	255,578	330,474	294,083
Interest income	1,053	3,897	-
Other	51,828	27,399	170,936
Capital contribution	-	-	-
Total general revenues	<u>2,731,858</u>	<u>5,215,230</u>	<u>4,292,350</u>
Change in net assets	34,719	289,659	506,864
Net assets, beginning	<u>738,244</u>	<u>790,399</u>	<u>450,184</u>
Restatement for change in reporting entity	-	(252,603)	79,356
Adjusted net assets, beginning	<u>738,244</u>	<u>537,796</u>	<u>529,540</u>
Net assets, ending	<u><u>\$ 772,963</u></u>	<u><u>\$ 827,455</u></u>	<u><u>\$ 1,036,404</u></u>

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



St Vrain Community Montessori School	Twin Peaks Charter Academy	Component Units
		Total Charter Schools
\$ 661,880	\$ 2,779,132	\$ 10,620,741
378,654	3,918,247	8,804,689
-	1,041,388	2,346,294
<u>1,040,534</u>	<u>7,738,767</u>	<u>21,771,724</u>
215,608	1,490,197	2,835,885
185,484	3,294	525,609
<u>8,797</u>	<u>60,571</u>	<u>186,684</u>
<u>409,889</u>	<u>1,554,062</u>	<u>3,548,178</u>
659,655	4,481,655	16,245,500
-	414,203	1,294,338
88	3,179	8,217
71,091	-	321,254
<u>-</u>	<u>1,119,238</u>	<u>1,119,238</u>
<u>730,834</u>	<u>6,018,275</u>	<u>18,988,547</u>
100,189	(166,430)	765,001
<u>87,208</u>	<u>3,349,204</u>	<u>5,415,239</u>
-	(46,023)	(219,270)
<u>87,208</u>	<u>3,303,181</u>	<u>5,195,969</u>
<u>\$ 187,397</u>	<u>\$ 3,136,751</u>	<u>\$ 5,960,970</u>

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

**THIS PAGE LEFT INTENTIONALLY BLANK**

**STATISTICAL SECTION  
(UNAUDITED)**

**THIS PAGE LEFT INTENTIONALLY BLANK**

**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.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b>	
The schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time. ....	94 – 105
<b>Revenue Capacity</b>	
The schedules contain information to help the reader assess the District’s most significant local and state revenue sources. ....	106 – 110
<b>Debt Capacity</b>	
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. ....	111 – 115
<b>Demographic and Economic Information</b>	
The schedules offer demographic and economic indicators to help the reader understand the environment with which the District’s financial activities take place. ....	116 – 121
<b>Operating Information</b>	
The schedules contain information to help the reader understand the staffing of the District, student population it serves, and capital asset data. ....	122 - 129

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt (1)	\$ 9,591,783	\$ 18,202,783	\$ 21,648,995	\$ 22,549,614
Restricted	12,361,052	25,159,814	29,999,027	35,653,114
Unrestricted	<u>(2,953,916)</u>	<u>(19,018,953)</u>	<u>(16,562,973)</u>	<u>(13,103,041)</u>
Total governmental net assets	<u>18,998,919</u>	<u>24,343,644</u>	<u>35,085,049</u>	<u>45,099,687</u>
Business-type activities				
Invested in capital assets, net of related debt	861,216	821,843	727,684	981,771
Restricted	-	138,799	-	-
Unrestricted	<u>1,060,020</u>	<u>810,767</u>	<u>1,126,201</u>	<u>1,225,914</u>
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>
Primary government				
Invested in capital assets, net of related debt	10,452,999	19,024,626	22,376,679	23,531,385
Restricted	12,361,052	25,298,613	29,999,027	35,653,114
Unrestricted	<u>(1,893,896)</u>	<u>(18,208,186)</u>	<u>(15,436,772)</u>	<u>(11,877,127)</u>
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>

Note 1: Based on a GASB implementation guide, the District changed its computation of invested in capital assets, net of related debt in FY09

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 10,755,304	\$ 20,092,457	\$ 17,752,278	\$ 16,389,200	\$ 5,837,277	\$ 1,650,384
38,271,459	42,011,881	36,348,780	43,552,511	48,873,296	41,903,392
2,416,984	(1,985,048)	14,481,434	35,783,693	41,983,603	49,879,868
<u>51,443,747</u>	<u>60,119,290</u>	<u>68,582,492</u>	<u>95,725,404</u>	<u>96,694,176</u>	<u>93,433,644</u>
1,143,171	1,059,518	926,902	1,075,631	1,042,353	908,812
-	-	-	-	-	-
<u>1,067,695</u>	<u>927,056</u>	<u>695,203</u>	<u>476,099</u>	<u>967,637</u>	<u>1,534,339</u>
<u>2,210,866</u>	<u>1,986,574</u>	<u>1,622,105</u>	<u>1,551,730</u>	<u>2,009,990</u>	<u>2,443,151</u>
11,898,475	21,151,975	18,679,180	17,464,831	6,879,630	2,559,196
38,271,459	42,011,881	36,348,780	43,552,511	48,873,296	41,903,392
3,484,679	(1,057,992)	15,176,637	36,259,792	42,951,240	51,414,207
<u>\$ 53,654,613</u>	<u>\$ 62,105,864</u>	<u>\$ 70,204,597</u>	<u>\$ 97,277,134</u>	<u>\$ 98,704,166</u>	<u>\$ 95,876,795</u>

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

	2002	2003	2004	2005
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 86,474,269	\$ 93,572,030	\$ 85,427,185	\$ 95,661,489
Supporting services	43,277,026	42,042,464	49,858,273	49,653,089
Interest	7,266,870	9,599,755	11,647,151	12,247,793
Total governmental activities expenses	<u>137,018,165</u>	<u>145,214,249</u>	<u>146,932,609</u>	<u>157,562,371</u>
Business-type activities:				
Food services	4,221,985	4,254,543	4,410,830	4,885,656
Total primary government expenses	<u>\$ 141,240,150</u>	<u>\$ 149,468,792</u>	<u>\$ 151,343,439</u>	<u>\$ 162,448,027</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
Tuition and fees	\$ 1,923,489	\$ 2,121,666	\$ 2,101,479	\$ 2,659,299
Internal charges (1)	-	-	-	526,506
Operating grants and contributions	8,240,959	8,069,583	9,513,660	10,930,997
Capital grants and contributions	978,337	1,650,635	1,402,614	1,041,182
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>
Business-type activities:				
Charges for services	2,819,921	2,734,550	2,820,846	2,978,095
Operating grants and contributions	1,420,269	1,504,411	1,667,815	1,905,055
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>
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>
Net (expense) / revenue				
Governmental activities	\$ (125,875,380)	\$ (133,372,365)	\$ (133,914,856)	\$ (142,404,387)
Business-type activities	204,617	(15,582)	77,831	(2,506)
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>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580
Mill levy override	-	-	-	-
State equalization	57,635,616	64,987,668	68,733,866	72,261,580
Investment income	727,029	451,322	1,374,794	2,285,218
Other	1,571,116	4,534,822	1,366,652	444,753
Transfers	140,000	26,446	-	(340,410)
Total governmental activities	<u>119,625,805</u>	<u>140,287,702</u>	<u>144,656,261</u>	<u>152,419,025</u>
Business-type activities:				
Investment income	14,274	5,755	4,645	15,896
Transfers	(140,000)	(140,000)	-	340,410
Total business-type activities	<u>(125,726)</u>	<u>(134,245)</u>	<u>4,645</u>	<u>356,306</u>
Total primary government	<u>\$ 119,500,079</u>	<u>\$ 140,153,457</u>	<u>\$ 144,660,906</u>	<u>\$ 152,775,331</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (6,249,575)	\$ 6,915,337	\$ 10,741,405	\$ 10,014,638
Business-type activities	78,891	(149,827)	82,476	353,800
Total primary government	<u>\$ (6,170,684)</u>	<u>\$ 6,765,510</u>	<u>\$ 10,823,881</u>	<u>\$ 10,368,438</u>

Note 1: The classification of internal charges was changed in FY05.



2006	2007	2008	2009	2010	2011
\$ 113,735,114	\$ 115,031,293	\$ 122,240,743	\$ 127,681,937	\$ 136,783,787	\$ 154,559,432
53,304,184	58,113,258	60,629,900	69,745,866	106,835,640	92,466,787
14,320,914	16,010,493	15,500,560	15,845,498	19,182,556	20,837,721
181,360,212	189,155,044	198,371,203	213,273,301	262,801,983	267,863,940
5,873,965	6,368,635	7,069,557	7,825,813	7,795,085	8,155,509
\$ 187,234,177	\$ 195,523,679	\$ 205,440,760	\$ 221,099,114	\$ 270,597,068	\$ 276,019,449
\$ 3,280,966	\$ 6,299,455	\$ 7,167,010	\$ 8,182,298	\$ 11,324,592	\$ 10,924,440
576,681	634,386	731,765	1,892,602	2,033,494	1,594,055
13,090,706	12,329,701	13,200,675	14,558,258	19,607,144	26,905,761
1,053,746	591,496	507,755	199,537	452,712	334,803
18,002,099	19,855,038	21,607,205	24,832,695	33,417,942	39,759,059
3,098,897	3,363,892	3,574,268	3,776,079	3,911,304	3,709,186
2,442,897	2,754,834	3,106,894	3,661,169	4,206,325	4,878,818
-	-	-	312,655	135,146	-
5,541,794	6,118,726	6,681,162	7,749,903	8,252,775	8,588,004
\$ 23,543,893	\$ 25,973,764	\$ 28,288,367	\$ 32,582,598	\$ 41,670,717	\$ 48,347,063
\$ (163,358,113)	\$ (169,300,006)	\$ (176,763,998)	\$ (188,440,606)	\$ (229,384,041)	\$ (228,104,881)
(332,171)	(249,909)	(388,395)	(75,910)	457,690	432,495
\$ (163,690,284)	\$ (169,549,915)	\$ (177,152,393)	\$ (188,516,516)	\$ (228,926,351)	\$ (227,672,386)
\$ 74,977,182	\$ 77,555,794	\$ 83,233,225	\$ 88,457,619	\$ 91,637,477	\$ 91,600,278
5,987,316	5,997,044	6,047,704	6,054,107	6,023,739	5,805,254
-	-	-	15,923,875	17,385,887	17,180,635
77,794,994	85,049,954	90,264,910	100,658,351	110,042,029	101,290,756
2,511,220	4,805,951	4,350,866	1,690,910	1,361,173	2,014,620
941,954	3,471,495	1,330,495	2,798,656	3,902,508	6,952,806
(310,317)	1,095,313	-	-	-	-
161,902,349	177,975,551	185,227,200	215,583,518	230,352,813	224,844,349
25,035	25,617	23,926	5,535	570	666
310,317	-	-	-	-	-
335,352	25,617	23,926	5,535	570	666
\$ 162,237,701	\$ 178,001,168	\$ 185,251,126	\$ 215,589,053	\$ 230,353,383	\$ 224,845,015
\$ (1,455,764)	\$ 8,675,545	\$ 8,463,202	\$ 27,142,912	\$ 968,772	\$ (3,260,532)
3,181	(224,292)	(364,469)	(70,375)	458,260	433,161
\$ (1,452,583)	\$ 8,451,253	\$ 8,098,733	\$ 27,072,537	\$ 1,427,032	\$ (2,827,371)

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:				
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580
State equalization	<u>57,635,616</u>	<u>64,987,668</u>	<u>68,733,866</u>	<u>72,261,580</u>
Total finance act revenues	<u><u>\$ 117,187,660</u></u>	<u><u>\$ 135,275,112</u></u>	<u><u>\$ 141,914,815</u></u>	<u><u>\$ 150,029,464</u></u>
 Total governmental activities revenues (1)	 \$ 130,768,590	 \$ 152,129,586	 \$ 157,674,014	 \$ 167,577,009
 Public School Finance Act revenues as percentage of total governmental activities revenues	 89.6%	 88.9%	 90.0%	 89.5%

Note 1: Governmental activities revenues are a combination of  
program revenues and general revenues as shown on page 96-97

2006	2007	2008	2009	2010	2011
\$ 74,977,182	\$ 77,555,794	\$ 83,233,225	\$ 88,457,619	\$ 91,637,477	\$ 91,600,278
5,987,316	5,997,044	6,047,704	6,054,107	6,023,739	5,805,254
77,794,994	85,049,954	90,264,910	100,658,351	110,042,029	101,290,756
<u>\$ 158,759,492</u>	<u>\$ 168,602,792</u>	<u>\$ 179,545,839</u>	<u>\$ 195,170,077</u>	<u>\$ 207,703,245</u>	<u>\$ 198,696,288</u>
\$ 179,904,448	\$ 197,830,589	\$ 206,834,405	\$ 240,416,213	\$ 263,770,755	\$ 264,603,408
88.2%	85.2%	86.8%	81.2%	78.7%	75.1%

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

	2002	2003	2004	2005
General Fund				
Nondisposable	\$ 409,975	\$ 360,682	\$ 338,576	\$ 398,272
Restricted	-	44,146	35,484	21,994
Committed	-	-	-	-
Assigned	-	-	-	3,543,603
Unassigned	(10,754,933)	(14,333,506)	(4,653,181)	-
Total General Fund	<u>\$ (10,344,958)</u>	<u>\$ (13,928,678)</u>	<u>\$ (4,279,121)</u>	<u>\$ 3,963,869</u>
All Other Governmental Funds				
Nondisposable	\$ 78,000	\$ 50,000	\$ 78,000	\$ 87,919
Restricted	12,361,052	21,401,112	26,303,934	31,721,960
Committed	4,221,305	90,555,323	78,387,916	44,387,914
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 16,660,357</u>	<u>\$ 112,006,435</u>	<u>\$ 104,769,850</u>	<u>\$ 76,197,793</u>

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

Note 2: Due to the successful passage of a mill levy override in Nov 2008, the District assigned fund balance related to that purpose beginning FY09.

Note 3: The District transferred the Capital Reserve Fund from a special revenue fund type to a capital projects fund type during FY11 which impacted the reporting of some fund balance classifications within that fund.

2006	2007	2008	2009	2010	2011 (3)
\$ 308,880	\$ 358,352	\$ 470,427	\$ 279,157	\$ 368,341	\$ 412,819
62,808	3,586,569	3,335,550	5,887,253	7,012,090	7,152,152
-	182,924	1,430,725	4,637,168	6,448,562	6,797,608
5,282,565	4,495,619	3,468,174	21,235,851	22,768,212	23,713,563
2,079,433	3,466,093	6,758,492	3,675,281	5,750,977	8,526,501
<u>\$ 7,733,686</u>	<u>\$ 12,089,557</u>	<u>\$ 15,463,368</u>	<u>\$ 35,714,710</u>	<u>\$ 42,348,182</u>	<u>\$ 46,602,643</u>
\$ 38,576	\$ 42,257	\$ 42,257	\$ 42,257	\$ 42,257	\$ 42,257
33,802,155	38,425,312	33,013,230	37,665,258	41,861,206	34,751,240
21,426,345	73,272,726	23,459,105	114,283,595	162,632,220	104,057,163
-	-	-	-	-	1,712,983
-	-	-	-	-	-
<u>\$ 55,267,076</u>	<u>\$ 111,740,295</u>	<u>\$ 56,514,592</u>	<u>\$ 151,991,110</u>	<u>\$ 204,535,683</u>	<u>\$ 140,563,643</u>

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

	2002	2003	2004	2005
<b>Revenues</b>				
Property taxes	\$ 53,893,252	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580
Mill levy override	-	-	-	-
Investment income	706,332	693,051	1,328,350	2,023,366
Charges for service	1,923,489	2,121,666	2,101,479	3,185,805
Student activities (1)	-	-	-	-
Miscellaneous	1,622,459	2,387,357	2,696,524	1,470,585
Local intergovernmental	117,222	68,884	72,397	8,350
State intergovernmental	62,022,703	68,712,530	72,329,913	75,947,775
Federal intergovernmental	4,037,615	4,344,721	5,917,613	7,244,802
Total revenues	<u>\$ 129,538,914</u>	<u>\$ 148,468,305</u>	<u>\$ 158,973,733</u>	<u>\$ 167,029,363</u>
<b>Expenditures</b>				
Instruction	\$ 82,668,776	\$ 82,695,300	\$ 81,655,292	\$ 91,027,699
Supporting services	39,687,187	40,270,867	48,298,522	46,484,881
Student activities (1)	-	-	-	-
Capital outlay	13,216,858	14,994,818	58,421,911	44,165,547
Debt service				
Principal	6,377,460	2,123,000	4,200,000	2,850,000
Accrued interest	-	-	4,380,000	4,380,000
Interest and fiscal charges	7,266,870	12,764,301	11,132,546	13,095,314
Total expenditures	<u>\$ 149,217,151</u>	<u>\$ 152,848,286</u>	<u>\$ 208,088,271</u>	<u>\$ 202,003,441</u>
Excess of revenues over (under) expenditures	<u>(19,678,237)</u>	<u>(4,379,981)</u>	<u>(49,114,538)</u>	<u>(34,974,078)</u>
Other financing sources (uses)				
Bond proceeds	\$ -	\$ 131,090,000	\$ 50,100,000	\$ 56,815,000
Premium received on issuance of bonds	-	5,813,003	1,427,510	4,057,901
Paid to bond agent	-	(40,300,000)	-	(47,074,703)
Proceeds from sale of land	-	-	-	846,813
Lease proceeds	2,461,606	-	-	-
Lease obligations	-	-	-	-
Transfers in (2)	491,871	529,710	46,614	47,000
Transfers out (2)	(351,871)	(503,264)	(46,614)	(47,000)
Total other financing sources (uses)	<u>\$ 2,601,606</u>	<u>\$ 96,629,449</u>	<u>\$ 51,527,510</u>	<u>\$ 14,645,011</u>
Net change in fund balances	<u>\$ (17,076,631)</u>	<u>\$ 92,249,468</u>	<u>\$ 2,412,972</u>	<u>\$ (20,329,067)</u>
Debt service as percentage of noncapital expenditures	<u>9.8%</u>	<u>10.2%</u>	<u>13.1%</u>	<u>13.0%</u>

Note 1: Student Activities was a governmental fund (special revenue fund) until fiscal year 2002. Based on reassessment, the Agency Fund was split into a Special Revenue type and Agency type in fiscal year 2007. However, guidance provided by the Colo Dept of Education in fiscal year 2010 required the District to account for student activities in a special revenue fund.

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

2006	2007	2008	2009	2010	2011
\$ 75,034,205	\$ 75,761,142	\$ 82,001,081	\$ 87,124,649	\$ 92,597,766	\$ 92,576,990
5,987,316	5,997,044	6,047,704	6,054,107	6,023,739	5,805,254
-	-	-	15,923,875	17,385,887	17,180,635
2,386,324	4,758,927	4,324,865	1,690,910	1,361,173	2,014,620
3,857,647	4,505,478	4,949,331	7,072,297	7,492,878	7,572,312
-	2,428,363	2,949,444	3,002,603	5,865,208	5,273,683
1,670,385	1,760,662	1,804,691	2,643,533	4,210,074	6,398,209
22,619	32,296	33,559	24,271	10,000	889,400
82,136,479	90,760,436	96,769,997	106,647,109	116,754,564	108,561,877
8,749,221	7,577,197	7,720,045	8,569,500	12,894,609	19,634,640
<u>\$ 179,844,196</u>	<u>\$ 193,581,545</u>	<u>\$ 206,600,717</u>	<u>\$ 238,752,854</u>	<u>\$ 264,595,898</u>	<u>\$ 265,907,620</u>
\$ 97,521,908	\$ 102,077,107	\$ 107,631,101	\$ 118,531,065	\$ 136,127,577	\$ 137,948,105
50,716,187	56,356,357	59,126,506	65,842,654	106,358,121	82,318,652
-	2,124,971	2,839,834	3,317,010	5,588,472	5,351,321
25,050,564	12,796,447	54,797,679	11,845,608	11,933,633	63,702,969
10,680,000	11,700,000	18,835,000	11,045,000	11,695,000	12,560,000
-	-	-	-	-	-
13,047,785	14,638,580	15,222,489	16,214,243	19,906,806	23,023,214
<u>\$ 197,016,444</u>	<u>\$ 199,693,462</u>	<u>\$ 258,452,609</u>	<u>\$ 226,795,580</u>	<u>\$ 291,609,609</u>	<u>\$ 324,904,261</u>
(17,172,248)	(6,111,917)	(51,851,892)	11,957,274	(27,013,711)	(58,996,641)
\$ 43,455,000	\$ 56,800,000	\$ -	\$ 104,000,000	\$ 85,000,000	\$ 65,505,000
2,520,719	3,622,791	-	504,199	1,191,756	8,370,336
(45,964,371)	(479,707)	-	(751,347)	-	(74,596,274)
-	2,309,767	-	-	-	-
-	-	-	-	-	-
-	(473,254)	-	-	-	-
126,455	5,585,026	705,425	377,825	675,521	5,034,643
(126,455)	(423,614)	(705,425)	(360,091)	(675,521)	(5,034,643)
<u>\$ 11,348</u>	<u>\$ 66,941,009</u>	<u>\$ -</u>	<u>\$ 103,770,586</u>	<u>\$ 86,191,756</u>	<u>\$ (720,938)</u>
<u>\$ (17,160,900)</u>	<u>\$ 60,829,092</u>	<u>\$ (51,851,892)</u>	<u>\$ 115,727,860</u>	<u>\$ 59,178,045</u>	<u>\$ (59,717,579)</u>
<u>13.0%</u>	<u>13.9%</u>	<u>16.6%</u>	<u>12.9%</u>	<u>12.0%</u>	<u>13.5%</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**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities:				
Property taxes	\$ 53,893,252	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580
State equalization	<u>57,635,616</u>	<u>64,987,668</u>	<u>68,733,866</u>	<u>72,261,580</u>
Total finance act revenues	<u><u>\$ 116,744,710</u></u>	<u><u>\$ 135,127,764</u></u>	<u><u>\$ 143,261,323</u></u>	<u><u>\$ 149,410,260</u></u>
 Total revenues (1)	 \$ 129,538,914	 \$ 148,468,305	 \$ 158,973,733	 \$ 167,029,363
 Public School Finance Act revenues as percentage of total governmental funds revenues	   90.1%	   91.0%	   90.1%	   89.5%

Note 1: As shown on the Changes in Fund Balances of Governmental Funds schedule, pages 102-103



<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 75,034,205	\$ 75,761,142	\$ 82,001,081	\$ 87,124,649	\$ 92,597,766	\$ 92,576,990
5,987,316	5,997,044	6,047,704	6,054,107	6,023,739	5,805,254
<u>77,794,994</u>	<u>85,049,954</u>	<u>90,264,910</u>	<u>100,658,351</u>	<u>110,042,029</u>	<u>101,290,756</u>
<u><u>\$ 158,816,515</u></u>	<u><u>\$ 166,808,140</u></u>	<u><u>\$ 178,313,695</u></u>	<u><u>\$ 193,837,107</u></u>	<u><u>\$ 208,663,534</u></u>	<u><u>\$ 199,673,000</u></u>
\$ 179,844,196	\$ 193,581,545	\$ 206,600,717	\$ 238,752,854	\$ 264,595,898	\$ 265,907,620
88.3%	86.2%	86.3%	81.2%	78.9%	75.1%

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

Levy Year	Collection Year	Residential Property	Commercial Property	Industrial Property	Vacant Property	Oil & Gas	Public Utilities
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
2007	2008	1,182,053	431,564	263,541	122,165	158,746	34,415
2008	2009	1,204,677	455,285	280,041	112,331	150,442	37,266
2009	2010	1,177,329	498,179	291,190	102,235	266,758	42,434
2010	2011	1,187,067	570,059	220,668	98,862	217,263	44,690

Note 1: Broomfield County was formed on November 15, 2001

Note 2: Includes the override mill levy approved by voters at the 2008 Election

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

Agriculture		Natural Resources		Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
\$	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%
	14,752		5,333	2,212,569	37.798	17,713,708	12.49%
	23,999		6,530	2,270,571	46.285 (2)	18,182,936	12.49%
	17,168		6,995	2,402,288	46.268 (2)	18,423,291	13.04%
	16,517		5,174	2,360,300	46.837 (2)	18,488,567	12.77%

-

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

Levy Year	Collection Year	General Operating Millage	Debt Service Millage	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage (1)	Total County Millage	City of Longmont Millage
2001	2002	26.795	14.230	41.025	20.087	20.056	22.421	28.968	91.532	13.420
2002	2003	26.144	14.230	40.374	20.088	21.474	22.423	28.968	92.953	13.420
2003	2004	25.859	14.230	40.089	21.267	19.957	22.517	28.968	92.709	13.420
2004	2005	25.859	14.230	40.089	21.267	19.957	22.517	28.968	92.709	13.420
2005	2006	25.752	14.230	39.982	21.867	17.900	22.541	28.968	91.276	13.420
2006	2007	25.285	12.750	38.035	22.467	16.804	22.410	28.968	90.649	13.420
2007	2008	25.048	12.750	37.798	22.467	16.804	22.414	28.968	90.653	13.420
2008	2009	32.415	13.870	46.285	23.067	16.804	22.395	28.968	91.234	13.420
2009	2010	32.398	13.870	46.268	23.667	16.804	22.435	28.968	91.874	13.420
2010	2011	32.537	14.300	46.837	24.645	16.804	22.524	28.968	92.941	13.420

Note 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**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Taxpayer	2002			2011		
	2001 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	2010 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (2)
Kerr-McGee Rocky Mtn. Corp.	\$ 21,969,640	3	1.47%	\$ 127,700,650	1	5.46%
Encana Oil & Gas (USA) Inc.				54,075,250	2	2.31%
Amgen Inc.	37,711,140	1	2.52%	28,398,660	3	1.21%
Pratt Land Limited Liability Co.	27,398,600	2	1.83%			
Seagate Technology LLC	18,609,550	4	1.24%	22,344,640	4	0.96%
Noble Energy, Inc.				18,485,650	5	0.79%
Public Service Co. nka Xcel Energy				12,069,519	6	0.52%
Abound Solar, Inc.				11,941,870	7	0.51%
Hub Properties Trust				11,564,480	8	0.49%
Qwest Corporation	12,382,511	5	0.83%	11,204,400	9	0.48%
Longmont Sandstone LLC				10,783,580	10	0.46%
Maxtor Corporation	10,534,730	6	0.70%			
Xilinx Inc.	9,383,170	7	0.63%			
Cemex, Inc.	7,984,340	8	0.53%			
Twin Peaks Mall Associated Ltd.	7,930,220	9	0.53%			
Patina Oil & Gas Corporation	7,569,160	10	0.51%			
Total	<u>\$ 161,473,061</u>		<u>10.77%</u>	<u>\$ 308,568,699</u>		<u>13.19%</u>

Note 1: Based on a 2001 certified assessed valuation of \$1,498,796,828

Note 2: Based on a 2010 certified assessed valuation of \$2,338,789,583

**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)
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)
2007	2008	83,603,063	80,083,112	95.79%	1,766,634	81,849,746	97.90%	3,519,950 (2)
2008	2009	104,326,045	99,523,612	95.40%	2,206,238	101,729,849	97.51%	4,802,434 (2)
2009	2010	110,323,836	106,309,890	96.36%	3,305,101	109,614,992	99.36%	4,013,945 (2)
2010	2011	109,541,888	106,266,524	97.01%	3,185,425	109,451,949	99.92%	3,275,364 (2)

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

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

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

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

Fiscal Year	Governmental Activities			Percentage of Average Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Capital Leases	Total		
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	3.5%	1,934
2007	317,870,000	1,628,544	319,498,544	3.8%	2,185
2008	299,035,000	1,013,917	300,048,917	3.4%	2,015
2009	391,990,000	623,268	392,613,268	4.5%	2,601
2010	465,295,000	755,927	466,050,927	(1)	3,027
2011	451,865,000	-	451,865,000	(1)	2,877

Note 1: Personal income data for 2010 and 2011 not available

Note 2: Personal Income and Per Capita data from the Demographic and Economic Information on pages 116-117

**Source:** District's financial records

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

Levy Year	Collection Year	General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita (2)
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
2007	2008	299,035,000	27,000,135	272,034,865	1.54%	1,827
2008	2009	391,990,000	30,801,518	361,188,482	1.99%	2,393
2009	2010	465,295,000	32,890,953	432,404,047	2.35%	2,808
2010	2011	451,865,000	30,081,745	421,783,255	2.28%	2,686

Note 1: Refer to Assessed and Estimated Actual Values of Taxable Property schedule on page 106-107

Note 2: Population data is in the Demographic and Economic Information on page 116-117

**Source:** District's financial records



**St. Vrain Valley School District RE-1J**  
**Debt Capacity**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2011**  
**(Unaudited)**

Name of Overlapping Entity	2010 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	\$ 169,420,278	\$ 1,355,000	10.43%	\$ 141,327
Carbon Valley Park & Recreation District	302,898,970	6,760,000	93.65%	6,330,740
Central Colorado Water Conservancy - Groundwater Management	1,030,495,590	17,236,251	0.19%	32,749
City of Dacono	32,601,130	2,390,000	78.46%	1,875,194
East I-25 Sanitation District	12,628,370	720,000	96.61%	695,592
Town of Erie	223,969,846	17,355,000	81.39%	14,125,235
Erie Commons Metro District No. 1	10	8,480,000	100.00%	8,480,000
Town of Firestone	116,758,090	200,000	95.89%	191,780
Frederick-Firestone Fire Protection Dist.	314,743,890	3,055,000	98.70%	3,015,285
Gunbarrel Estates Metro Park & Rec.	10,051,053	29,144	100.00%	29,144
Harvest Junction Metropolitan District	19,831,480	7,710,000	100.00%	7,710,000
Left Hand Water & Sanitation District	6,006,306	208,076	100.00%	208,076
Liberty Ranch Metropolitan District	3,849,560	4,885,000	100.00%	4,885,000
City of Longmont	1,076,150,613	2,325,000	100.00%	2,325,000
Lyons Fire Protection District	58,990,356	870,000	99.58%	866,346
Mead Western Meadows Metro District	1,905,190	2,695,000	100.00%	2,695,000
North Metro Fire Rescue Authority	1,362,831,307	24,050,000	0.07%	16,835
Northern Colorado Water Cons. District	13,703,632,652	4,069,927	16.39%	667,061
St. Vrain Sanitation District	440,355,960	470,000	94.01%	441,847
Stoneridge Metropolitan District	6,355,140	4,000,000	99.99%	3,999,600
Vista Ridge Metropolitan District	50,481,310	40,000,000	100.00%	40,000,000
Wyndham Hill Metropolitan District No. 2	4,672,290	3,370,000	100.00%	3,370,000
Total overlapping debt				102,101,811
Direct debt of the District				451,865,000
Total direct and overlapping debt				<u>\$ 553,966,811</u>

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2010, of those entities with the authority to levy property taxes which are located wholly or partially within the District. Also, shown is the percentage and amount of the total estimated outstanding general obligation debt of these entities, inclusive and exclusive of estimated general obligation under debt, which is chargeable to property located within the District's boundaries. Because no single parcel of property located within the District's boundaries is located within every entity shown on the chart, the chart is not indicative of the actual or potential tax burden upon any single parcel of property located within the District's boundaries. The District is not financially or legally obligated with regard to any of the indebtedness shown on the chart.

**Source:** Individual governmental entities

**St. Vrain Valley School District RE-1J**  
**Debt Capacity**  
**Legal Debt Margin**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2002	2003	2004	2005
Debt Limit	\$ 299,759,366	\$ 397,395,385	\$ 826,522,526	\$ 860,996,213
Total net debt applicable to limit	139,368,000	232,693,967	278,315,000	283,890,000
Legal debt margin	<u>\$ 160,391,366</u>	<u>\$ 164,701,418</u>	<u>\$ 548,207,526</u>	<u>\$ 577,106,213</u>
Total net debt applicable to the limit as a percentage of debt limit	46.5%	58.6%	33.7%	33.0%

**Fiscal Year 2011 Calculation**

Under the Colorado Public School Finance Act of 1994, the limitation on bonded indebtedness is the greater of 20 percent of assessed value or 6 percent of actual value.

	Assessed Value		Actual Value
Assessed or Estimated Actual Value	\$ 2,360,300,274 (1)		\$ 18,488,567,000
Debt Limit Percentage	<u>20.00% (2)</u>		<u>6.00%</u>
Legal debt limit	472,060,055		1,109,314,020
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2010	<u>451,865,000</u>		<u>451,865,000</u>
Legal debt margin	<u>\$ 20,195,055</u>		<u>\$ 657,449,020</u>

Note 1: The assessed valuation shown here includes \$21,510,691 of assessed valuation attributable to the tax increment financing district (Longmont Downtown Development Authority and the Broomfield Urban Renewal Authority) located within the District. An additional slight difference is due to adjustment to the various County Assessors' compilations of the above information.

Note 2: Although the District qualifies for the legal debt margin based on 6% of the actual value, it has taken a conservative posture by limiting its debt based on 20% of the assessed value.

---

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 915,527,849	\$ 969,158,919	\$ 442,367,652	\$ 454,114,207	\$ 480,457,607	\$ 472,060,055
272,770,000	317,870,000	299,035,000	391,990,000	465,295,000	451,865,000
<u>\$ 642,757,849</u>	<u>\$ 651,288,919</u>	<u>\$ 143,332,652</u>	<u>\$ 62,124,207</u>	<u>\$ 15,162,607</u>	<u>\$ 20,195,055</u>
29.8%	32.8%	67.6%	86.3%	96.8%	95.7%

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

**Population District-wide**

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
127,223	131,310	136,910	140,363

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

**Source:** United States Department of Commerce, Bureau of Economic Analysis  
Data subject to revision; not available for 2010 and beyond.

**Annual Per Capita Personal Income by County**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Boulder	\$ 40,590	\$ 41,110	\$ 43,640	\$ 45,849
Broomfield (1)	33,293	33,376	36,530	35,743
Larimer	31,793	32,037	32,893	34,323
Weld	24,571	24,279	24,432	24,846
Average	<u>\$ 32,562</u>	<u>\$ 32,701</u>	<u>\$ 34,374</u>	<u>\$ 35,190</u>

**Source:** United States Department of Commerce, Bureau of Economic Analysis  
Data subject to revision; not available for 2010 and beyond.

- Note: 1 City and County of Broomfield was formed in 2001. Personal income and annual per capita personal income not available for 2001.
- Note 2: Prior years have been modified by the Bureau based on updated information. However, data above is shown as it has been reported in previous CAFRs.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
142,172	146,193	148,920	150,949	153,967	157,047

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 14,192,102	\$ 14,841,031	\$ 15,039,895	\$ 14,584,246
1,694,754	1,918,571	2,023,405	2,079,193
9,953,554	10,541,856	11,378,132	11,291,870
5,919,700	6,384,960	7,067,989	6,925,906
<u>\$ 7,940,028</u>	<u>\$ 8,421,605</u>	<u>\$ 8,877,355</u>	<u>\$ 8,720,304</u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 49,628	\$ 51,388	\$ 50,058	\$ 48,056
32,949	35,781	36,915	37,135
35,397	36,766	38,848	37,844
26,002	26,314	28,402	27,186
<u>\$ 35,994</u>	<u>\$ 37,562</u>	<u>\$ 38,556</u>	<u>\$ 37,555</u>

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

**Median Age by County**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Boulder	33.9	34.2	34.6	35.1	35.5
Broomfield	33.4	33.6	33.9	34.2	34.5
Larimer	33.5	33.9	34.2	34.5	34.9
Weld	31.0	31.0	31.0	31.2	31.3

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

**Annual Unemployment Rate by County (1)**

		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Boulder	(2)	3.5%	5.9%	5.8%	4.5%	4.1%
Broomfield	(3)	3.7%	5.8%	6.2%	4.7%	4.7%
Larimer	(4)	3.1%	4.8%	5.3%	4.4%	4.2%
Weld	(5)	3.2%	5.2%	5.9%	5.1%	5.0%

Note 1: Figures for the Counties are not seasonally adjusted

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

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

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

Note 5: Weld County includes the Greeley MSA

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

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

2007	2008	2009	2010	2011
35.8	36.1	36.3	37.0	37.3
34.7	34.9	35.5	35.8	36.1
35.1	35.2	35.5	36.3	36.7
31.5	31.7	31.8	32.4	32.6

2007	2008	2009	2010	2011 (6)
3.3%	4.8%	6.6%	7.1%	7.0%
3.8%	5.4%	7.5%	7.9%	8.0%
3.4%	4.7%	6.6%	7.4%	7.0%
4.2%	5.6%	8.8%	10.2%	10.1%

**THIS PAGE LEFT INTENTIONALLY BLANK**



**St. Vrain Valley School District RE-1J**  
**Demographic and Economic Information**  
**Major Private and Public Employers (1)**  
**Boulder County and the City and County of Broomfield Combined**  
**Current Year and Eight Fiscal Years Ago (2)**  
**(Unaudited)**

Employer	Product of Service	2003		2011	
		Estimated Number of Employees (3)	Rank	Estimated Number of Employees (3)	Rank
University of Colorado, Boulder	Public university			6,827	1
Boulder Valley School District	Public education			4,200	2
IBM Corp.	Computer systems and services	5,000	1	3,400	3
Oracle Corp.	Network computer systems/software	3,250	2	3,300	4
St. Vrain Valley School District	Public education			3,238	5
Ball Corp.	Areospace instruments and data systems	1,925	7	3,100	6
Storage Technology Corp.	Data storage products	3,000	3		
Boulder Community Hospital	Healthcare	2,102	5	2,190	7
Level 3 Communications Inc.	Communication/fiberoptic network	2,350	4	2,016	8
EDS Corp.	Information technology services	2,000	6		
Covidien (parent of Valleylab)	Surgical solution products			1,750	9
Boulder County	County government			1,700	10
Longmont Foods	Food (turkey) products	1,200	8		
Maxtor Corp.	Computer hard disc drives	1,200	9		
Seagate Technology	Computer hard disc drives	1,010	10		
		<u>14,787</u>		<u>13,994</u>	

Note 1: Data in prior year may only include private sector employers

Note 2: Data prior to fiscal year 2003 is not available

Note 3: Figures reflect early or mid-year calendar year employment data and are not restricted to full-time employees only.

**Source:** 2011 data from The Boulder County Business Report, "Book of Lists," January 2011  
2003 data from The Boulder County Business Report, "The List," September 20, 2002

**St. Vrain Valley School District RE-1J**  
**Operating Information**  
**Full-Time Equivalent (FTE) District Employees by Function (1)**  
**Last Seven Fiscal Years (2)**  
**(Unaudited)**

<u>Function</u>	<u>Description</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Direct Instruction	Classroom teachers, special education and English as a Second Language teachers, teachers' aides, librarians (4), counselors (4)	1,534	1,515	1,571
Classroom Support	Librarians (4), counselors (4), school principals and assistant principals, support staff including speech services, attendance, and extra-curricular activities	386	381	395
Building Support	Student transportation, utilities, maintenance, custodial services, printing, purchasing, technology services, etc.	311	307	319
Central Support/ Administration	Human resources, finance, payroll, budgeting, legal, clerical support, supervision of instruction, public information, superintendent's office, etc.	30	30	31
Total FTE		<u>2,261</u>	<u>2,234</u>	<u>2,316</u>

Note 1: 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.

Note 2: Due to the change in compiling and reporting FTE data, the FTE by function is not available prior to fiscal year 2005.

Note 3: The District changed human resources and payroll systems during fiscal year 2010 and, thus, changed the methodology by which it compiles and reports employee FTE.

Note 4: Based on the District Board of Education's goals, librarians and counselors were reclassified from classroom support to direct instruction effective fiscal year 2010.

Note 5: Although the above table represents FTE for the General Fund only, additional FTE were supported by federally funded grants as follows: 62 and 32 FTE for direct instruction and 36 and 44 FTE for classroom support for fiscal years 2010 and 2011, respectively.

**Source:** District's Human Resources Department

<u>2008</u>	<u>2009</u>	<u>2010 (3)</u>	<u>2011 (3)</u>
1,753	1,514	1,612 (5)	1,589 (5)
441	381	366 (5)	388 (5)
356	307	336	338
34	30	32	34
<u>2,584</u>	<u>2,232</u>	<u>2,346</u>	<u>2,349</u>

**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)
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	22,263.0
2008	24,216.0	22,836.5
2009	25,270.0	23,901.1
2010	26,303.0	24,905.9
2011	26,662.0	25,172.5

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

Note 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 Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Expenses (1)	Enrollment (2)	Cost per Pupil	Pupil Teacher Ratio (3)	Number of Free and Reduced Students (4)	Percent of Free and Reduced Students in Lunch Program
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	23:05:01	5,007	23.3%
2006	181,360,212	22,482.0	8,067	24.1:1	6,249	27.8%
2007	189,155,044	23,630.0	8,005	24.1:1	6,940	29.4%
2008	198,371,203	24,216.0	8,192	24.1:1	7,325	30.2%
2009	213,273,301	25,270.0	8,440	24.8:1	7,877	31.2%
2010	262,801,983	26,303.0	9,991	24.0:1 (5)	9,083	34.5%
2011	267,863,940	26,662.0	10,047	24.0:1 (5)	9,358	35.1%

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

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

Note 3: Provided by the Human Resources Department

Note 4: Provided by Nutrition Services

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

**Source:** District's financial records

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

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

Note 1: Includes the new elementary school. Construction completed prior to June 30, 2011.

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

2007	2008	2009	2010	2011
22	22	25	25	26 (1)
1,072,642	1,072,642	1,228,045	1,232,741	1,305,337
10,411	10,411	11,505	11,641	12,291
9,778	9,971	10,890	11,236	11,453
94%	96%	95%	97%	93%
9	9	9	9	9
905,153	905,153	905,153	908,105	908,105
6,331	6,331	6,331	6,331	6,392
4,956	4,992	4,909	5,060	5,080
78%	79%	78%	80%	79%
7	7	7	8	8
1,083,994	1,083,994	1,083,994	1,246,227	1,301,849
6,995	6,995	6,995	7,721	8,413
6,728	7,019	7,026	7,147	7,255
96%	100%	100%	93%	86%
2	2	2	2	2
97,032	97,032	97,032	152,516	152,516
572	556	558	552	578
4	3	4	5	5
1,420	1,397	1,887	2,308	2,589
144,106	144,106	144,106	169,672	169,672

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

	2002	2003	2004	2005
General Fixed Assets Group / Governmental Activities				
Land/Sites	\$ 10,963,016	\$ 11,700,106	\$ 13,101,777	\$ 16,868,344
Projects in progress	-	3,701,002	47,988,336	20,455,309
Water rights	2,612,516	2,612,516	2,612,516	2,612,516
Capital assets not depreciated	<u>13,575,532</u>	<u>18,013,624</u>	<u>63,702,629</u>	<u>39,936,169</u>
Land Improvements	11,205,967	11,643,568	13,803,835	16,362,434
Buildings	103,752,158	104,563,622	104,563,622	163,650,732
Building Improvements	75,795,663	76,042,521	83,590,019	87,209,911
Equipment	14,839,302	15,397,086	17,487,102	23,182,130
Capital assets depreciated	<u>205,593,090</u>	<u>207,646,797</u>	<u>219,444,578</u>	<u>290,405,207</u>
Less: accumulated depreciation				
Land Improvements	3,050,927	3,566,526	4,222,100	4,840,750
Buildings	27,592,543	29,444,832	31,298,614	33,136,901
Building Improvements	13,700,056	15,746,468	18,049,170	19,791,865
Equipment	8,507,722	9,731,386	10,746,973	11,550,228
Total accumulated depreciation	<u>52,851,248</u>	<u>58,489,212</u>	<u>64,316,857</u>	<u>69,319,744</u>
Capital assets depreciated, net	<u>152,741,842</u>	<u>149,157,585</u>	<u>155,127,721</u>	<u>221,085,463</u>
Total capital assets, General Fixed Assets Group / Governmental Activities	<u>\$ 166,317,374</u>	<u>\$ 167,171,209</u>	<u>\$ 218,830,350</u>	<u>\$ 261,021,632</u>
Enterprise Fund / Business-type Activities				
Equipment	\$ 1,477,203	\$ 1,559,536	\$ 1,576,109	\$ 1,953,186
Less: accumulated depreciation	615,987	737,693	848,425	971,415
Total	<u>\$ 861,216</u>	<u>\$ 821,843</u>	<u>\$ 727,684</u>	<u>\$ 981,771</u>

**Source:** District's financial records



2006	2007	2008	2009	2010	2011
\$ 17,281,724	\$ 18,564,441	\$ 19,792,539	\$ 19,792,539	\$ 19,792,539	\$ 20,073,379
5,072,230	8,658,126	58,980,808	1,811,297	25,144,438	70,274,929
4,089,516	4,089,516	4,122,407	4,340,807	4,943,227	1,095,578
<u>26,443,470</u>	<u>31,312,083</u>	<u>82,895,754</u>	<u>25,944,643</u>	<u>49,880,204</u>	<u>91,443,886</u>
16,974,890	19,261,023	19,261,023	20,163,514	20,178,134	23,402,497
176,858,388	178,542,911	178,624,762	245,874,910	246,727,350	249,187,029
99,353,087	99,556,995	99,725,058	99,876,713	100,398,102	112,542,642
23,950,193	25,213,065	26,120,496	27,199,661	29,210,118	30,357,183
<u>317,136,558</u>	<u>322,573,994</u>	<u>323,731,339</u>	<u>393,114,798</u>	<u>396,513,704</u>	<u>415,489,351</u>
5,681,171	6,579,135	7,477,099	8,409,521	9,298,853	10,271,324
35,314,984	39,654,107	42,877,045	46,979,138	51,412,991	56,207,902
23,283,112	26,385,211	29,472,391	32,574,831	35,740,474	39,379,006
12,658,701	14,658,269	16,644,245	18,731,165	20,548,985	22,192,475
<u>76,937,968</u>	<u>87,276,722</u>	<u>96,470,780</u>	<u>106,694,655</u>	<u>117,001,303</u>	<u>128,050,707</u>
<u>240,198,590</u>	<u>235,297,272</u>	<u>227,260,559</u>	<u>286,420,143</u>	<u>279,512,401</u>	<u>287,438,644</u>
<u>\$ 266,642,060</u>	<u>\$ 266,609,355</u>	<u>\$ 310,156,313</u>	<u>\$ 312,364,786</u>	<u>\$ 329,392,605</u>	<u>\$ 378,882,530</u>
\$ 2,249,157	\$ 2,312,660	\$ 2,324,322	\$ 2,634,246	\$ 2,756,630	\$ 2,823,299
1,105,986	1,253,142	1,397,420	1,558,615	1,714,277	1,914,487
<u>\$ 1,143,171</u>	<u>\$ 1,059,518</u>	<u>\$ 926,902</u>	<u>\$ 1,075,631</u>	<u>\$ 1,042,353</u>	<u>\$ 908,812</u>

**THIS PAGE LEFT INTENTIONALLY BLANK**

## **COMPLIANCE SECTION**

**THIS PAGE LEFT INTENTIONALLY BLANK**



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

44 Inverness Drive East  
Englewood, CO 80112

T 303.799.6826  
F 303.799.6926

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

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

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With Government Auditing Standards**

We have audited the 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 (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 9, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Twin Peaks Charter Academy, Flagstaff Academy, Carbon Valley Academy, Imagine Charter School at Firestone, and St. Vrain Community Montessori School as described in our report on the District's financial statements. The financial statements of Twin Peaks Charter Academy, Flagstaff Academy, Carbon Valley Academy, Imagine Charter School at Firestone, and St. Vrain Community Montessori School were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the District in a separate letter dated October 13, 2011.

This report is intended solely for the information and use of the Board of Education, the finance and audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*RubinBrown LLP*

December 9, 2011





RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

44 Inverness Drive East  
Englewood, CO 80112

T 303.799.6826  
F 303.799.6926

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

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

**Report on Compliance with Requirements That Could Have  
a Direct and Material Effect on Each Major Program and on Internal  
Control Over Compliance in Accordance with OMB Circular A-133**

**Independent Auditors' Report**

**Compliance**

We have audited St. Vrain Valley School District RE-1J's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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

### Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Board of Education, the finance and audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*RubinBrown LLP*

December 9, 2011



## ST. VRAIN VALLEY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct award from the Federal Government			
Advanced Placement Program	84.330	5330	\$ 134,764
Investing in Innovation, Recovery Act	84.396	4396	488,835
Passed Through State Department of Education			
Adult Education Basic Grants to States	84.002	5002, 6002	222,554
Title I Grants to Local Education Agencies (Title I, Part A of ESEA)	84.010	4010, 5010, 6010	2,514,873
Migrant Education - State Grant Program (Title I, Part C of ESEA)	84.011	4011	87,026
Special Education - Grant to States (IDEA, Part B)	84.027	4027, 5027	3,686,765
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	5126	394,462
Special Education - Preschool Grants, (IDEA Preschool)	84.173	4173	51,256
Safe and Drug-Free Schools and Communities - State Grants (Title IV, Part A, Subpart 1 of E	84.186	4186	4,417
Education for Homeless Children and Youth	84.196	5196	46,121
Charter Schools	84.282	5282, 6282	254,580
Education Technology State Grants	84.318	4318, 5318	5,890
English Language Acquisition Grants	84.365	4365, 7365	410,059
Improving Teacher Quality State Grants	84.367	4367	599,036
School Improvement Grants	84.377	5377	3,768
Title I Grants to Local Education Agencies, Recovery Act	84.389	4389	887,078
Special Education- Grant to States (IDEA, Part B), Recovery Act	84.391	4391, 8391	1,292,212
Special Education - Preschool Grants, (IDEA Preschool), Recovery Act	84.392	4392	110,801
State Fiscal Stabilization Funds- Education State Grants, Recovery Act	84.394	4394	1,901,449
Jobs in Education, Recovery Act	84.410	4410	4,952,078
Passed Through State Community College System			
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	4048	102,534
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>18,150,558</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Department of Education			
School Breakfast Program (SBP)	10.553	4553	437,679
National School Lunch Program (NSLP)	10.555	4555	3,372,332
Summer Food Service Program for Children (SFSPC)	10.559	4559	119,946
National School Lunch Equipment Assistance	10.579	5579	82,162
Fresh Fruits and Vegetables	10.582	4582	81,907
Passed Through State Department of Human Services			
Non-Cash Assistance (Commodities)			
National School Lunch Program (NSLP)	10.555	4555	665,979
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>4,760,005</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed through the Colorado Department of Transportation			
Highway Planning and Construction (Federal Aid Highway Program)	20.205	7205	38,113
<b>TOTAL</b>			<u>\$ 22,948,676</u>

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

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2011

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, which includes the federal grant activity of the St. Vrain Valley School District RE-1J (District), is presented on the modified accrual basis of accounting, except for the U.S. Department of Education grants, which are presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the District's financial statements for the year ended June 30, 2011.

NOTE 2: NON-CASH

The District receives food commodities from the U.S. Department of Agriculture for use in its food service program. The commodities are recognized as revenue when received. The commodities are recognized as expenditures when used by the schools. The majority of the commodities are stored at the individual schools, instead of a central warehouse. As such, the District has determined that the title to the commodities passes to the District upon receipt of the commodities. Since the District has received title to the commodities, the unused commodities are not reflected as deferred revenue.

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

June 30, 2011

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <input checked="" type="checkbox"/> no

**Federal Awards**

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

Type of auditors' report issued on compliance for major programs:	Unqualified
---	-------------

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____ yes	_____ <input checked="" type="checkbox"/> no
--	-----------	--

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	TITLE I GRANTS TO LOCAL EDUCATION AGENCIES (Title I, Part A of the ESEA)
84.027	SPECIAL EDUCATION—GRANTS TO STATES (IDEA, Part B)
84.173	SPECIAL EDUCATION—PRESCHOOL GRANTS (IDEA Preschool)
84.389	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT
84.391	SPECIAL EDUCATION—GRANTS TO STATES (IDEA, Part B), RECOVERY ACT
84.392	SPECIAL EDUCATION—PRESCHOOL GRANTS (IDEA Preschool), RECOVERY ACT
84.394	STATE FISCAL STABILIZATION FUND (SFSF) – EDUCATION STATE GRANTS, RECOVERY ACT (EDUCATION STABILIZATION FUND)

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

June 30, 2011

Section I - Summary of Auditors' Results (Continued)

Identification of major programs (Continued):

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.396	STATE FISCAL STABILIZATION FUND (SFSF) – INVESTING IN
	INNOVATION (I3) FUND, RECOVERY ACT
84.410	EDUCATION JOBS FUND

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

\$687,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

Section II - Financial Statement Findings

There were no findings relating to the District's financial statements for the year ended June 30, 2011.

Section III - Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs for the year ended June 30, 2011.

Section IV - Prior Year Findings

There were no federal award findings or questioned costs for the year ended June 30, 2010.



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

44 Inverness Drive East  
Englewood, CO 80112

T 303.799.6826  
F 303.799.6926

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

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

**Independent Auditors' Report on  
Electronic Financial Data Integrity Check Figures**

We have audited the 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 (District), as of and for the year ended June 30, 2011, and have issued our report, thereon, dated December 9, 2011. Our report was modified to include a reference to other auditors. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit and the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 other auditors provide a reasonable basis for our opinions.

Our audit was made for the purpose of forming opinions on the financial statements taken as a whole. The accompanying *Schedule of Electronic Financial Data Integrity Check Figures* is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The results of our tests indicate that, with respect to the items tested, the District appears to have complied, in all material respects, with the provisions of the *Financial Policies and Procedures Manual* for State of Colorado Public School Districts.

*RubinBrown LLP*

December 9, 2011



# Colorado Department of Education

## Automated Data Exchange View Report

12/14/2011  
12:55 PM

Colorado Department of Education  
Fiscal Year 2010-2011  
Colorado School District/BOCES  
Auditor's Integrity Report

BOULDER ST VRAIN VALLEY RE 1J  
District Code: 0470

### Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	35,362,416	182,360,480	178,403,134	39,319,762
18 Risk Mgmt Sub-Fund of General Fund	6,448,562	2,371,313	2,022,266	6,797,609
19 Colorado Preschool Program Fund	537,204	921,824	973,756	485,273
Subtotal	42,348,182	185,653,617	181,399,156	46,602,643
11 Charter School Fund	4,723,271	17,033,316	17,353,493	4,403,093
20,26-29 Special Revenue Fund	5,651,480	4,119,462	4,150,853	5,620,089
21 Capital Reserve Spec Revenue Fund	4,715,219	-4,260,818	226,290	228,112
22 Govt Designated-Purpose Grants Fund	61,945	12,756,174	12,818,119	0
23 Pupil Activity Special Revenue Fund	3,035,478	6,258,521	5,628,968	3,665,030
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
30 Debt Service Fund	0	0	0	0
31 Bond Redemption Fund	32,890,953	107,370,280	110,179,488	30,081,745
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	158,977,539	1,682,974	64,383,604	96,276,909
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	10,194,882	4,079,718	6,115,163
TOTALS	252,404,068	340,808,408	400,219,690	192,992,786
<b>Proprietary</b>				
51 Food Service Fund	2,062,164	8,588,671	8,207,682	2,443,153
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
TOTALS	2,062,164	8,588,671	8,207,682	2,443,153
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	206,701	64,071	71,205	199,568
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	69,688	211,733	153,556	127,865
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	-1,736,801	3,763,603	3,356,028	-1,329,225
TOTALS	-1,460,411	4,039,408	3,580,789	-1,001,793

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

From submitted data file: fd0470.08a

Program: fdrdh.sqr

File: fd0470.dha

FINAL

Previous Page

Page Generated: Wed Dec 14 13:23:15 2011

For further information contact [ademaster@cde.state.co.us](mailto:ademaster@cde.state.co.us)

*The community is the foundation of our school system. Working together we can give our children expanded opportunities in safe, high performing 21st century schools.*

*Don Haddad, Ed.D., Superintendent*

