



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

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2012



**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, 2012

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

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St. Vrain Valley School District RE-1J

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## **INTRODUCTORY SECTION**

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

**OUR VISION**

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

**OUR MISSION**

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

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

**BOARD OF EDUCATION  
2011-2012**



Pictured from left to right:

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

*(Row 2)* Assistant Secretary Mike Schiers, and  
Members Mr. Rod Schmidt and Ms. Joie Siegrist

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October 15, 2012

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, 2012. 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, 2012.

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, 2012, 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, 2012, 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.

St. Vrain Valley School District is the educational home of more than 27,000 of Colorado's students. The ninth largest school district in the state, St. Vrain Valley operates 53 schools that are spread over 411 square miles. The makeup of the schools include: 26 Elementary, 9 Middle, 1 Middle/Senior, 7 High, 2 Alternative, 1 Online, 1 Homeschool program and 6 Charters. Located approximately 30 miles north of Denver, the District is geographically diverse. Its physical boundaries extend from the Continental Divide into the plains of Colorado. Adding to its scenic setting are historic downtown Longmont and the backdrop of Rocky Mountain National Park and Longs Peak. The District includes approximately 159,000 residents. There are 13 different communities that makeup St. Vrain Valley School District: eastern Boulder, Broomfield, Dacono, Erie, Firestone, Frederick, Hygiene, Longmont, Lyons, Mead, Niwot, Peaceful Valley, and Raymond. Parts of Boulder, Broomfield, Larimer, and Weld Counties fall within its boundaries.

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

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, 2012 there were six component units (Charter Schools). The inclusion or exclusion of component units is based on a determination of the elected official's accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

As of June 30, 2012, the District's Board of Education has approved six charter schools. The six charter schools – Aspen Ridge Preparatory School; Carbon Valley Academy; Flagstaff Academy; Imagine Charter School at Firestone; St. Vrain Community Montessori School; and Twin Peaks Charter Academy – were operational during the year ended June 30, 2012. The respective members of the Charter Schools' Governing Boards are appointed separately from the District's Board of Education. The Charter Schools are deemed to be fiscally dependent upon the District since the District provides the majority of support to the Charter Schools in the form of per pupil revenue (PPR); therefore, the Charter Schools' financial information has been presented as discretely presented component units. No new charter applications were received during the fiscal year 2012.

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 January 31, 2012 *Budget and Economic Outlook: Fiscal Years 2012 to 2022*; the August 22, 2012 *An Update to the Budget and Economic Outlook: Fiscal Years 2012 to 2022*; and the September 10, 2012 *Monthly Budget Review*.

According to CBO estimates, for the fiscal year ending September 30, 2012, the federal budget deficit will total \$1.1 trillion, marking the fourth year in a row with a deficit of more than \$1 trillion. That projection is down slightly from the \$1.2 trillion deficit that CBO projected mid-year. At 73 percent of gross domestic product (GDP), this year's deficit will be three-quarters as large as the deficit in 2009 when measured relative to the size of the economy. Federal debt held by the public will reach 73 percent of GDP by the

end of this fiscal year—the highest level since 1950 and about twice the share that it measured at the end of 2007, before the financial crisis and recent recession.

CBO expects the economic recovery to continue at a modest pace for the remainder of calendar year 2012, with real (inflation-adjusted) GDP growing at an annual rate of about 2¼ percent in the second half of the year, compared with a rate of about 1¾ percent in the first half. The unemployment rate will stay above 8 percent for the rest of the year, and the rate of inflation in consumer prices will remain low.

After that, the projections get murky. CBO's baseline projections are heavily influenced by changes in tax and spending policies that are embodied in current law—changes that in some cases represent a significant departure from recent policies.

In the CBO's baseline projections, the deficit will shrink to an estimated \$641 billion in fiscal year 2013 (or 4.0 percent of GDP), almost \$500 billion less than the shortfall in 2012. Such fiscal tightening will lead to economic conditions in 2013 that will probably be considered a recession, with real GDP declining by 0.5 percent between the fourth quarter of 2012 and the fourth quarter of 2013 and the unemployment rate rising to about 9 percent in the second half of calendar year 2013.

Because of the large amount of unused resources in the economy and other factors, the rate of inflation (as measured by the personal consumption expenditures, or PCE, price index) will remain low in 2013. In addition, interest rates on Treasury securities are expected to stay very low next year. Budget deficits are projected to continue to shrink for several years—to 2.4 percent of GDP in 2014 and 0.4 percent by 2018—before rising again to 0.9 percent by 2022. With deficits small relative to the size of the economy, debt held by the public is also projected to drop relative to GDP—from about 77 percent in 2014 to about 58 percent in 2022. Even with that decline, however, debt would represent a larger share of GDP in 2022 than in any year between 1955 and 2009.

Outlays, by contrast, are projected to be a smaller share of GDP in 2022 under current law. Discretionary spending is projected to decline relative to GDP throughout the next 10 years because of the caps on discretionary funding that stem from provisions of the Budget Control Act.

The CBO has developed an alternative fiscal scenario to show the budgetary consequences of maintaining certain tax and spending policies that have recently been in effect. That scenario incorporates the following assumptions:

- Expiring tax provisions (other than the payroll tax reduction) are extended [*under current law, those expirations will boost individual income taxes in a variety of ways by amounts totaling \$3.8 trillion from 2013 through 2022*];
- The AMT is indexed for inflation after 2011 [*under current law, its parameters are fixed, and the number of taxpayers affected by the AMT will jump from 4 million in calendar year 2011 to 30 million in 2012*];
- Medicare's payment rates for physicians' services are held constant at their current level [*under current law, those rates are scheduled to drop by 27 percent this March and more in later years*]; and
- The automatic spending reductions required by the Budget Control Act do not take effect [*under current law, they will impose reductions totaling about \$109 billion a year starting in January 2013*].

Given these assumptions in 2013, the deficit would total \$1.0 trillion, almost \$400 billion (or 2.5 percent of GDP) more than the deficit projected to occur under current law. The economy would be stronger in 2013: Real GDP would grow by 1.7 percent between the fourth quarter of 2012 and the fourth quarter of 2013, and the unemployment rate would be about 8 percent by the end of 2013, CBO projects.

Real GDP would be higher in the first few years of the projection period than in CBO's baseline economic forecast, and the unemployment rate would be lower. However, the persistence of large budget deficits and rapidly escalating federal debt would hinder national saving and investment, thus reducing GDP and income relative to the levels that would occur with smaller deficits. In the later part of the projection period, the economy would grow more slowly than in CBO's baseline, and interest rates would be higher.

Under that alternative fiscal scenario, far larger deficits and much greater debt would result than are shown in CBO's baseline. Deficits would average 5.4 percent of GDP over the 2013–2022 period, rather than the 1.5 percent reflected in CBO's baseline projections. Debt held by the public would climb to 94 percent of GDP in 2022, the highest figure since just after World War II.

This November's elections will have a significant impact on which fiscal scenario is in effect in January, 2013. There is considerable doubt that the politicians in Washington have the political will to trade short-term pain for an improved long-term, stable economy.

### State Economy

The June 20, 2012 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).

The economies of Colorado and the nation are experiencing mixed conditions. There continue to be positives, such as improvements in the long-struggling housing market, continued growth in jobs and exports, increased energy production, and reduced household debt loads. Most notably, the foundation of Colorado's economy has grown stronger; it continues to outperform the nation overall and many other states.

Unfortunately, despite Colorado's strong foundation, it is not immune from global economic issues. The forecast for both the state and national economies is for continued, albeit slower, growth as the economy muddles through an environment of heightened uncertainty and weaker global economic conditions. Colorado should continue to outperform the nation. Conditions for Colorado businesses overall continue to be relatively positive, though recent data show signs of slowing. Durable goods producers outperformed non-durable goods in Colorado.

Colorado continues to add jobs, though at a pace not strong enough to lower unemployment substantially. Uneven growth, heightened economic uncertainty, and economic restructuring continue to create a challenging job market. Colorado's job growth has been relatively strong and has outpaced the nation.

Colorado's job growth has been more robust due to its larger concentration of high-skilled workers that are in higher demand in today's information and technologically-based economy. Also, its favorable mix of industries, such as professional and technical services, energy, manufacturing, and tourism, produce high economic value and generate income to the state. Despite the relatively strong growth, however, job levels remain below their pre-recession peak.

The rate of job growth will slow both nationally and in Colorado for the remainder of the year and in 2013. This slowdown will occur due to the weakening in the global and national economy, the exacerbation of the problems in Europe, and heightened uncertainty which will hold back investment and hiring.

The June 2012 General Fund revenue forecast for the current budget year (FY 2011-12) is 3.2 percent higher mostly due to higher-than-expected individual and corporate income tax revenue. Revenue in FY 2011-12 is now estimated to increase 7.8 percent over FY 2010-11.

General Fund revenue for the next budget year (FY 2012-13) will grow at rate lower than forecasted in March. The lower growth rate is due to the slowing global and national economies, heightened uncertainty and risks from the European crisis, and unresolved federal fiscal issues.

Colorado's economy has grown stronger, with improvements in the long-struggling housing market, continued growth in jobs, increased energy production, export growth, and reduced household debt loads. The state also appears to be adapting better than many other regions to the increasingly dynamic, information-driven, and technology-intensive economy, because of the employee base noted above.

There still exists 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. The structural gap developed over many years and will take time to resolve. Spending pressures from increasing costs, expiring temporary financing, the returning Senior Homestead Exemption, and rising program caseloads put pressure on the FY 2012-13 state budget despite the many permanent budget actions taken in FY 2011-12. Because the state must maintain a balanced budget, many State programs will continue to face budget reductions.

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.

From FY 2007-08 to FY 2012, state funding for K-12 Education has been cut by \$774,414,341, an almost 10% decrease.

A group of individuals and school districts from across the state are currently suing the state, asserting that Colorado's underfunding of the public schools violates Colorado's constitutional provisions addressing the "thorough and uniform" system of public education and granting local school boards "control of instruction" in their districts. Plaintiffs argue that K-12 funding is underfunded by \$3 billion. According to the Joint Budget Committee Appropriations Report 2010-11, K-12 in Colorado receives 45.6% of the general fund, i.e., \$3.2 billion of a \$6.97 billion general fund. Plaintiffs also argue the state must provide additional capital funding of up to \$17 billion.

The state defense contends that if the Plaintiffs were to win, to meet this obligation, Colorado would either have to raise taxes by at least 50 percent or have to devote 89 percent of the general fund budget to K-12 funding, crowding out things such as Medicaid, unemployment assistance, transportation, public safety. On December 9, 2011 the District Court ruled in favor of the plaintiffs and held that the state's school finance system is unconstitutional because it is inadequate and not rationally related to the constitutional mandate of a thorough and uniform system of free public education. The plaintiffs' action for declaratory and injunctive relief was stayed until final action by the Colorado Supreme Court. The Supreme Court is expected to issue a ruling in late 2012 or early 2013.

Some Colorado legislators have been focused on minimizing education cuts. Colorado Senator Rollie Heath led the charge to put Proposition 103 on the November 2011 ballot. The measure proposed raising both the state income tax and the state sales tax for education funding. The proposal was

defeated, primarily due to the sluggish and uncertain economy, combined with a distrust of state government.

Other legislation has directed revenues to the State Education Fund to help mitigate growth and inflation in future years. In FY 2011-12, the State Education Fund received a portion (\$221.4 million) of the General Fund revenue above the required reserve from FY 2010-11. In addition, the fund received \$9.6 million from the Tax Amnesty Program created by SB 11-184.

Under HB 12-1338, in FY 2012-13, the fund will receive \$59 million of the FY 2011-12 excess reserves, which is in addition to the annual diversion of a portion of taxable income. For FY 2013-14, it will receive all of the FY 2012-13 excess reserves, or a projected \$342.5 million.

The legislators also managed to redirect budget savings to education for FY13 to avoid further rescissions, holding the per pupil funding flat. Hopeful legislators are currently predicting schools could be funded for growth and inflation in FY14 because of higher than expected revenues in the first quarter of FY13.

#### Local Economy

Colorado property is reassessed for valuation every two years and in 2011 the District's assessment dropped by 1% due to the weakening housing market. In 2012, a non-assessment year, the District's assessment grew from continued growth in new single family homes in Erie, Frederick and Firestone and the growth in Weld County oil and gas production. The new valuations came in at \$2.43 billion, a valuation growth of almost \$95 million.

The largest community within the District is Longmont (the City). According to the City website, with a population of 87,850, the City has reached approximately 78% of residential build out, and 43% of its job capacity build out in commercial and industrial development.

*The Economic Indicators For Longmont Through August 2012*, prepared by the City's financial staff provides a positive snapshot. The City's most important revenue indicator, sales and use tax, is up 5.7% from 2010 levels. Building permits through the month of August were 98 single family permits and 3 multi-family permits. This compares to 35 single family and 1 multi-family permits issued through August 2011. That's a 180% increase in total dwelling permits. There were eight new commercial construction permits through August 2012 compared to five through August of 2011. The local unemployment rate was 6.5% in 2012, down from 7.2% in July of 2011. After losing 93 primary jobs in 2011, the Longmont Area Economic Council reports a gain of 137 primary jobs through July, 2012.

The Weld County portion of the District includes the growing towns of Erie with a population of about 19,000, increasing by 500 over 2011 numbers; Firestone with 11,096, compared with 10,150 in 2011;; and Mead with 3,405 residents compared to 3,200 in 2011. Frederick and Dacono were the only Weld County towns within the District that have not experienced growth in the last year with respective populations of 8,494 in Frederick and 4,200 in Dacono. 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 2012 show an increase of more than 700 students. Over the last 10 years, the enrollment growth has averaged approximately 671 students per year as shown in the chart on page 124. Enrollment has grown by an average rate of 3.2% per year since 2003. This totals 6,709 additional students in the district since 2003. 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 31,419 by 2015.

### 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 89% of the District's General Fund general revenues for fiscal year 2011-2012.

The District is scheduled to receive \$6,332 per pupil FTE as per pupil revenue (PPR) for FY13, the same per pupil revenue as FY12. This compares to \$6,663 for FY11, a decrease of \$331 (5.0%). This has been cut from \$6,945 in FY10, a per pupil cut of \$613 in the last two years. State officials are optimistic for the first time in years that schools will be funded for growth and inflation in 2013-14.

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.

In November 2008, District voters approved a \$189 million bond for district-wide capital building repairs, infrastructure upgrades, the construction of a new high school in the Carbon Valley, and the ability to respond to pockets of overcrowding in the District. Savings in the bond projects because of lower than anticipated construction costs have helped the District expand the project scope to help mitigate state cuts. The District plans to close 3 buildings in 2013 and move students into newly renovated spaces in existing buildings. Many of the 2008 bond projects are designed to improve operating efficiencies and enhance the learning environment for students. The 2008 bond built or renovated 447 "smart" classrooms with instructional technology. The remaining 663 district classrooms have technology in varying degrees, mostly funded through school budgets, local grants, and parent fundraising contributions.

The District voters also approved a \$16.5 million mill levy override in 2008. The override was for a flat mill rate that will grow and fall with the District's assessed valuation. This override has been a significant factor in both mitigating state cuts and improving the District's educational performance.

The state budget cuts have resulted in St. Vrain Valley School District being funded at \$32.5 million less than the school finance formula and over \$20 million less than if per pupil revenue were the same as in 2009. Budget adjustments necessary to deal with the state K-12 cuts include central and administrative position cuts, adjustments in staff allocations to schools, department and school budget cuts, delaying the replacement cycles for textbooks and technology, the consolidation of services and enhancement of efficiencies.

The School Board has placed a second mill levy override on the 2012 ballot to alleviate state cuts. The 2012 mill levy request is for \$14.8 million and is also set as a flat mill override. If successful, the override

will be used to recruit and retain highly-qualified staff, maintain class sizes, standardize and refresh technology, and expand early childhood education. The outcome of this election will play a major role in providing long-term budget stability.

## **MAJOR INITIATIVES**

In its continued efforts to increase student achievement and success, the District's Board and administrative leadership have developed a comprehensive District-wide plan including the following seven strategic priority initiatives: increasing safety and security, strong financial management, systemic alignment of District-wide content area standards, curriculum, instruction and assessment, implementation of 21st century instructional learning focus schools, expansion of instructional technology, ensuring success for all students, and effective stakeholder communication. These areas of focus will support specific, measurable District goals in the areas of 1st grade readiness, 3rd grade reading proficiency, 5th grade reading proficiency, 8<sup>th</sup> grade algebra participation and successful completion, ACT achievement, enrollment in advanced coursework at the secondary level,, and graduation rates.

Further, in order to enhance student achievement and ensure school and District accreditation, there will continue to be an emphasis on attracting and retaining superior teachers, administrators, and staff by offering a competitive compensation package and maintaining a safe, positive, and collaborative working environment.

### **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, 3<sup>rd</sup> grade reading levels, grade reading levels, successful participation and completion 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.

### **District Performance Framework**

The District is designated an accreditation category by the Colorado Department of Education based upon student achievement data compiled in the District Performance Framework report. Four performance indicators are included in the report: Academic Achievement, Academic Growth, Academic Growth Gaps, and Postsecondary and Workforce Readiness. All performance indicators are based upon student data and include achievement in reading, writing, math, science, English Language Proficiency, ACT, graduation rate, and dropout rate. The District is accredited with a Performance Plan which is the second highest level and meets expectations.

### **School Facilities**

The continuing growth in student enrollment in the District requires ongoing construction to provide adequate District school facilities. The Planning Department projects that enrollment will continue to

increase by an average of approximately 750 students per year over the next three years, to nearly 31,419 by 2015.

The \$189 million bond passed in 2008 provided funds for new schools as listed below, as well as additions and renovations to existing schools to increase capacity. In addition, \$48 million of bond proceeds was earmarked to address deferred maintenance and code issues in existing schools.

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. Frederick High School opened in August 2012 with an enrollment of 954, nearly 100 over projections.

### **FINANCIAL INFORMATION**

As of June 30, 2012, the District had a fund balance of \$49.9 million in the General Fund (including its sub-funds). The increase of \$3.3 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 \$5.4 million.

In February 2012, the District refinanced \$34,705,000 aggregate principal amount of Series 2004 bonds at a lower interest rate. The net savings from this refunding issue has reduced bond payments for the District by \$3,263,972. On a present value basis, this savings equals \$3,035,562 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, 2011. This was the eighth 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, and District Accountant Tony Whiteley, CPA, without whom we could not have met our very aggressive timeline.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Don Haddad". The signature is fluid and cursive, with a large initial "D".

Don Haddad, Ed.D.  
Superintendent of Schools

A handwritten signature in black ink, appearing to read "Therese M. Schueler". The signature is cursive, with a large initial "T".

Therese M. Schueler  
Chief Financial Officer

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

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

*For Its Comprehensive Annual Financial Report (CAFR)*

*For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Brian L. Mee".

Brian L. Mee, SFO, RSBA  
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA  
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, 2011

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.



*Linda C. Sandison*

President

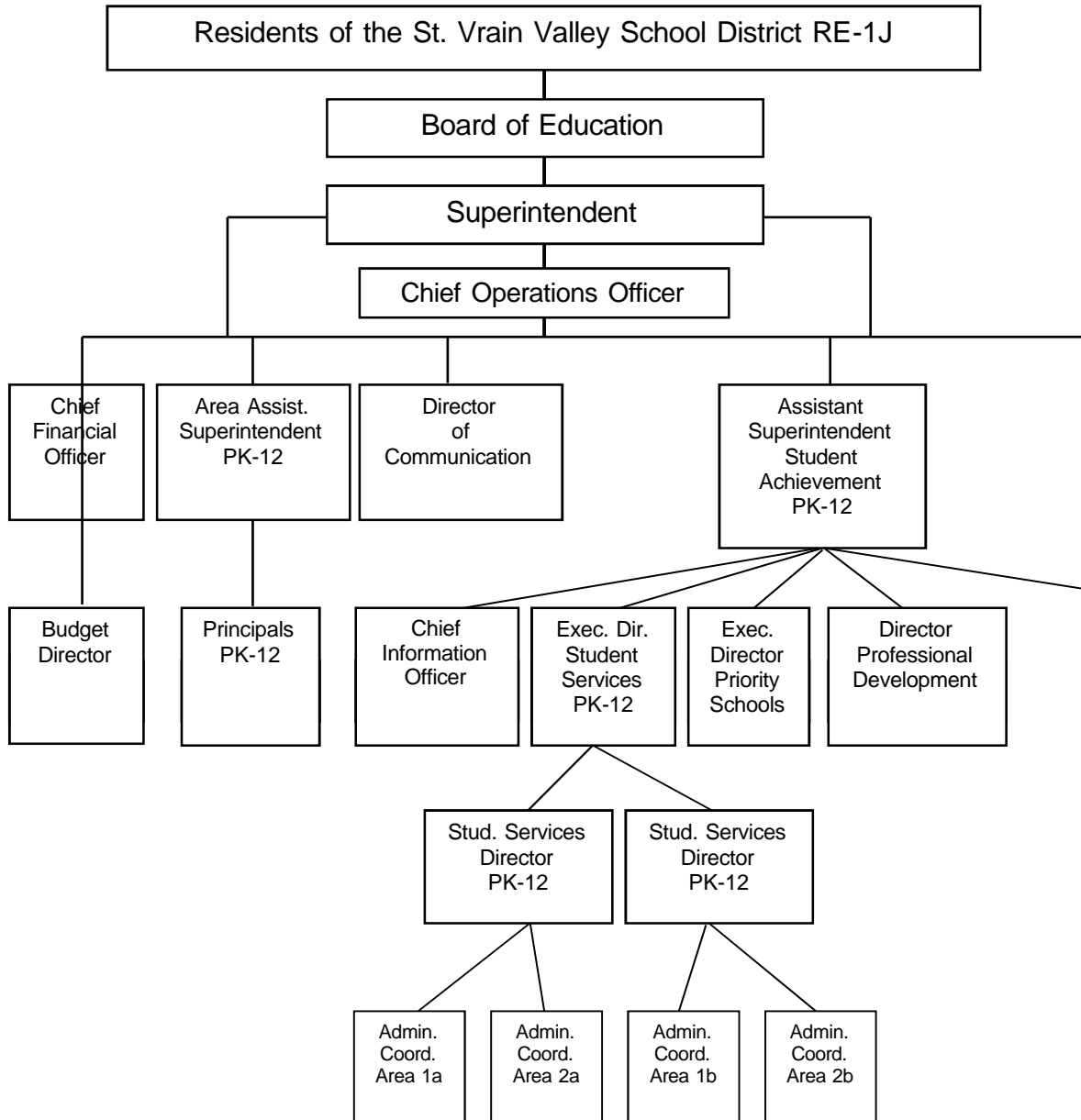
*Jeffrey R. Emer*

Executive Director

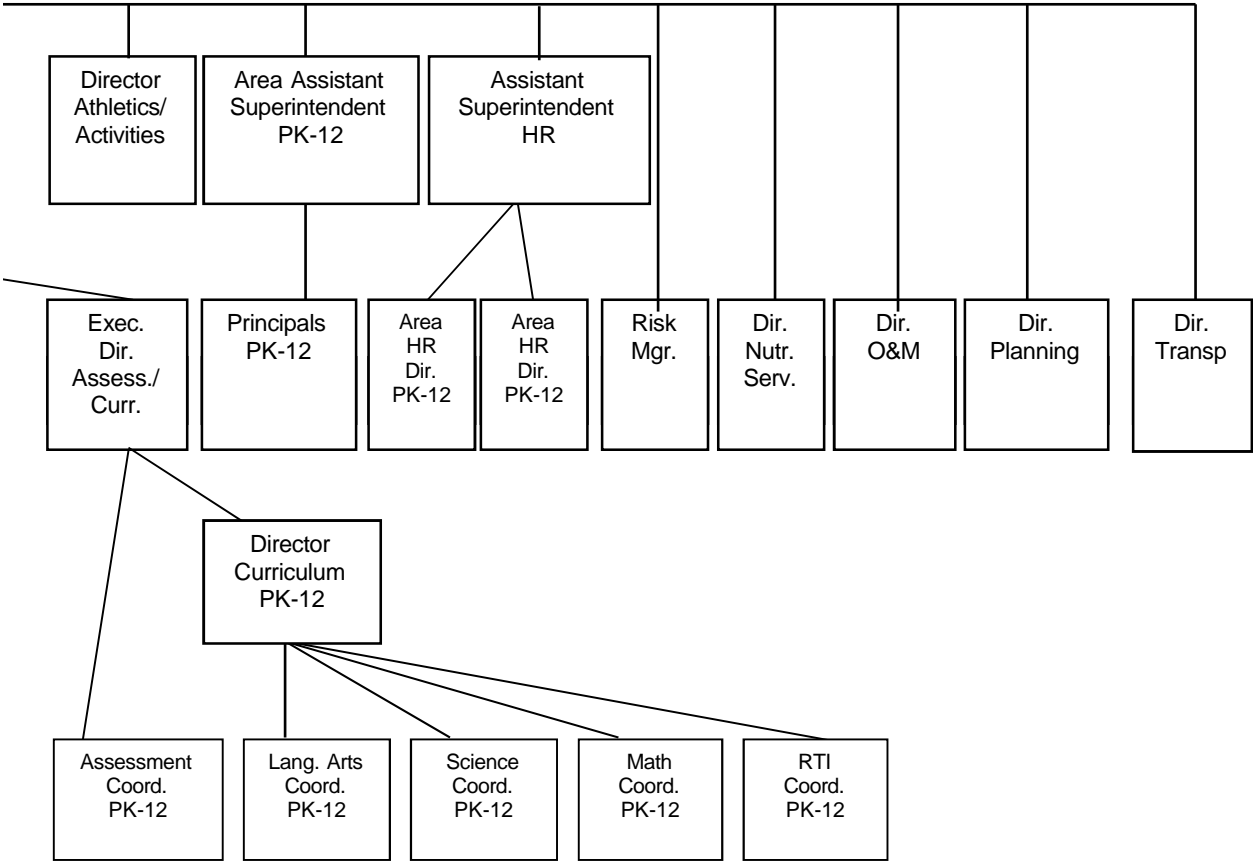
**St. Vrain Valley School District RE-1J**

**ORGANIZATIONAL CHART**

June 2012



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 2012**

<b><u>Board Member</u></b>	<b><u>Term of Office</u></b>
Director District A Joie Siegrist, Member	2/12 - 11/13 (Appointed 2/12)
Director District B Debbie Lammers, Secretary	11/09 - 11/13
Director District C Bob Smith, Vice President	11/09 - 11/15 (Appointed 11/07)
Director District D Dori Van Lone, Treasurer	11/05 - 11/13
Director District E John Creighton, President	11/07 - 11/15
Director District F Rod Schmidt, Member	11/05 - 11/13
Director District G Mike Schiers, Assistant Secretary	11/07 - 11/15

### **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

1900 16th Street  
Suite 300  
Denver, CO 80202

T 303.698.1883  
F 303.777.4458

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

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the St. Vrain Valley School District RE-1J (the District), as of and for the year ended June 30, 2012, 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, Aspen Ridge Preparatory School and St. Vrain Community Montessori School, which are discretely presented component units, which represent 100% 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 six separately authorized charter schools (the District's discretely presented component units) is based 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, Aspen Ridge Preparatory School and St. Vrain Community Montessori School were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 previously 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2012, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information, on pages 5 through 16 and pages 62 through 64, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries and those of other auditors, the basic financial statements and other knowledge we and other auditors obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us or other auditors with sufficient evidence to express an opinion or provide any assurance.

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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund financial statements, the schedule of expenditures of federal awards and the 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the report of the other auditors, the combining and individual major and non-major fund financial statements, the schedule of expenditure of federal awards and the component unit financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*RubinBrown LLP*

October 15, 2012

St. Vrain Valley School District RE-1J  
Management's Discussion and Analysis  
As of and for the Fiscal Year Ended June 30, 2012

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, 2012. 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, 2012 by \$93.8 million (net assets).
- Business-type activities unrestricted net assets increased \$0.423 million from \$1.534 million to \$1.957 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 \$2.1 million during the year ended June 30, 2012, resulting from a \$2.8 million decrease in the net assets of the District's governmental activities, and a \$0.7 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 \$187.2 million for fiscal year ended June 30, 2011 to \$164.2 million for fiscal year ended June 30, 2012. The decrease is primarily the result of bond-related capital outlay expenditures of \$22.1 million by the Building Fund.
- During the current year, the fund balance in the District's General Fund increased by \$3.3 million leaving an ending fund balance of \$49.9 million. The increase is primarily due to the District's proactive response to the economic climate and declining revenue forecasts. The Leadership directive was to save wherever possible and build reserves in preparation for continued cuts in state funding for the foreseeable future. As a result of the various categories of fund balance, the ending unassigned General Fund balance is \$5.4 million.
- The District's total liabilities decreased \$11.7 million to \$492.6 million primarily due to the scheduled bond debt payments and aided by the refinancing of general obligation building bonds.

### **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 19-58 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 six 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 eight different governmental funds. The major funds as of June 30, 2012 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 33-58 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 the current assets, 45% are 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 2013. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2013.

As of June 30, 2012, the assets of the primary government's governmental activities exceed liabilities by \$90.6 million with an unrestricted balance of \$52.8 million. For the six prior fiscal years, the District was 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.

In fiscal year 2012, the amount “invested in capital assets, net of related debt” for the primary government’s governmental activities decreased by \$6.2 million, to a negative \$4.6 million. Long-term debt decreased by \$9.6 million, accounts payable related to capital assets decreased by \$3.3 million, and retainage payable decreased by \$1.5 million. Capital assets realized a net increase of \$10.6 million. The increase in capital assets due to the completion of construction projects was offset by the disposal of some capital assets in 2012, and the yearly depreciation of all depreciable capital assets in 2012. These positive changes in “investment in capital assets, net of related debt” were not enough to offset the \$31.3 million spend down of cash in the Building Fund.

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 slightly to \$6.6 million as of June 30, 2012. Net assets restricted for debt service increased nearly \$82,000 resulting in a total of \$30.2 million.

Of the \$11.7 million decrease in liabilities, most is attributable to regularly scheduled payments of bonded debt and enhanced by a decrease in interest payable as a result of refinancing bonded debt.

Table 1 provides a summary of the District’s net assets as of June 30, 2012 compared to June 30, 2011.

**Table 1**  
**Comparative Summary of Net Assets**  
**As of June 30, 2012 and 2011**  
**(in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2011 - 2012
<b>Assets</b>							
Current assets	\$ 160,970	\$ 186,117	\$ 2,183	\$ 1,672	\$ 163,153	\$ 187,789	-13.12%
Noncurrent assets							
excluding capital assets	32,510	32,626	-	-	32,510	32,626	-0.36%
Capital assets	389,495	378,882	1,202	909	390,697	379,791	2.87%
<b>Total assets</b>	<u>582,975</u>	<u>597,625</u>	<u>3,385</u>	<u>2,581</u>	<u>586,360</u>	<u>600,206</u>	-2.31%
<b>Liabilities</b>							
Current liabilities	23,844	26,601	226	138	24,070	26,739	-9.98%
Long-term liabilities	468,521	477,591	-	-	468,521	477,591	-1.90%
<b>Total liabilities</b>	<u>492,365</u>	<u>504,192</u>	<u>226</u>	<u>138</u>	<u>492,591</u>	<u>504,330</u>	-2.33%
<b>Net Assets</b>							
Invested in capital assets -							
net of related debt	(4,553)	1,650	1,202	909	(3,351)	2,559	-230.95%
Restricted for							
TABOR	6,603	6,564	-	-	6,603	6,564	0.59%
Debt service	30,164	30,082	-	-	30,164	30,082	0.27%
Colo Preschool	363	485	-	-	363	485	-25.15%
Other	5,216	4,772	-	-	5,216	4,772	9.30%
Unrestricted	52,817	49,881	1,957	1,534	54,774	51,415	6.53%
<b>Total net assets</b>	<u>\$ 90,610</u>	<u>\$ 93,434</u>	<u>\$ 3,159</u>	<u>\$ 2,443</u>	<u>\$ 93,769</u>	<u>\$ 95,877</u>	-2.20%

## Government-wide Activities

Governmental activities decreased the net assets of the District by \$2.8 million. More notable is the increase of Business-type Activities net assets of approximately \$0.7 million in the current year, almost double in the prior year. The net result is an overall decrease of \$2.1 million in the net assets of the District. Table 2 provides a summary of the District's change in net assets for 2012 compared to 2011.

**Table 2**  
**Comparative Schedule of Changes in Net Assets**  
**For the Years Ended June 30, 2012 and 2011**  
**(in Thousands)**

	Governmental	Activities	Business-Type		Total School District		Total
	2012	2011	2012	2011	2012	2011	Percentage
							Change
							2011 - 2012
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 14,210	\$ 12,518	\$ 3,805	\$ 3,709	\$ 18,015	\$ 16,227	11.02%
Grants & contributions:							
Operating	19,577	26,906	4,884	4,879	24,461	31,785	-23.04%
Capital	515	335	365	-	880	335	162.69%
General revenues							
Property, specific							
ownership, and mill							
levy override taxes	117,267	114,586	-	-	117,267	114,586	2.34%
State revenue	103,623	101,291	-	-	103,623	101,291	2.30%
Other	6,912	8,968	1	1	6,913	8,969	-22.92%
<b>Total revenues</b>	<u>262,104</u>	<u>264,604</u>	<u>9,055</u>	<u>8,589</u>	<u>271,159</u>	<u>273,193</u>	-0.74%
<b>Expenses</b>							
Instruction	156,467	154,559	-	-	156,467	154,559	1.23%
Supporting services	87,621	92,467	8,339	8,156	95,960	100,623	-4.63%
Interest expense	20,840	20,838	-	-	20,840	20,838	0.01%
<b>Total expenses</b>	<u>264,928</u>	<u>267,864</u>	<u>8,339</u>	<u>8,156</u>	<u>273,267</u>	<u>276,020</u>	-1.00%
<b>Increase (decrease)</b>							
<b>in net assets</b>	(2,824)	(3,260)	716	433	(2,108)	(2,827)	-25.43%
<b>Net assets - 7/1</b>	<u>93,434</u>	<u>96,694</u>	<u>2,443</u>	<u>2,010</u>	<u>95,877</u>	<u>98,704</u>	-2.86%
<b>Net assets - 6/30</b>	<u>\$ 90,610</u>	<u>\$ 93,434</u>	<u>\$ 3,159</u>	<u>\$ 2,443</u>	<u>\$ 93,769</u>	<u>\$ 95,877</u>	-2.20%

Total assets of governmental activities decreased by \$14.7 million attributed to the following elements:

**Comparative Schedule of Assets of Governmental Activities  
As of June 30, 2012 and 2011**

	2012	2011	Increase (Decrease)
Cash and investments	\$ 184,107,033	\$ 206,476,806	\$ (22,369,773)
Accounts receivable	542,052	138,720	403,332
Due from component units	130,914	-	130,914
Grants receivable	2,018,444	5,435,469	(3,417,025)
Interest receivable	21,239	29,342	(8,103)
Taxes receivable	3,454,718	3,275,364	179,354
Prepaid expenses	14,257	14,257	-
Deposits	479	31,893	(31,414)
Inventories	436,727	408,926	27,801
Deferred charges	2,754,375	2,932,203	(177,828)
Capital assets			
Non-depreciable	44,177,181	91,443,886	(47,266,705)
Depreciable, net	345,317,993	287,438,644	57,879,349
Total assets	<u>\$ 582,975,412</u>	<u>\$ 597,625,510</u>	<u>\$ (14,650,098)</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 \$22.1 million within the Building Fund. The decrease in grants receivable is due to the improved receipt of reimbursable expenditures, attributable in part to the efforts of the added grants technician position in Financial Services. Interest receivable reflects interest earned through June 2012 that was not received until July 2012; the lower amount is a result of a decreased average interest rate on secure investments and lower investment balances. In the prior two fiscal years, taxes receivable had decreased by a total of \$1.5 million. In the current fiscal year, taxes receivable dropped an additional \$0.2 million to \$3.5 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 2004 bonds in the current fiscal year. The decrease in non-depreciable capital assets and increase of depreciable capital assets during the current year is due to the completion of several major building projects.

Total liabilities of governmental activities decreased by \$11.8 million as follows:

**Comparative Schedule of Liabilities of Governmental Activities  
As of June 30, 2012 and 2011**

	2012	2011	Increase (Decrease)
Accounts payable	\$ 4,327,831	\$ 8,129,620	\$ (3,801,789)
Due to component units	16,794	37,926	(21,132)
Retainage payable	836,935	2,378,958	(1,542,023)
Accrued salaries, benefits, withholdings	16,908,523	14,544,198	2,364,325
Accrued interest payable	915,586	940,041	(24,455)
Claims payable	838,792	570,621	268,171
Unearned revenues	2,044,296	1,478,066	566,230
Noncurrent liabilities			
Due within one year	15,419,000	14,161,790	1,257,210
Due in more than one year	451,057,199	461,950,646	(10,893,447)
Total liabilities	<u>\$ 492,364,956</u>	<u>\$ 504,191,866</u>	<u>\$ (11,826,910)</u>

Accounts payable decreased by \$3.8 million as capital construction projects were completed, including the replacement Frederick High School slated to open in August 2012. The Capital Reserve and Fair Contributions Funds contributed with a \$0.6 million decrease in accounts payable. The decrease in retainage payable is also related to the completed construction projects. The increase in accrued salaries, benefits and withholdings is due to an increase in staffing due to student growth, the opening of new schools, and an increase in summer school programs. The decrease in accrued interest reflects the decreased bond interest due by the District because of the principal payments made against bonded debt as well as the refinancing of Series 2004 bonds in January of 2012. The increase in claims payable is the fluctuation in estimates of the potential claims within the Risk Management Fund at June 30, 2012. Unearned revenues increased as a result of increased SWAP and Medicaid deferred revenue combined with an increased deferred property taxes during fiscal year 2012. The increase in noncurrent liabilities due within one year is primarily due to the increase in bond principal due in December 2012 as compared to December 2011. Noncurrent liabilities due in more than one year decreased as a result of the refinancing and paying down of bond debt.

Total assets of business-type activities increased by \$803,542 as follows:

**Comparative Schedule of Assets of Business-Type Activities  
As of June 30, 2012 and 2011**

	2012	2011	Increase (Decrease)
Cash and investments	\$ 1,292,776	\$ 1,065,188	227,588
Accounts receivable	460,536	85,683	374,853
Inventories	429,346	521,306	(91,960)
Capital assets, net of accumulated depreciation	1,201,873	908,812	293,061
Total assets	<u>\$ 3,384,531</u>	<u>\$ 2,580,989</u>	<u>\$ 803,542</u>

Cash and investments increased in-part due to the timing of the receipt of reimbursable meal costs at year-end and the carryover of student account balances into the 2012-13 year. The increase in accounts receivable is a reflection of the timing of federal meal reimbursement receipts. Total assets grew by \$803,542 as the food service operations improved through a combination of the new school opening, higher ala-carte prices, increased free and reduced participation, expanded programs, and cost-cutting measures.

Total liabilities for business-type activities increased \$87,756.

**Comparative Schedule of Liabilities of Business-Type Activities  
As of June 30, 2012 and 2011**

	2012	2011	Increase (Decrease)
Accounts payable	\$ 101,490	\$ 15,234	\$ 86,256
Accrued salaries and benefits	124,104	122,604	1,500
Total liabilities	<u>\$ 225,594</u>	<u>\$ 137,838</u>	<u>\$ 87,756</u>

The increase in accounts payable was due primarily to the timing of payments made for food service equipment purchases at year-end. An increase in summer school nutrition hours worked resulted in the slight growth in accrued salaries and benefits.

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 \$6,332 per funded pupil. For the fiscal year ended June 30, 2012, the funded pupil count was 26,120.2, a growth rate of 2.4% over the prior fiscal year. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and state equalization. For fiscal year 2012, state equalization was reduced by \$329 per student.

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, 2012 and 2011  
(in Thousands)**

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
Instruction	\$ 156,467	\$ 154,559	\$ 129,102	\$ 122,720
Supporting services	87,621	92,467	80,684	84,547
Interest expense	20,840	20,838	20,840	20,838
	<u>\$ 264,928</u>	<u>\$ 267,864</u>	<u>\$ 230,626</u>	<u>\$ 228,105</u>

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was \$264.9 million compared to \$267.9 million last year. The slight increase in instruction reflects a continuation of expanded summer programs and increased students receiving services. The reduction in supporting services mainly reflects the third consecutive year of continued budget cuts. Interest expense was virtually unchanged.
- About \$14.2 million of the cost of services was financed by the users of the District's programs in the form of charges for services, an increase of almost \$1.7 million from 2011. The increase is primarily due to tuition charges for preschool, community school programs and increased student fees.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$20.1 million, a decrease of \$7 million compared to fiscal year 2011.
- The majority of the District's net cost of services, \$230.6 million, was financed by State and District taxpayers.

- General revenues accounted for \$227.8 million in revenue which was 86.9% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$34.3 million or 13.1% of total revenues of \$262.1 million. These percentages reflect a shift of 1.9% of total revenue from program specific to general revenues.

Business-type activities consist of the Nutrition Services Fund. This program had revenues and contributions totaling \$9.05 million and expenses of \$8.34 million. Due to improved operations, the program realized an operating income in fiscal years 2012, 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 \$164.2 million, a decrease from \$187.2 million in the prior year. As noted earlier, this decrease is predominantly the result of bond-related capital outlay expenditures of \$22.1 million within the building fund.

Among major funds, the General Fund had \$203.1 million in revenues, and \$199.8 million in expenditures. The General Fund's fund balance increased from \$46.6 million to \$49.9 million. This increase is primarily the result of cost-saving measures implemented by the District in order to help offset the anticipated continued rescissions to K-12 funding by the State of Colorado for the foreseeable future. The cost-savings measures included a slowdown of expenditures such as purchased services, supplies, textbook adoption, and technology replacement. An additional factor was utility savings from an unusually warm winter. 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 \$5.4 million.

Although the Governmental Designated-Purpose Grants Fund no longer meets the minimum criteria to be reported as a major fund, the District has elected to continue reporting it as such. Revenues of \$9.9 million were offset by equal expenditures.

The fund balance of the Bond Redemption Fund had a slight increase of \$82,000, resulting in a balance of \$30.2 million as of June 30, 2012. The Bond Redemption Fund has adequate resources accumulated to make the December 2012 principal and interest payments. The mill levy to accumulate resources for the June 2013 interest payment will be certified in December 2012.

The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The fund balance decreased by \$26.4 million due to planned capital outlay construction activity during the fiscal year. The fund had total revenues of just under \$0.7 million and total expenditures of \$27.1 million for the 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, 2012 is \$390.7 million (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, projects in progress, and equipment. The District's investment in capital assets, net of accumulated depreciation, increased for the current fiscal year by \$10.6 million. Major capital events during the year included the construction of a high school which is scheduled to open in fall of 2012.

Table 4 shows fiscal year 2012 capital assets compared to 2011.

**Table 4**  
**Comparative Schedule of Capital Assets**  
**As of June 30, 2012 and 2011**  
**(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2011 - 2012
Land	\$ 20,073	\$ 20,073	\$ -	\$ -	\$ 20,073	\$ 20,073	0.00%
Water rights	1,096	1,096	-	-	1,096	1,096	0.00%
Projects in progress	23,008	70,275	-	-	23,008	70,275	-67.26%
Land improvements	12,094	13,131	-	-	12,094	13,131	-7.90%
Buildings	239,397	192,979	-	-	239,397	192,979	24.05%
Building improvements	87,029	73,164	-	-	87,029	73,164	18.95%
Equipment	6,798	8,165	1,202	909	8,000	9,074	-11.84%
Totals	<u>\$ 389,495</u>	<u>\$ 378,883</u>	<u>\$ 1,202</u>	<u>\$ 909</u>	<u>\$ 390,697</u>	<u>\$ 379,792</u>	2.87%

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 2012. 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, 2012 as compared to June 30, 2011 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 \$33 million.

**Table 5**  
**Comparative Schedule of Outstanding Debt**  
**As of June 30, 2012 and 2011**  
**(in Thousands)**

	2012	2011	Increase (Decrease)
General obligation bonds	\$ 438,795	\$ 451,865	\$ (13,070)
Deferred bond premium	24,459	21,731	2,728
Registered coupons	700	-	700
Reg'd coupons discount	(21)	-	(21)
Benefits payable	2,543	2,516	27
Total debt	<u>\$ 466,476</u>	<u>\$ 476,112</u>	<u>\$ (9,636)</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, requires an increase in per pupil funding by at least inflation plus 1% through 2011. After 2011, the per pupil funding is required to increase by at least inflation. A change in the interpretation of Amendment 23 has resulted in reduced financial support. In fact, because of the budget shortfalls at the state level, per pupil funding was cut by the State Legislature in fiscal years 2010, 2011, and 2012 despite Amendment 23.

The District per pupil revenue (PPR) has decreased from \$6,945 in FY10 to \$6,663 in FY11 to \$6,332 in FY12. These reductions are due to rescissions caused by the economic issues of the State of Colorado. These reductions total an 8.8% reduction in PPR funding in a 2 year period. PPR funding for FY13 has been set at \$6,332 per pupil, equivalent to FY12 amounts.

After three straight years of rescissions at the State level, FY13 per pupil funding is equivalent to FY12 funding. State officials are warning of additional Pre-K to 12<sup>th</sup> grade cuts in the future without some change in tax policy or constitutional law.

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/Risk Management Funds in FY10. In response, the School Board passed policy requiring that the contribution levels continue. The Board did waive these contribution levels and carryover practices in developing the FY12 and FY13 budgets due to the issues with the State economy and the reductions to K-12 education.

There is an item on the November ballot that could improve the fiscal outlook for St. Vrain Valley Schools dramatically. The District is asking for voters to decide whether or not to fund a \$14.8 million Mill Levy Override in November 2012. The Mill Levy Override would be to maintain class size, recruit and retain excellent teachers, create and maintain a Technology Refresh initiative, and build and sustain an excellent early childhood program.

The District's assessed valuation has remained level for the past two years, so the override revenue has also remained level. For fiscal year 2013, assessed valuation is up by \$90 million due to oil and gas

production and increased “new construction”. The override revenue is expected to grow over time. If the 2012 ballot initiative is successful, it will also increase over time as it is a flat mill initiative.

The District enrollment continues to increase each year. The District budgeted for an increase of 280 students in fiscal year 2013, but early indications indicate similar growth to previous years (approximately 700 students).

Due to improved budgeting and financial oversight, in addition to the successful Mill Levy Override Election in 2008, the District has generated a positive cash flow. As a result, the District has not borrowed from the State's interest-free loan program since fiscal year 2007 and is not expected to borrow from the State in fiscal year 2013.

The 2008 mill levy override increased the District's per pupil revenue by \$701 per pupil in fiscal year 2010. In 2011-2012, the District's total override revenues dropped to \$17,180,635 and the per pupil revenue dropped to \$645 per pupil. This was a decrease of \$273,555 in actual revenue.

The adopted General Fund budget for fiscal year 2012-2013 includes a 2% increase for employees, implemented by raising the base across all salary ranges. The agreement also includes funding for education advancement, additional mandated PERA funding of .0.9% and stable employee contributions for health and dental insurance premiums. Additional increases are promised as part of the negotiated settlement in 2013-2014 if the November 2012 ballot initiative passes voter approval.

Dr. Don Haddad is now in his fourth year as the Superintendent of Schools. He has established strong relationships with the business and community leaders throughout the District. The School Board is united in their support of his management and vision for the District. His leadership is seen as a major asset as St. Vrain Valley School District navigates these uncertain economic times.

### **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**

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

**Statement of Net Assets  
June 30, 2012**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
<b>Assets</b>				
Cash and investments	\$ 154,350,882	\$ 1,292,776	\$ 155,643,658	\$ 5,888,208
Accounts receivable	542,052	460,536	1,002,588	32,159
Due from component units	130,914	-	130,914	-
Due from primary government	-	-	-	16,794
Grants receivable	2,018,444	-	2,018,444	-
Interest receivable	21,239	-	21,239	-
Taxes receivable	3,454,718	-	3,454,718	-
Prepaid expenses	14,257	-	14,257	39,223
Deposits	479	-	479	36,931
Inventories	436,727	429,346	866,073	-
Deferred charges	2,754,375	-	2,754,375	803,490
Restricted cash and investments	29,756,151	-	29,756,151	4,310,540
Capital assets,				
Non-depreciable	44,177,181	-	44,177,181	2,665,333
Depreciable, net	345,317,993	1,201,873	346,519,866	30,924,849
Total assets	<u>582,975,412</u>	<u>3,384,531</u>	<u>586,359,943</u>	<u>44,717,527</u>
<b>Liabilities</b>				
Accounts payable	4,327,831	101,490	4,429,321	115,592
Due to component units	16,794	-	16,794	-
Due to primary government	-	-	-	130,914
Retainage payable	836,935	-	836,935	-
Accrued salaries and benefits	9,199,703	124,104	9,323,807	833,656
Payroll withholdings	7,708,820	-	7,708,820	-
Accrued interest payable	915,586	-	915,586	583,469
Claims payable	838,792	-	838,792	-
Unearned revenues	2,044,296	-	2,044,296	315,056
Noncurrent liabilities				
Due within one year	15,419,000	-	15,419,000	500,000
Due in more than one year	451,057,199	-	451,057,199	36,720,000
Total liabilities	<u>492,364,956</u>	<u>225,594</u>	<u>492,590,550</u>	<u>39,198,687</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	(4,553,120)	1,201,873	(3,351,247)	654,906
Restricted for				
TABOR	6,603,322	-	6,603,322	646,490
Debt service	30,163,653	-	30,163,653	1,090,222
Colorado Preschool Fund	363,021	-	363,021	-
Extracurricular, community programs	5,216,316	-	5,216,316	-
Unrestricted	52,817,264	1,957,064	54,774,328	3,127,222
Total net assets	<u>\$ 90,610,456</u>	<u>\$ 3,158,937</u>	<u>\$ 93,769,393</u>	<u>\$ 5,518,840</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, 2012**

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
Instruction	\$ 156,466,950	\$ 14,210,074	\$ 13,155,042	\$ -
Supporting services	87,621,269	-	6,421,991	514,826
Interest expense	20,839,718	-	-	-
Total governmental activities	264,927,937	14,210,074	19,577,033	514,826
Business-type activities				
Food services	8,338,941	3,804,775	4,884,351	364,451
Total business-type activities	8,338,941	3,804,775	4,884,351	364,451
Total primary government	\$ 273,266,878	\$ 18,014,849	\$ 24,461,384	\$ 879,277
COMPONENT UNITS				
Instruction	\$ 12,062,551	\$ 2,993,123	\$ 432,930	\$ -
Supporting services	10,407,902	309,421	114,575	438,586
Interest expense	2,487,630	-	-	-
Total component units	\$ 24,958,083	\$ 3,302,544	\$ 547,505	\$ 438,586

**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
\$ (129,101,834)	\$ -	\$ (129,101,834)	\$ -
(80,684,452)	-	(80,684,452)	-
(20,839,718)	-	(20,839,718)	-
(230,626,004)	-	(230,626,004)	-
-	714,636	714,636	-
-	714,636	714,636	-
(230,626,004)	714,636	(229,911,368)	-
-	-	-	(8,636,498)
-	-	-	(9,545,320)
-	-	-	(2,487,630)
-	-	-	(20,669,448)
94,238,488	-	94,238,488	-
5,920,333	-	5,920,333	-
103,622,720	-	103,622,720	-
-	-	-	17,877,214
17,108,522	-	17,108,522	1,152,048
952,516	1,150	953,666	5,174
5,960,237	-	5,960,237	337,884
-	-	-	854,998
227,802,816	1,150	227,803,966	20,227,318
(2,823,188)	715,786	(2,107,402)	(442,130)
93,433,644	2,443,151	95,876,795	6,004,358
-	-	-	(43,388)
93,433,644	2,443,151	95,876,795	5,960,970
\$ 90,610,456	\$ 3,158,937	\$ 93,769,393	\$ 5,518,840

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

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

**Balance Sheet  
Governmental Funds  
June 30, 2012**

	General	Governmental Designated- Purpose Grants	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash & investments - unrestricted	\$ 65,756,524	\$ -	\$ -	\$ 73,851,512	\$ 14,742,846	\$ 154,350,882
Cash & investments - restricted	102,606	-	29,653,545	-	-	29,756,151
Accounts receivable	463,829	-	-	24,000	54,223	542,052
Due from other funds	415,681	-	-	-	-	415,681
Due from component units	130,914	-	-	-	-	130,914
Grants receivable	54,377	1,964,067	-	-	-	2,018,444
Interest receivable on investments	-	-	135	21,104	-	21,239
Taxes receivable	2,359,897	-	1,094,821	-	-	3,454,718
Prepays	-	-	-	-	14,257	14,257
Deposits	199	-	-	-	280	479
Inventories	436,727	-	-	-	-	436,727
Total assets	<u>\$ 69,720,754</u>	<u>\$ 1,964,067</u>	<u>\$ 30,748,501</u>	<u>\$ 73,896,616</u>	<u>\$ 14,811,606</u>	<u>\$ 191,141,544</u>
<b>Liabilities</b>						
Accounts payable	\$ 1,081,044	\$ 65,542	\$ 8,148	\$ 3,130,365	\$ 42,732	\$ 4,327,831
Due to other funds	-	415,681	-	-	-	415,681
Due to component units	16,794	-	-	-	-	16,794
Retainage payable	-	-	-	836,282	653	836,935
Accrued salaries and benefits	8,434,191	513,809	-	1,579	250,124	9,199,703
Payroll withholdings	7,708,820	-	-	-	-	7,708,820
Claims payable	587,154	-	-	-	-	587,154
Deferred revenues	2,000,526	969,035	576,700	92,111	236,617	3,874,989
Total liabilities	<u>19,828,529</u>	<u>1,964,067</u>	<u>584,848</u>	<u>4,060,337</u>	<u>530,126</u>	<u>26,967,907</u>
<b>Fund Balances</b>						
Nonspendable:						
deposits, inventories, prepaids	436,926	-	-	-	14,537	451,463
Restricted: TABOR	6,603,322	-	-	-	-	6,603,322
Restricted: Colorado Preschool	363,021	-	-	-	-	363,021
Restricted: debt service	-	-	30,163,653	-	-	30,163,653
Restricted: dental self-insurance trust	92,193	-	-	-	-	92,193
Restricted: special revenue funds	-	-	-	-	5,124,123	5,124,123
Committed: capital projects	-	-	-	69,836,279	5,501,013	75,337,292
Committed: contingencies	4,402,215	-	-	-	-	4,402,215
Committed: Board allocations	3,047,000	-	-	-	-	3,047,000
Committed: risk management	4,986,028	-	-	-	-	4,986,028
Committed: special revenue fund	-	-	-	-	3,641,807	3,641,807
Assigned: Mill Levy Override	16,589,415	-	-	-	-	16,589,415
Assigned: subsequent year expenditures reported in						
General Fund	7,962,476	-	-	-	-	7,962,476
Unassigned reported in General Fund	5,409,629	-	-	-	-	5,409,629
Total fund balances	<u>49,892,225</u>	<u>-</u>	<u>30,163,653</u>	<u>69,836,279</u>	<u>14,281,480</u>	<u>164,173,637</u>
Total liabilities and fund balances	<u>\$ 69,720,754</u>	<u>\$ 1,964,067</u>	<u>\$ 30,748,501</u>	<u>\$ 73,896,616</u>	<u>\$ 14,811,606</u>	<u>\$ 191,141,544</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, 2012**

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

<b>Governmental funds total fund balances (page 22)</b>	<b>\$ 164,173,637</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	389,495,174
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.	1,830,693
Premium (\$24,459,386) on issuance of bonds and discount (\$21,227) on registered coupons are recognized as other financing source in the governmental funds but is deferred in the statement of net assets.	(24,438,159)
Bond reacquisition costs are not recognized in the governmental funds but are deferred in the statement of net assets	2,754,375
Long-term liabilities, including compensated absences (\$2,543,040), bonds payable (\$438,795,000), registered coupons payable (\$700,000), as well as related accrued interest (\$915,586) and claims payable (\$251,638) are not due and payable in the current period and, therefore, are not reported in the funds.	(443,205,264)
<b>Net assets of governmental activities (page 19)</b>	<b><u>\$ 90,610,456</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, 2012**

	General	Governmental Designated- Purpose Grants	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 58,778,979	\$ -	\$ 35,305,104	\$ -	\$ -	\$ 94,084,083
Specific ownership taxes	5,920,333	-	-	-	-	5,920,333
Mill levy override	17,108,522	-	-	-	-	17,108,522
Investment income	226,088	-	1,880	650,871	73,677	952,516
Charges for services	4,930,112	-	-	-	3,893,752	8,823,864
Pupil activities	-	-	-	-	5,386,210	5,386,210
Miscellaneous	5,400,056	-	19,700	12,000	531,077	5,962,833
Local intergovernmental	-	147,779	-	-	-	147,779
State intergovernmental	108,828,004	148,894	-	-	2,655,000	111,631,898
Federal intergovernmental	1,929,664	9,638,191	-	-	-	11,567,855
Total revenues	203,121,758	9,934,864	35,326,684	662,871	12,539,716	261,585,893
<b>Expenditures</b>						
Current						
Instruction	126,491,780	5,699,293	-	57,323	7,824,991	140,073,387
Supporting services	70,410,691	3,971,806	-	4,956,445	1,156,869	80,495,811
Capital outlay	2,929,705	263,765	-	22,089,734	3,481,364	28,764,568
Debt service						
Principal	-	-	13,060,000	-	-	13,060,000
Interest	-	-	21,889,668	-	-	21,889,668
Bond issuance costs, fiscal charges	-	-	319,513	-	-	319,513
Total expenditures	199,832,176	9,934,864	35,269,181	27,103,502	12,463,224	284,602,947
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	3,289,582	-	57,503	(26,440,631)	76,492	(23,017,054)
<b>Other Financing Sources (Uses)</b>						
Issuance of refunding bonds, coupons	-	-	35,395,000	-	-	35,395,000
Refunding bond premium	-	-	4,224,186	-	-	4,224,186
Payment to refunding bond escrow agent	-	-	(39,594,781)	-	-	(39,594,781)
Transfers in	-	-	-	-	217,592	217,592
Transfers out	-	-	-	-	(217,592)	(217,592)
Total other financing sources (uses)	-	-	24,405	-	-	24,405
Net change in fund balances	3,289,582	-	81,908	(26,440,631)	76,492	(22,992,649)
Fund balances, beginning	46,602,643	-	30,081,745	96,276,910	14,204,988	187,166,286
Fund balances, ending	\$ 49,892,225	\$ -	\$ 30,163,653	\$ 69,836,279	\$ 14,281,480	\$ 164,173,637

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, 2012**

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

**Net change in fund balances of governmental funds (page 24)** **\$ (22,992,649)**

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	(6,442,704)	
Capital outlay - capitalized, net of deleted assets	<u>17,055,348</u>	10,612,644

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	573,814	
Current year amortization of deferred charges	(194,466)	
Long term portion of claims payable	(80,452)	
Change in deferred property tax accrual	<u>154,405</u>	453,301

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	(40,130)	
Accrued vacation earned during the year	(974,000)	
Amount paid during the year	<u>987,618</u>	(26,512)

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.

Issuance of refunding bonds, coupons	(35,395,000)	
Premium, discount received on issuance of bonds, coupons	(4,224,186)	
Defeasance of bond issuance costs and premiums	665,944	
Reclassification of bond issuance costs	(19,797)	
Bond principal payments	47,765,000	
Accrued interest expense on bonds	24,455	
Bond reacquisition costs	<u>313,612</u>	<u>9,130,028</u>

**Change in net assets of governmental activities (page 21)** **\$ (2,823,188)**

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

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

**Statement of Net Assets  
Proprietary Fund  
June 30, 2012**

	<u>Business-type Activities</u>
	<u>Enterprise Fund</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 1,292,776
Accounts receivable	460,536
Inventories	429,346
Total current assets	<u>2,182,658</u>
Capital assets	
Machinery and equipment	3,291,862
Accumulated depreciation	<u>(2,089,989)</u>
Total capital assets, net	<u>1,201,873</u>
Total assets	<u>3,384,531</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	101,490
Accrued salaries and benefits	<u>124,104</u>
Total liabilities	<u>225,594</u>
<b>Net Assets</b>	
Invested in capital assets	1,201,873
Unrestricted	<u>1,957,064</u>
Total net assets	<u>\$ 3,158,937</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, 2012**

	Business-type Activities
	<u>Enterprise Fund</u>
<b>Operating Revenues</b>	
Charges for services	\$ 3,707,926
Other food service charges	96,849
Total operating revenues	<u>3,804,775</u>
<b>Operating Expenses</b>	
Salaries and benefits	3,906,173
Purchased services	47,764
Supplies and materials	3,933,035
Small equipment	82,661
Other	193,806
Depreciation	<u>175,502</u>
Total operating expenses	<u>8,338,941</u>
Operating loss	<u>(4,534,166)</u>
<b>Nonoperating Revenues</b>	
Investment income	1,150
State match	116,926
National School Lunch/Breakfast Program	4,232,136
Commodities entitlement	<u>535,289</u>
Total nonoperating revenues	<u>4,885,501</u>
Income before contributions	351,335
<b>Capital contributions</b>	<u>364,451</u>
Change in net assets	715,786
Net assets, beginning	<u>2,443,151</u>
Net assets, ending	<u><u>\$ 3,158,937</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, 2012**

	Business-type Activities
	Enterprise Fund
<b>Cash Flows from Operating Activities</b>	
Cash received from customers	\$ 3,804,775
Cash paid to suppliers	(3,543,761)
Cash paid to employees	(3,904,673)
Net cash used in operating activities	<u>(3,643,659)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash received from State of Colorado	116,926
Cash received from Federal government	3,857,283
Net cash provided by noncapital financing activities	<u>3,974,209</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchases of equipment	<u>(104,112)</u>
<b>Cash Flows from Investing Activities</b>	
Investment income	<u>1,150</u>
Increase in cash and cash equivalents	227,588
Cash and cash equivalents, beginning of the year	1,065,188
Cash and cash equivalents, end of the year	<u><u>\$ 1,292,776</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating loss	\$ (4,534,166)
Adjustments to reconcile operating loss to Net cash used by operating activities	
Depreciation	175,502
Commodities entitlement	535,289
Changes in assets and liabilities	
Decrease in inventories	91,960
Increase in accounts payable	86,256
Increase in accrued salaries and benefits	<u>1,500</u>
Net cash used in operating activities	<u><u>\$ (3,643,659)</u></u>
<b>Noncash Transactions</b>	
Commodities received	<u>\$ 535,289</u>
Capital contributions	<u><u>\$ 364,451</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, 2012**

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
<b>Assets</b>		
Cash and investments	\$ 211,178	\$ 137,462
Accounts receivable	4,642	64
Total assets	<u>215,820</u>	<u>\$ 137,526</u>
<b>Liabilities</b>		
Accounts payable	-	\$ 210
Undistributed monies	-	137,316
Total liabilities	<u>-</u>	<u>\$ 137,526</u>
<b>Net Assets</b>		
Held in trust	<u>\$ 215,820</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, 2012**

	Private Purpose Trust - Student Scholarship
<b>Additions</b>	
Investment income	\$ 190
Contributions	<u>56,191</u>
Total additions	<u>56,381</u>
<b>Deductions</b>	
Scholarships	<u>40,129</u>
Total deductions	<u>40,129</u>
Change in net assets	16,252
Net assets, beginning	<u>199,568</u>
Net assets, ending	<u><u>\$ 215,820</u></u>

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

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

### **Notes to Financial Statements**

June 30, 2012

#### **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 26 elementary, 9 middle, 1 middle/senior, 7 high, 2 alternative, 1 online, 1 homeschool, and 6 charter schools, serving over 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 six charter school applications, Aspen Ridge Preparatory School, K-5; Carbon Valley Academy, grades K-8; 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. All six charter schools were operational during the fiscal year. No new charter applications have been received.

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.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

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

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

**Fund Accounting**

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

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), the servicing of long-term debt (debt service fund), and the construction of new schools (capital projects 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. Although this fund does not meet the minimum criteria to be reported as a major fund, the District has elected to report it as such.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

**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* 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*, and *Student Activity Fund*. The *Vance Brand Civic Auditorium*, formerly a Special Revenue Fund, was closed during the fiscal year and transferred into the *Community Education 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*.

St. Vrain Valley School District RE-1J

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**Government-wide and Fund Financial Statements**

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

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

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

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

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

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

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

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2012

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

**Assets, Liabilities and Net Assets or Equity**

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

*Investments* – All investments are recorded at fair value.

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

*Prepaid expenses* – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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

*Capital Assets* – Capital assets, which include property and equipment, are reported in 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.

The District's Capitalization Policy includes an annual physical inventory count of capital assets by fund and department. The physical inventory for fiscal year 2012 was performed in August 2012.

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.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

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

Employees may accumulate annual leave. Accumulated annual leave is payable upon leaving the District if certain criteria are met. Classified employees with 10 or more years of continuous service with the District 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. 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, the Colorado Preschool Program, debt service, a dental self-insurance trust, and statute-defined special revenue funds (including student extracurricular/interscholastic fee-based programs and community education programs).
- *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, contingencies, risk management activities, and special revenue funds with intergovernmental agreements.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2012

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

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

- *Assigned* balances include, but are not limited to, instructional supplies and materials; the Superintendent's 12-month employment contract; encumbrances; appropriated fund balances of the subsequent year; and the Mill Levy Override. Per district policy, assigned balances may be determined by the District's Board of Education or authorized individuals.
- Unassigned balances are those that do not meet the definitions described above.

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

**Property Taxes**

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. The District's property tax calendar for 2012 is as follows:

Tax Year

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

Collection Year

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

Property taxes are recorded initially at the budgeted collection rate as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected in governmental funds and in the period for which the taxes are levied in the government-wide statements. The District has deferred revenue from property tax collection at June 30, 2012 in the amount of \$1,830,693. 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.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

**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 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 Board of Education approved a policy that requires the District to continue doing so to meet its goals and needs. However, due to the current economy and revenue forecasts, the Board of Education waived its own policy regarding the instructional supplies and materials requirement for the fiscal years 2012 and 2013 budgets. For fiscal year 2012, the District budgeted \$4,484,805 for instructional supplies and material purposes. The District expended \$3,510,091 for instructional purposes during fiscal year ended June 30, 2012. Had the Board policy been in effect, the required amount to be spent on instructional purposes would have been \$4,215,121, and the District would have had to carryover \$705,030 into fiscal year 2013 for instructional purposes.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**Accountability (Continued)**

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, 2012, the District allocated \$2,655,000 to the Capital Reserve Fund and \$305,000 to the Risk Management Fund for a total of \$2,960,000. 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 2013 budget.

**NOTE 3: DEPOSITS AND INVESTMENTS**

At June 30, 2012, the District's deposits and investments were reported in the financial statements as follows:

Governmental activities	\$ 184,107,033
Business-type activities	1,292,776
Agency	137,462
Private purpose trust scholarship	211,178
	<u>\$ 185,748,449</u>
Component units	<u>\$ 10,198,748</u>

At June 30, 2012, the District and component units had cash and investments with the following carrying balances:

	<u>District</u>	<u>Component Units</u>
Cash	\$ 25,843,655	\$ 5,487,022
Investments	159,904,794	4,711,726
	<u>\$ 185,748,449</u>	<u>\$ 10,198,748</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, 2012, the District had bank deposits of \$3,681,654 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 \$1,749,339, of which \$631,051 was covered by collateral held by authorized escrow agents in the financial institutions' name (PDPA). On October 3, 2008, as part of the Economic Stabilization Act, Congress temporarily increased FDIC insurance from \$100,000 to \$250,000 per depositor.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**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.

At June 30, 2012, 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	Aa2, AA-	\$ 376,505	\$ 376,505	\$ -
Repurchase agreement	Baa1 to Aaa	37,896,908	-	37,896,908
Money market mutual funds	AAAm	22,056,241	22,056,241	-
Money market custodial account	AAAm,Aaa-mf	29,180,778	29,180,778	-
Money market investment pools	AAAm	70,394,362	70,394,362	-
Total investments		<u>\$ 159,904,794</u>	<u>\$ 122,007,886</u>	<u>\$ 37,896,908</u>

The component units had the following investments as of June 30, 2012:

Investment Type	S&P or Moody's Rating	Fair Value	Investment Maturities (in years)
			Less Than 1
Money market investment pool-CSAFE	AAAm	\$ 2,327,072	\$ 2,327,072
Money market investment pool-ColoTrust	AAAm	323,609	323,609
Money market funds	Aaa	2,061,045	2,061,045
Total investments		<u>\$ 4,711,726</u>	<u>\$ 4,711,726</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**Investments (Continued)**

*Local Government Investment Pools* – At June 30, 2012, 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).

*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, 2012, less than 1% of total investments were 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, 2012, the total collateral on these investments was 108%.

*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.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**Investments (Continued)**

*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, 2012, the repurchase agreement, money market mutual funds, money market custodial account, and money market investment pool were 24%, 14%, 18%, and 44%, respectively, of the District's total investments.

**Restricted Cash and Investments**

The Bond Redemption Fund's deposits and investments totaling \$29,653,545 are restricted for the payment of voter-approved long-term debt principal, interest and related costs. The General Fund's investments of \$102,606 are restricted for the purposes of the dental self-insurance trust fund.

**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, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants Fund	\$ 415,681
General Fund	Component Units	\$ 130,914
Component Units	General Fund	\$ 16,794

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 2012 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Community Education Fund	Student Activities Fund	\$ 10,398
Student Activities Fund	Community Education Fund	5,509
Vance Brand Civic Auditorium	Community Education Fund	201,685
Total governmental funds		\$ 217,592

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

**Notes to Financial Statements (Continued)**

June 30, 2012

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes in the District's capital assets for the year ended June 30, 2012:

	Balance 7/1/2011	Additions	Deletions & Adjustments	Transfers	Balance 6/30/2012
<b>Governmental activities</b>					
Non-depreciable assets					
Land	\$ 20,073,379	\$ -	\$ -	\$ -	\$ 20,073,379
Projects in progress	70,274,929	22,919,513	-	(70,186,218)	23,008,224
Water rights	1,095,578	-	-	-	1,095,578
Total non-depreciable assets	91,443,886	22,919,513	-	(70,186,218)	44,177,181
Depreciable assets					
Land improvements	23,402,497	-	-	-	23,402,497
Buildings	249,187,029	-	(10,638)	51,502,752	300,679,143
Building improvements	112,542,642	-	-	18,319,015	130,861,657
Equipment	30,357,183	1,682,065	(7,171,141)	-	24,868,107
Total depreciable assets	415,489,351	1,682,065	(7,181,779)	69,821,767	479,811,404
Less accumulated depreciation for					
Land improvements	10,271,324	1,036,968	-	-	11,308,292
Buildings	56,207,902	5,081,326	(6,988)	-	61,282,240
Building improvements	39,379,006	4,454,345	-	-	43,833,351
Equipment	22,192,475	1,360,975	(5,483,922)	-	18,069,528
Total accumulated depreciation	128,050,707	11,933,614	(5,490,910)	-	134,493,411
Total depreciable assets, net	287,438,644	(10,251,549)	(1,690,869)	69,821,767	345,317,993
Governmental activities			-		
Total capital assets, net	<u>\$ 378,882,530</u>	<u>\$ 12,667,964</u>	<u>\$ (1,690,869)</u>	<u>\$ (364,451)</u>	<u>\$ 389,495,174</u>
	Balance 7/1/2011	Additions	Deletions	Transfers	Balance 6/30/2012
<b>Business-type activities</b>					
Depreciable assets					
Equipment	\$ 2,823,299	\$ 104,112	\$ -	\$ 364,451	\$ 3,291,862
Less accumulated depreciation for					
Equipment	1,914,487	175,502	-	-	2,089,989
Business-type activities					
Total capital assets, net	<u>\$ 908,812</u>	<u>\$ (71,390)</u>	<u>\$ -</u>	<u>\$ 364,451</u>	<u>\$ 1,201,873</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

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

**Governmental activities**

Instruction	\$ 10,568,877
Supporting services	<u>1,364,737</u>
Total	<u><u>\$ 11,933,614</u></u>

**Business-type activities**

Food service	<u><u>\$ 175,502</u></u>
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The following is a summary of changes in the component units' capital assets for the year ended June 30, 2012:

	Balance 7/1/2011	Additions	Reclassifications & Deletions	Balance 6/30/2012
<b>Component units</b>				
Non-depreciable assets				
Land	\$ 2,653,681	\$ -	\$ -	\$ 2,653,681
Construction in progress	<u>4,196,310</u>	<u>11,652</u>	<u>(4,196,310)</u>	<u>11,652</u>
Total non-depreciable assets	6,849,991	11,652	(4,196,310)	2,665,333
Depreciable assets				
Land improvements	341,295	-	-	341,295
Building	26,810,954	4,945,516	-	31,756,470
Leasehold improvements	664,514	191,379	-	855,893
Furniture & equipment	497,043	94,101	-	591,144
Software costs	<u>20,021</u>	<u>-</u>	<u>-</u>	<u>20,021</u>
Total depreciable assets	<u>28,333,827</u>	<u>5,230,996</u>	<u>-</u>	<u>33,564,823</u>
Less accumulated depreciation	<u>1,744,180</u>	<u>895,794</u>	<u>-</u>	<u>2,639,974</u>
Total depreciable assets, net	<u>26,589,647</u>	<u>4,335,202</u>	<u>-</u>	<u>30,924,849</u>
Total capital assets, net	<u><u>\$ 33,439,638</u></u>	<u><u>\$ 4,346,854</u></u>	<u><u>\$ (4,196,310)</u></u>	<u><u>\$ 33,590,182</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, 2012

**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, 2012 are determined to be as follows:

General Fund	\$ 8,434,191
Grants Fund	513,809
Other funds	<u>251,703</u>
Total governmental funds	9,199,703
Proprietary funds	<u>124,104</u>
<b>Total primary government</b>	<b><u>\$ 9,323,807</u></b>
<b>Component units</b>	<b><u>\$ 833,656</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, 2012, \$240,265 of the deferred amount has been recognized. Income recognized was \$164,489 by the General Fund, \$23,955 by the Building Fund, \$2,785 by the Capital Reserve Fund, and \$49,036 by the Fair Contributions Fund. The remaining balances by fund of \$632,474, \$92,111, \$10,706, and \$188,545 respectively, are deferred revenues as of June 30, 2012.

**NOTE 8: LONG-TERM DEBT**

The District's long-term debt changed as follows during the year ended June 30, 2012.

<b>Governmental activities</b>	Balance 7/1/2011	Additions	Payments/ Amortization	Balance 6/30/2012	Due within one year
General obligation bonds	\$ 451,865,000	\$ 34,695,000	\$ (47,765,000)	\$ 438,795,000	\$ 13,870,000
Deferred bond premium	21,730,908	4,245,413	(1,516,935)	24,459,386	-
Registered coupons	-	700,000	-	700,000	400,000
Registered coupons discount	-	(21,227)	-	(21,227)	-
Vacation payable	924,252	974,000	(924,252)	974,000	974,000
Annual leave payable	1,592,276	40,130	(63,366)	1,569,040	175,000
<b>Total</b>	<b><u>\$ 476,112,436</u></b>	<b><u>\$ 40,633,316</u></b>	<b><u>\$ (50,269,553)</u></b>	<b><u>\$ 466,476,199</u></b>	<b><u>\$ 15,419,000</u></b>

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**General Obligation Bonds**

Description, Interest Rates, and Maturity Dates

Balance  
due at  
June 30, 2012

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.

\$10,730,000

Building Bonds (Series 2004), original amount of \$50,100,000, due in varying installments through December 15, 2024, interest at 5.0%. Premium of \$1,427,510 received upon issuance is being amortized based on maturity of bonds. Amounts defeased were \$34,705,000 during fiscal year 2012. Premium and issuance cost amortization adjusted accordingly

7,860,000

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.

8,575,000

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.

35,525,000

Refunding Bonds (Series 2006), original amount of \$43,455,000, due in varying installments through December 15, 2022, interest from 3.70% 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.

38,925,000

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.

48,400,000

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.

103,700,000

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

**Notes to Financial Statements (Continued)**

June 30, 2012

**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. 31,030,000

Refunding Bonds (Series 2012), original amount of \$34,695,000, due in varying installments through December 15, 2024, interest from 1.0% to 4.0%. Proceeds used to retire \$34,705,000 of outstanding building bonds (Series 2004). Premium of \$4,245,413 received upon issuance is being amortized based on maturity of bonds. 34,695,000

Total general obligation bonds payable \$ 438,795,000

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**Advance Refunding**

On February 15, 2012, the District issued \$34,695,000 in general obligation bonds with an average interest rate of 3.63% to advance refund \$34,705,000 of outstanding 2004 Series bonds with an average interest rate of 5.00%. The net proceeds of \$39.3 million were used to purchase open market securities (U.S. Government) and U.S. Treasury Securities, State and Local Government Series (SLGs). Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments (a portion of 2013-2015 and all of 2016-2024) on the 2004 Series bonds. As a result, that portion of the 2004 Series bonds are considered to be defeased and the liability for those bonds has been removed from the general fund long-term debt obligations. By advance refunding those portions of the 2004 Series bonds, the District reduced its total debt service payments over the next 12 years by over \$3.5 million and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$3.0 million.

In conjunction with this advance refunding, the District also issued \$700,000 of registered coupons (supplemental interest) at a discount of \$21,227. The coupons, with a yield between 0.5% and 1.4%, will mature in two installments: December 2013 and December 2017.

The amount of defeased debt still outstanding as of June 30, 2012 is \$101,080,000.

Bond and coupon payments to maturity are as follows:

Year ending June 30	GO Bonds		Registered Coupons	Total
	Principal	Interest	Supplemental Interest	
2013	\$ 13,870,000	\$ 21,591,367	\$ 400,000	\$ 35,861,367
2014	13,360,000	20,508,017	-	33,868,017
2015	14,140,000	19,880,767	-	34,020,767
2016	15,545,000	19,265,985	-	34,810,985
2017	16,125,000	18,902,367	300,000	35,327,367
2018-2022	96,295,000	80,431,246	-	176,726,246
2023-2027	96,890,000	57,454,598	-	154,344,598
2028-2032	116,740,000	31,025,252	-	147,765,252
2033-2034	55,830,000	3,019,283	-	58,849,283
Total	<u>\$ 438,795,000</u>	<u>\$ 272,078,882</u>	<u>\$ 700,000</u>	<u>\$ 711,573,882</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2012

**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, 2012 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, 2012 includes qualified annual leave for all eligible employees as of June 30, 2012.

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

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**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.

Following is a summary of the component units' long-term debt transactions for the year ended June 30, 2012.

	Balance 7/1/2011	Additions	Payments	Balance 6/30/2012	Due within one year
Component units					
Revenue bonds	<u>\$ 37,515,000</u>	<u>\$ -</u>	<u>\$ 295,000</u>	<u>\$ 37,220,000</u>	<u>\$ 500,000</u>

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

Year ending June 30,	Principal	Interest	Total
2013	\$ 500,000	\$ 2,477,388	\$ 2,977,388
2014	540,000	2,445,121	2,985,121
2015	570,000	2,410,563	2,980,563
2016	610,000	2,373,807	2,983,807
2017	650,000	2,334,617	2,984,617
2018-2022	3,900,000	10,981,476	14,881,476
2023-2027	5,390,000	9,467,498	14,857,498
2028-2032	7,460,000	7,350,381	14,810,381
2033-2037	10,435,000	4,334,559	14,769,559
2038-2042	6,465,000	859,830	7,324,830
2043	700,000	22,750	722,750
Total	<u>\$ 37,220,000</u>	<u>\$ 45,057,990</u>	<u>\$ 82,277,990</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2012

**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, 2012, the District had insurance deductibles of \$50,000 (property), \$150,000 (general liability), and \$1,000 (vehicle liability) per claim. At June 30, 2012, the District's property and liability claims payable was \$319,152.

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, 2012. At June 30, 2012, the District's workers' compensation claims payable was \$519,640.

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, 2012

**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 \$587,154, 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, 2012 and 2011 were as follows:

	2012	2011
Beginning fiscal year liability	\$ 570,621	\$ 528,267
Current year claims and adjustments	1,309,917	929,990
Claims paid	(1,041,746)	(887,636)
Ending fiscal year liability	<u>\$ 838,792</u>	<u>\$ 570,621</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 3.0% of the total payroll for the calendar year 2012, (2.6% for calendar year 2011 and 2.2% for calendar year 2010).

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

**Notes to Financial Statements (Continued)**

June 30, 2012

**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 2.5% of the total payroll for the calendar year 2012 (2.0% for the calendar year 2011 and 1.5% for calendar year 2010). 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, 2012, 2011, and 2010, the District's employer contributions to the SDTF were \$19,039,019, \$17,914,737, and \$16,609,146, 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, 2012, 2011, and 2010, the District's employer contributions to the HCTF were \$1,369,306, \$1,375,322, and \$1,366,451, 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, 2012

**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 through calendar year 2012). In addition, catch-up contributions, up to \$5,500 for the calendar year 2010 through calendar year 2012, 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, 2012, 2011 and 2010, the 401(k) Plan member contributions from the District were \$1,579,424, \$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 \$476,174 for services provided during the year ended June 30, 2012. 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, 2012, 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, 2012. Contract commitments at June 30, 2012, as a result of these projects, totaled \$11,917,162.

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

**Notes to Financial Statements (Continued)**

June 30, 2012

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

**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, 2012, 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. The District has met the 2% contingency requirement, which is reported in the committed fund balance, as of June 30, 2012.

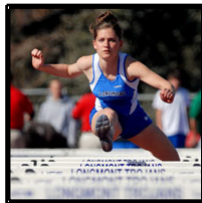
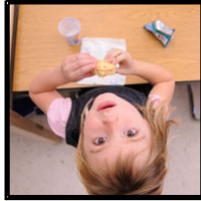
The contingency reserve may only be used if the following conditions are met:

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

**NOTE 15: RESTATEMENT FOR CHANGE IN REPORTING ENTITY**

Due to a reclassification entry by the District, the District decreased the net assets as of July 1, 2011 on its report for Twin Peaks Charter Academy by \$43,388 to agree with the charter school's audit report.

St. Vrain Valley School District RE-1J



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## 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.

The General Fund budgets on an encumbered basis. The reconciliation for the encumbered basis is shown on the following page.

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

- \$3.1 million increase in purchased services primarily due to the inclusion of dental self-insurance claims
- \$1.3 million decrease in allocations to charter schools due to the actual pupil count adjustment

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.

The annual budget for the special revenue fund is adopted on a basis consistent with US GAAP rather than the budget basis.

**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, 2012**

	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	\$ 58,956,000	\$ 58,823,218	\$ 58,778,979	\$ (44,239)	\$ -	\$ -	\$ -	\$ -
Specific ownership taxes	6,870,000	5,954,000	5,920,333	(33,667)	-	-	-	-
Mill levy override	16,458,000	17,118,000	17,108,522	(9,478)	-	-	-	-
Investment income	241,000	216,000	206,387	(9,613)	1,500	1,500	708	(792)
Charges for services	4,339,000	4,725,000	4,925,520	200,520	-	-	-	-
Miscellaneous	2,232,000	4,412,000	5,329,638	917,638	-	-	4	4
Total local revenues	89,096,000	91,248,218	92,269,379	1,021,161	1,500	1,500	712	(788)
State								
Equalization, net	99,168,000	99,332,679	99,768,708	436,029	928,523	880,335	894,012	13,677
Special Education	3,288,000	3,431,000	3,743,482	312,482	-	-	-	-
Vocational Education	613,470	949,650	949,650	-	-	-	-	-
Transportation	1,177,000	1,540,000	1,569,389	29,389	-	-	-	-
Gifted and Talented	249,000	249,000	249,736	736	-	-	-	-
English Language Proficiency Act	492,000	482,000	467,231	(14,769)	-	-	-	-
BEST grant	-	880,881	880,796	(85)	-	-	-	-
Total state revenues	104,987,470	106,865,210	107,628,992	763,782	928,523	880,335	894,012	13,677
Federal								
Adult Education	158,000	161,000	170,710	9,710	-	-	-	-
BOCES	102,000	85,000	74,159	(10,841)	-	-	-	-
Build America Bond rebates	1,522,409	1,522,409	1,522,409	-	-	-	-	-
Education Jobs Fund	-	-	162,386	162,386	-	-	-	-
Total federal revenues	1,782,409	1,768,409	1,929,664	161,255	-	-	-	-
Total revenues	195,865,879	199,881,837	201,828,035	1,946,198	930,023	881,835	894,724	12,889
<b>Expenditures, encumbered basis</b>								
Current								
Salaries	121,747,495	121,942,349	120,129,641	1,812,708	130,623	130,623	122,313	8,310
Benefits	32,855,048	32,985,752	32,246,679	739,073	39,000	39,000	34,152	4,848
Purchased services	10,035,185	13,169,266	10,137,105	3,032,161	732,200	837,410	828,759	8,651
Supplies and materials	13,256,020	13,086,021	10,903,536	2,182,485	6,700	10,000	5,948	4,052
Claims paid	-	-	-	-	-	-	-	-
Other	769,753	982,627	726,722	255,905	22,500	19,200	25,006	(5,806)
Charter schools	20,420,563	19,126,911	19,029,260	97,651	-	-	-	-
Capital outlay	672,868	922,868	2,598,706	(1,675,838)	200,000	200,000	798	199,202
Total expenditures, encumbered basis	199,756,932	202,215,794	195,771,649	6,444,145	1,131,023	1,236,233	1,016,976	219,257
Excess (deficiency) of revenues over (under) expenditures before transfers	(3,891,053)	(2,333,957)	6,056,386	8,390,343	(201,000)	(354,398)	(122,252)	232,146
<b>Other Financing Sources (Uses)</b>								
Transfers out	(5,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(5,000)	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other financing sources uses	\$ (3,896,053)	\$ (2,333,957)	6,056,386	\$ 8,390,343	\$ (201,000)	\$ (354,398)	(122,252)	\$ 232,146
Fund balance, beginning			39,319,762				485,273	
Fund balance, ending			\$ 45,376,148				\$ 363,021	
Reconciliation of expenditures								
Expenditures, encumbered basis			\$ 195,771,649				\$ 1,016,976	
Plus: prior year encumbrances			851,750				-	
Less: current year encumbrances			(18,778)				-	
<b>Expenditures, US GAAP basis</b>			196,604,621				1,016,976	
Excess revenues over expenditures (US GAAP)			5,223,414				(122,252)	
Fund balance, beginning			39,319,762				485,273	
Fund balance, ending			\$ 44,543,176				\$ 363,021	

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)
\$ -	\$ -	\$ -	\$ -	\$ 58,956,000	\$ 58,823,218	\$ 58,778,979	\$ (44,239)
-	-	-	-	6,870,000	5,954,000	5,920,333	(33,667)
-	-	-	-	16,458,000	17,118,000	17,108,522	(9,478)
-	-	18,993	18,993	242,500	217,500	226,088	8,588
-	-	4,592	4,592	4,339,000	4,725,000	4,930,112	205,112
29,000	29,000	70,414	41,414	2,261,000	4,441,000	5,400,056	959,056
29,000	29,000	93,999	64,999	89,126,500	91,278,718	92,364,090	1,085,372
305,000	305,000	305,000	-	100,401,523	100,518,014	100,967,720	449,706
-	-	-	-	3,288,000	3,431,000	3,743,482	312,482
-	-	-	-	613,470	949,650	949,650	-
-	-	-	-	1,177,000	1,540,000	1,569,389	29,389
-	-	-	-	249,000	249,000	249,736	736
-	-	-	-	492,000	482,000	467,231	(14,769)
-	-	-	-	-	880,881	880,796	(85)
305,000	305,000	305,000	-	106,220,993	108,050,545	108,828,004	777,459
-	-	-	-	158,000	161,000	170,710	9,710
-	-	-	-	102,000	85,000	74,159	(10,841)
-	-	-	-	1,522,409	1,522,409	1,522,409	-
-	-	-	-	-	-	162,386	162,386
-	-	-	-	1,782,409	1,768,409	1,929,664	161,255
334,000	334,000	398,999	64,999	197,129,902	201,097,672	203,121,758	2,024,086
271,700	271,700	252,037	19,663	122,149,818	122,344,672	120,503,991	1,840,681
68,250	68,250	59,281	8,969	32,962,298	33,093,002	32,340,112	752,890
886,650	886,650	812,481	74,169	11,654,035	14,893,326	11,778,345	3,114,981
57,600	57,600	31,919	25,681	13,320,320	13,153,621	10,941,403	2,212,218
990,000	990,000	1,041,746	(51,746)	990,000	990,000	1,041,746	(51,746)
57,800	57,800	10,592	47,208	850,053	1,059,627	762,320	297,307
-	-	-	-	20,420,563	19,126,911	19,029,260	97,651
2,000	2,000	2,523	(523)	874,868	1,124,868	2,602,027	(1,477,159)
2,334,000	2,334,000	2,210,579	123,421	203,221,955	205,786,027	198,999,204	6,786,823
(2,000,000)	(2,000,000)	(1,811,580)	188,420	(6,092,053)	(4,688,355)	4,122,554	8,810,909
-	-	-	-	(5,000)	-	-	-
-	-	-	-	(5,000)	-	-	-
<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	<u>(1,811,580)</u>	<u>\$ 188,420</u>	<u>\$ (6,097,053)</u>	<u>\$ (4,688,355)</u>	<u>4,122,554</u>	<u>\$ 8,810,909</u>
		6,797,608				46,602,643	
		<u>\$ 4,986,028</u>				<u>\$ 50,725,197</u>	
		\$ 2,210,579				\$ 198,999,204	
		-				851,750	
		-				(18,778)	
		<u>2,210,579</u>				<u>199,832,176</u>	
		(1,811,580)				3,289,582	
		6,797,608				46,602,643	
		<u>\$ 4,986,028</u>				<u>\$ 49,892,225</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  
Governmental Designated-Purpose Grants  
For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Local grants	\$ -	\$ 200,000	\$ 147,779	\$ (52,221)
State grants	850,000	850,000	148,894	(701,106)
Federal grants	9,000,000	9,000,000	8,672,956	(327,044)
ARRA - Federal education stimulus grants	<u>9,400,000</u>	<u>9,400,000</u>	<u>965,235</u>	<u>(8,434,765)</u>
Total revenues	<u>19,250,000</u>	<u>19,450,000</u>	<u>9,934,864</u>	<u>(9,515,136)</u>
<b>Expenditures</b>				
Salaries	10,737,000	10,737,000	6,144,148	4,592,852
Benefits	2,618,000	2,618,000	1,505,842	1,112,158
Purchased services	3,740,000	3,940,000	1,138,103	2,801,897
Supplies and materials	1,004,000	1,004,000	450,000	554,000
Other	394,000	394,000	433,006	(39,006)
Capital outlay	<u>757,000</u>	<u>757,000</u>	<u>263,765</u>	<u>493,235</u>
Total expenditures	<u>19,250,000</u>	<u>19,450,000</u>	<u>9,934,864</u>	<u>9,515,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	-	-	<u>\$ -</u>
Fund balance, beginning		-	-	
Fund balance, ending		<u>\$ -</u>	<u>\$ -</u>	

## **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, 2012**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 33,500,000	\$ 35,405,245	\$ 35,305,104	\$ (100,141)
Investment income	1,400	1,400	1,880	480
Miscellaneous	-	-	19,700	19,700
Total revenues	<u>33,501,400</u>	<u>35,406,645</u>	<u>35,326,684</u>	<u>(79,961)</u>
<b>Expenditures</b>				
Debt principal	13,060,000	13,060,000	13,060,000	-
Debt interest	22,477,383	22,477,383	21,889,668	587,715
Bond issuance costs	-	-	313,613	(313,613)
Fiscal charges	7,050	7,050	5,900	1,150
Total expenditures	<u>35,544,433</u>	<u>35,544,433</u>	<u>35,269,181</u>	<u>275,252</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(2,043,033)</u>	<u>(137,788)</u>	<u>57,503</u>	<u>195,291</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of refunding bonds, coupons	-	-	35,395,000	35,395,000
Premium on bonds issued	-	-	4,224,186	4,224,186
Payment to refunded bond escrow agent	-	-	(39,594,781)	(39,594,781)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24,405</u>	<u>24,405</u>
Net change in fund balances	<u>\$ (2,043,033)</u>	<u>(137,788)</u>	<u>81,908</u>	<u>\$ 219,696</u>
Fund balance, beginning		<u>30,081,745</u>	<u>30,081,745</u>	
Fund balance, ending		<u>\$ 29,943,957</u>	<u>\$ 30,163,653</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Building Fund  
For the Year Ended June 30, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 800,000	\$ 800,000	\$ 650,871	\$ (149,129)
Miscellaneous	-	43,000	12,000	(31,000)
Total revenues	<u>800,000</u>	<u>843,000</u>	<u>662,871</u>	<u>(180,129)</u>
<b>Expenditures</b>				
Salaries	659,565	714,000	646,423	67,577
Benefits	156,217	172,000	162,699	9,301
Purchased services	5,000,000	5,000,000	3,565,180	1,434,820
Supplies and materials	3,000,000	3,000,000	459,686	2,540,314
Capital outlay	90,940,955	88,213,910	22,089,734	66,124,176
Other	12,000	20,000	179,780	(159,780)
Total expenditures	<u>99,768,737</u>	<u>97,119,910</u>	<u>27,103,502</u>	<u>70,016,408</u>
Net change in fund balances	<u>\$ (98,968,737)</u>	<u>(96,276,910)</u>	<u>(26,440,631)</u>	<u>\$ 69,836,279</u>
Fund balance, beginning		<u>96,276,910</u>	<u>96,276,910</u>	
Fund balance, ending		<u>\$ -</u>	<u>\$ 69,836,279</u>	

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## **SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS**

### **Nonmajor Capital Projects Fund**

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

### **Nonmajor Special Revenue Funds**

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

- *Community Education Fund* – This fund is used to record the tuition-based activities including driver's education, summer school, 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. During the fiscal year ended June 30, 2012, the *Vance Brand Civic Auditorium Fund* was closed and transferred into the *Community Education Fund*.

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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012**

		<u>Special Revenue Fund</u>
	<u>Capital Reserve Capital Projects Fund</u>	<u>Community Education</u>
<b>Assets</b>		
Cash and investments	\$ 5,528,261	\$ 2,462,003
Accounts receivable	1,251	45,538
Prepays	14,257	-
Deposits	280	-
	<hr/>	<hr/>
Total assets	<u>\$ 5,544,049</u>	<u>\$ 2,507,541</u>
 <b>Liabilities</b>		
Accounts payable	\$ 17,140	\$ 15,985
Accrued salaries and benefits	-	248,857
Construction retainage payable	653	-
Deferred revenues	10,706	9,205
	<hr/>	<hr/>
Total liabilities	<u>28,499</u>	<u>274,047</u>
 <b>Fund Balances</b>		
Nonspendable: deposits, prepaids	14,537	-
Restricted: special revenue funds	-	2,233,494
Committed: capital projects	5,501,013	-
Committed: special revenue fund	-	-
	<hr/>	<hr/>
Total fund balances	<u>5,515,550</u>	<u>2,233,494</u>
 Total liabilities and fund balances	<u>\$ 5,544,049</u>	<u>\$ 2,507,541</u>

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
\$ 3,830,352	\$ 2,922,230	\$ -	\$ 14,742,846
-	7,434	-	54,223
-	-	-	14,257
-	-	-	280
<u>\$ 3,830,352</u>	<u>\$ 2,929,664</u>	<u>\$ -</u>	<u>\$ 14,811,606</u>
\$ -	\$ 9,607	\$ -	\$ 42,732
-	1,267	-	250,124
-	-	-	653
188,545	28,161	-	236,617
<u>188,545</u>	<u>39,035</u>	<u>-</u>	<u>530,126</u>
-	-	-	14,537
-	2,890,629	-	5,124,123
-	-	-	5,501,013
3,641,807	-	-	3,641,807
<u>3,641,807</u>	<u>2,890,629</u>	<u>-</u>	<u>14,281,480</u>
<u>\$ 3,830,352</u>	<u>\$ 2,929,664</u>	<u>\$ -</u>	<u>\$ 14,811,606</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, 2012**

		Special Revenue Fund
	Capital Reserve Capital Projects Fund	Community Education
<b>Revenues</b>		
Intergovernmental	\$ 2,655,000	\$ -
Investment income	11,846	2,440
Charges for services	-	3,893,752
Pupil activities	-	-
Miscellaneous	16,251	-
	<u>2,683,097</u>	<u>3,896,192</u>
Total revenues		
	<u>2,683,097</u>	<u>3,896,192</u>
<b>Expenditures</b>		
Instruction	4,400	3,456,585
Supporting services	835,969	83,565
Capital outlay	2,442,341	122,640
	<u>3,282,710</u>	<u>3,662,790</u>
Total expenditures		
	<u>3,282,710</u>	<u>3,662,790</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(599,613)</u>	<u>233,402</u>
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	207,194
Transfers out	-	(10,398)
	<u>-</u>	<u>196,796</u>
Total other financing sources (uses)		
	<u>-</u>	<u>196,796</u>
Net changes in fund balances	(599,613)	430,198
Fund balances, beginning	6,115,163	1,803,296
Fund balances, ending	<u>\$ 5,515,550</u>	<u>\$ 2,233,494</u>

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
\$ -	\$ -	\$ -	\$ 2,655,000
54,755	4,636	-	73,677
-	-	-	3,893,752
-	5,386,210	-	5,386,210
514,826	-	-	531,077
569,581	5,390,846	-	12,539,716
-	4,364,006	-	7,824,991
56,707	180,628	-	1,156,869
291,397	624,986	-	3,481,364
348,104	5,169,620	-	12,463,224
221,477	221,226	-	76,492
-	10,398	-	217,592
-	(5,509)	(201,685)	(217,592)
-	4,889	(201,685)	-
221,477	226,115	(201,685)	76,492
3,420,330	2,664,514	201,685	14,204,988
\$ 3,641,807	\$ 2,890,629	\$ -	\$ 14,281,480

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, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Allocation from General Fund	\$ 2,655,000	\$ 2,655,000	\$ 2,655,000	\$ -
Investment income	15,000	15,000	11,846	(3,154)
Miscellaneous	-	15,000	16,251	1,251
Total revenues	<u>2,670,000</u>	<u>2,685,000</u>	<u>2,683,097</u>	<u>(1,903)</u>
<b>Expenditures</b>				
Instruction	-	-	4,400	(4,400)
Supporting services	-	-	835,969	(835,969)
Capital outlay	<u>7,029,923</u>	<u>5,279,923</u>	<u>2,442,341</u>	<u>2,837,582</u>
Total expenditures	<u>7,029,923</u>	<u>5,279,923</u>	<u>3,282,710</u>	<u>1,997,213</u>
Net change in fund balances	<u>\$ (4,359,923)</u>	<u>(2,594,923)</u>	<u>(599,613)</u>	<u>\$ 1,995,310</u>
Fund balance, beginning		<u>6,115,163</u>	<u>6,115,163</u>	
Fund balance, ending		<u>\$ 3,520,240</u>	<u>\$ 5,515,550</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Community Education Fund  
For the Year Ended June 30, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 5,000	\$ 5,000	\$ 2,440	\$ (2,560)
Charges for services	3,200,000	3,450,000	3,893,752	443,752
Total revenues	3,205,000	3,455,000	3,896,192	441,192
<b>Expenditures</b>				
Instruction	3,964,000	4,155,000	3,456,585	698,415
Support services	41,000	100,000	83,565	16,435
Capital outlay	-	-	122,640	(122,640)
Total expenditures	4,005,000	4,255,000	3,662,790	592,210
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(800,000)	(800,000)	233,402	1,033,402
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	207,194	207,194
Transfers out	-	-	(10,398)	(10,398)
Total other financing sources (uses)	-	-	196,796	196,796
Net change in fund balances	<u>\$ (800,000)</u>	(800,000)	430,198	<u>\$ 1,230,198</u>
Fund balance, beginning		1,803,296	1,803,296	
Fund balance, ending		<u>\$ 1,003,296</u>	<u>\$ 2,233,494</u>	

**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, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 15,000	\$ 50,000	\$ 54,755	\$ 4,755
Cash in lieu	400,000	450,000	514,826	64,826
Total revenues	<u>415,000</u>	<u>500,000</u>	<u>569,581</u>	<u>69,581</u>
<b>Expenditures</b>				
Purchased services	550,000	550,000	5,495	544,505
Capital outlay	3,349,716	3,370,330	291,397	3,078,933
Other	-	-	51,212	(51,212)
Total expenditures	<u>3,899,716</u>	<u>3,920,330</u>	<u>348,104</u>	<u>3,572,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,484,716)</u>	(3,420,330)	221,477	<u>\$ 3,641,807</u>
Fund balance, beginning		<u>3,420,330</u>	<u>3,420,330</u>	
Fund balance, ending		<u>\$ -</u>	<u>\$ 3,641,807</u>	

**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, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 6,000	\$ 6,000	\$ 4,636	\$ (1,364)
Athletic activities	2,093,000	2,093,000	1,922,576	(170,424)
Pupil activities	2,931,000	2,931,000	3,004,166	73,166
PTO/Gift activities	493,000	493,000	459,339	(33,661)
Resources from agency fund	-	-	129	129
Total revenues	<u>5,523,000</u>	<u>5,523,000</u>	<u>5,390,846</u>	<u>(132,154)</u>
<b>Expenditures</b>				
Athletic activities	3,367,000	3,367,000	1,824,765	1,542,235
Pupil activities	4,936,000	4,221,514	2,868,992	1,352,522
PTO/Gift activities	729,197	599,000	474,205	124,795
Resources to agency fund	-	-	1,658	(1,658)
Total expenditures	<u>9,032,197</u>	<u>8,187,514</u>	<u>5,169,620</u>	<u>3,017,894</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(3,509,197)	(2,664,514)	221,226	2,885,740
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	10,398	10,398
Transfers out	-	-	(5,509)	(5,509)
Total other financing sources (uses)	-	-	4,889	4,889
Net change in fund balances	<u>\$ (3,509,197)</u>	(2,664,514)	226,115	<u>\$ 2,890,629</u>
Fund balance, beginning		<u>2,664,514</u>	<u>2,664,514</u>	
Fund balance, ending		<u>\$ -</u>	<u>\$ 2,890,629</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Vance Brand Civic Auditorium Fund  
For the Year Ended June 30, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 200	\$ 200	\$ -	\$ (200)
Charges for services	100,000	100,000	-	(100,000)
Total revenues	100,200	100,200	-	(100,200)
<b>Expenditures</b>				
Salaries	85,000	85,000	-	85,000
Benefits	21,000	21,000	-	21,000
Purchased services	1,000	26,000	-	26,000
Supplies and materials	5,000	5,000	-	5,000
Total expenditures	112,000	137,000	-	137,000
Excess (deficiency) of revenues over (under) expenditures	(11,800)	(36,800)	-	36,800
<b>Other Financing Sources</b>				
Transfers out	-	-	(201,685)	(201,685)
Net change in fund balances	<u>\$ (11,800)</u>	(36,800)	(201,685)	<u>\$ (164,885)</u>
Fund balance, beginning		201,685	201,685	
Fund balance, ending		<u>\$ 164,885</u>	<u>\$ -</u>	

## **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, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 1,000	\$ 750	\$ 1,150	\$ 400
Charges for services	4,000,000	4,000,000	3,707,926	(292,074)
Other food service charges	48,000	60,000	96,849	36,849
State match	100,000	108,000	116,926	8,926
National School Lunch/Breakfast Program	3,500,000	4,000,000	4,232,136	232,136
Total revenues	<u>7,649,000</u>	<u>8,168,750</u>	<u>8,154,987</u>	<u>(13,763)</u>
<b>Expenses</b>				
Salaries	3,092,872	3,093,000	2,986,166	106,834
Benefits	985,608	986,000	920,007	65,993
Purchased services	175,000	175,000	47,764	127,236
Supplies and materials	3,215,000	3,980,000	3,933,035	46,965
Small equipment	50,000	30,000	82,661	(52,661)
Other	100,000	100,000	193,806	(93,806)
Total expenses	<u>7,618,480</u>	<u>8,364,000</u>	<u>8,163,439</u>	<u>200,561</u>
Net income, cash basis	30,520	(195,250)	(8,452)	186,798
<b>Noncash Revenues (Expenses)</b>				
Depreciation	(175,000)	(175,000)	(175,502)	(502)
Capital contributions	-	-	364,451	364,451
Commodities entitlement	455,880	455,880	535,289	79,409
Change in net assets	<u>\$ 311,400</u>	85,630	715,786	<u>\$ 630,156</u>
Net assets, beginning		<u>2,443,151</u>	<u>2,443,151</u>	
Net assets, ending		<u>\$ 2,528,781</u>	<u>\$ 3,158,937</u>	

## **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, 2012**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Additions</b>				
Investment income	\$ -	\$ -	\$ 190	\$ 190
Contributions	<u>60,000</u>	<u>60,000</u>	<u>56,191</u>	<u>(3,809)</u>
Total additions	<u>60,000</u>	<u>60,000</u>	<u>56,381</u>	<u>(3,619)</u>
<b>Deductions</b>				
Scholarships	<u>69,000</u>	<u>150,000</u>	<u>40,129</u>	<u>109,871</u>
Change in net assets	<u><u>\$ (9,000)</u></u>	<u>(90,000)</u>	<u>16,252</u>	<u><u>\$ 106,252</u></u>
Net assets, beginning		<u>199,568</u>	<u>199,568</u>	
Net assets, ending		<u><u>\$ 109,568</u></u>	<u><u>\$ 215,820</u></u>	

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

**Statement of Changes in Assets and Liabilities  
Agency Fund  
For the Year Ended June 30, 2012**

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Student Activity (Agency)</u></b>				
<b><u>Fund</u></b>				
<b>Assets</b>				
Cash and investments	\$ 127,538	\$ 234,289	\$ 224,365	\$ 137,462
Accounts receivable	31	64	31	64
Total assets	<u>\$ 127,569</u>	<u>\$ 234,353</u>	<u>\$ 224,396</u>	<u>\$ 137,526</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 210	\$ -	\$ 210
Undistributed monies	127,569	234,143	224,396	137,316
Total liabilities	<u>\$ 127,569</u>	<u>\$ 234,353</u>	<u>\$ 224,396</u>	<u>\$ 137,526</u>

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

**Schedule of Additions, Deductions and Changes in Undistributed Monies - Budget and Actual  
Student Activity (Agency) Fund  
For the Year Ended June 30, 2012**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Additions</b>				
Elementary Schools	\$ 104,000	\$ 104,000	\$ 162,248	\$ 58,248
Middle Schools	25,000	25,000	22,099	(2,901)
High Schools	21,000	21,000	45,546	24,546
Other additions	7,000	7,000	2,592	(4,408)
Resources from special revenue funds	-	-	1,658	1,658
Total additions	157,000	157,000	234,143	77,143
<b>Deductions</b>				
Elementary Schools	168,707	115,000	169,708	(54,708)
Middle Schools	37,146	37,146	16,846	20,300
High Schools	27,850	27,850	32,215	(4,365)
Other deductions	70,856	46,397	5,498	40,899
Resources to special revenue funds	-	-	129	(129)
Total deductions	304,559	226,393	224,396	1,997
Change in undistributed monies	<u>\$ (147,559)</u>	(69,393)	9,747	<u>\$ 79,140</u>
Undistributed monies, beginning		127,569	127,569	
Undistributed monies, ending		<u>\$ 58,176</u>	<u>\$ 137,316</u>	

## **SUPPLEMENTARY SCHEDULES – COMPONENT UNITS**

### **Charter Schools**

Aspen Ridge Preparatory School began operations in the fall of fiscal year 2012 to serve students in grades K through 5. The school is located in Erie (Weld County).

Carbon Valley Academy, located in Frederick (Weld County), began operations in the fall of fiscal year 2006 to serve students in grades 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, located in Longmont (Boulder County), began operations in the fall of fiscal year 1998 to serve students in grades K through 8. In 2012, the school opened a secondary academy with grades 9 and 10 and will add a grade each year until 12<sup>th</sup> grade.

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

**Combining Statement of Net Assets  
Component Units  
June 30, 2012**

	Aspen Ridge Preparatory School	Carbon Valley Academy	Flagstaff Academy
<b>Assets</b>			
Cash and investments	\$ 110,151	\$ 456,173	\$ 2,771,373
Accounts receivable	250	50	3,173
Due from primary government	-	-	-
Prepays	4,206	-	12,900
Deposits	28,933	1,000	500
Deferred charges	-	97,789	244,387
Restricted cash and investments	-	495,203	1,754,292
Capital assets,			
Non-depreciable	-	1,082,443	-
Depreciable, net	8,050	3,471,705	10,125,669
Total assets	<u>151,590</u>	<u>5,604,363</u>	<u>14,912,294</u>
<b>Liabilities</b>			
Accounts payable	25,277	16,109	7,111
Due to primary government	-	6,860	15,948
Accrued salaries and benefits	36,160	103,377	288,289
Accrued interest payable	-	21,966	387,765
Unearned revenue	-	6,130	126,820
Noncurrent liabilities			
Due within one year	-	90,000	185,000
Due in more than one year	-	4,825,000	13,320,000
Total liabilities	<u>61,437</u>	<u>5,069,442</u>	<u>14,330,933</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	8,050	(360,852)	(1,380,652)
Restricted for			
Emergencies	34,000	72,484	181,000
Debt service	-	495,203	-
Unrestricted	48,103	328,086	1,781,013
Total net assets	<u>\$ 90,153</u>	<u>\$ 534,921</u>	<u>\$ 581,361</u>

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

			Component Units
Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	Total Charter Schools
\$ 1,353,466	\$ 319,227	\$ 877,818	\$ 5,888,208
7,432	8,383	12,871	32,159
-	-	16,794	16,794
-	19,928	2,189	39,223
-	6,498	-	36,931
-	-	461,314	803,490
-	-	2,061,045	4,310,540
-	-	1,582,890	2,665,333
-	24,154	17,295,271	30,924,849
<u>1,360,898</u>	<u>378,190</u>	<u>22,310,192</u>	<u>44,717,527</u>
5,889	2,869	58,337	115,592
14,059	94,047	-	130,914
116,887	2,701	286,242	833,656
-	-	173,738	583,469
35,661	62,571	83,874	315,056
-	-	225,000	500,000
-	-	18,575,000	36,720,000
<u>172,496</u>	<u>162,188</u>	<u>19,402,191</u>	<u>39,198,687</u>
-	24,154	2,364,206	654,906
134,000	32,500	192,506	646,490
-	-	595,019	1,090,222
1,054,402	159,348	(243,730)	3,127,222
<u>\$ 1,188,402</u>	<u>\$ 216,002</u>	<u>\$ 2,908,001</u>	<u>\$ 5,518,840</u>

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, 2012**

	Aspen Ridge Preparatory School	Carbon Valley Academy	Flagstaff Academy
<b>Expenses</b>			
Instruction	\$ 508,674	\$ 1,556,213	\$ 3,734,303
Supporting services	809,060	813,681	1,660,523
Interest expense	-	284,877	931,238
Total expenses	<u>1,317,734</u>	<u>2,654,771</u>	<u>6,326,064</u>
<b>Program Revenues</b>			
Charges for Services	87,666	299,939	580,536
Operating Grants and Contributions	159,521	22,832	156,298
Capital Grants and Contributions	<u>149,977</u>	<u>-</u>	<u>62,011</u>
Total program revenues	<u>397,164</u>	<u>322,771</u>	<u>798,845</u>
<b>General Revenues</b>			
Per pupil revenue	980,505	1,792,887	4,966,582
Mill levy override	-	201,850	292,407
Interest income	-	674	3,308
Other	30,218	98,547	18,828
Capital contribution	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues	<u>1,010,723</u>	<u>2,093,958</u>	<u>5,281,125</u>
Change in net assets	90,153	(238,042)	(246,094)
Net assets, beginning	<u>-</u>	<u>772,963</u>	<u>827,455</u>
Restatement for change in reporting entity	-	-	-
Adjusted net assets, beginning	<u>-</u>	<u>772,963</u>	<u>827,455</u>
Net assets, ending	<u>\$ 90,153</u>	<u>\$ 534,921</u>	<u>\$ 581,361</u>

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

			Component Units
Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	Total Charter Schools
\$ 1,945,076	\$ 728,533	\$ 3,589,752	\$ 12,062,551
2,371,900	442,634	4,310,104	10,407,902
-	-	1,271,515	2,487,630
<u>4,316,976</u>	<u>1,171,167</u>	<u>9,171,371</u>	<u>24,958,083</u>
277,305	255,823	1,801,275	3,302,544
-	177,620	31,234	547,505
<u>46,477</u>	<u>9,185</u>	<u>170,936</u>	<u>438,586</u>
<u>323,782</u>	<u>442,628</u>	<u>2,003,445</u>	<u>4,288,635</u>
3,715,536	736,170	5,685,534	17,877,214
260,089	-	397,702	1,152,048
-	250	942	5,174
169,567	20,724	-	337,884
-	-	854,998	854,998
<u>4,145,192</u>	<u>757,144</u>	<u>6,939,176</u>	<u>20,227,318</u>
151,998	28,605	(228,750)	(442,130)
<u>1,036,404</u>	<u>187,397</u>	<u>3,180,139</u>	<u>6,004,358</u>
-	-	(43,388)	(43,388)
<u>1,036,404</u>	<u>187,397</u>	<u>3,136,751</u>	<u>5,960,970</u>
<u>\$ 1,188,402</u>	<u>\$ 216,002</u>	<u>\$ 2,908,001</u>	<u>\$ 5,518,840</u>

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

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**STATISTICAL SECTION  
(UNAUDITED)**

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

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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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt (1)	\$ 18,202,783	\$ 21,648,995	\$ 22,549,614	\$ 10,755,304
Restricted	25,159,814	29,999,027	35,653,114	38,271,459
Unrestricted	<u>(19,018,953)</u>	<u>(16,562,973)</u>	<u>(13,103,041)</u>	<u>2,416,984</u>
Total governmental net assets	<u>24,343,644</u>	<u>35,085,049</u>	<u>45,099,687</u>	<u>51,443,747</u>
Business-type activities				
Invested in capital assets, net of related debt	821,843	727,684	981,771	1,143,171
Restricted	138,799	-	-	-
Unrestricted	<u>810,767</u>	<u>1,126,201</u>	<u>1,225,914</u>	<u>1,067,695</u>
Total business-type net assets	<u>1,771,409</u>	<u>1,853,885</u>	<u>2,207,685</u>	<u>2,210,866</u>
Primary government				
Invested in capital assets, net of related debt	19,024,626	22,376,679	23,531,385	11,898,475
Restricted	25,298,613	29,999,027	35,653,114	38,271,459
Unrestricted	<u>(18,208,186)</u>	<u>(15,436,772)</u>	<u>(11,877,127)</u>	<u>3,484,679</u>
Total primary government net assets	<u>\$ 26,115,053</u>	<u>\$ 36,938,934</u>	<u>\$ 47,307,372</u>	<u>\$ 53,654,613</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 20,092,457	\$ 17,752,278	\$ 16,389,200	\$ 5,837,277	\$ 1,650,384	\$ (4,553,120)
42,011,881	36,348,780	43,552,511	48,873,296	41,903,392	42,346,312
(1,985,048)	14,481,434	35,783,693	41,983,603	49,879,868	52,817,264
<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>	<u>90,610,456</u>
1,059,518	926,902	1,075,631	1,042,353	908,812	1,201,873
-	-	-	-	-	-
<u>927,056</u>	<u>695,203</u>	<u>476,099</u>	<u>967,637</u>	<u>1,534,339</u>	<u>1,957,064</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>	<u>3,158,937</u>
21,151,975	18,679,180	17,464,831	6,879,630	2,559,196	(3,351,247)
42,011,881	36,348,780	43,552,511	48,873,296	41,903,392	42,346,312
(1,057,992)	15,176,637	36,259,792	42,951,240	51,414,207	54,774,328
<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>	<u>\$ 93,769,393</u>

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

	2003	2004	2005	2006
<b>Expenses</b>				
Governmental activities:				
Instruction	\$ 93,572,030	\$ 85,427,185	\$ 95,661,489	\$ 113,735,114
Supporting services	42,042,464	49,858,273	49,653,089	53,304,184
Interest	9,599,755	11,647,151	12,247,793	14,320,914
Total governmental activities expenses	<u>145,214,249</u>	<u>146,932,609</u>	<u>157,562,371</u>	<u>181,360,212</u>
Business-type activities:				
Food services	4,254,543	4,410,830	4,885,656	5,873,965
Total primary government expenses	<u>\$ 149,468,792</u>	<u>\$ 151,343,439</u>	<u>\$ 162,448,027</u>	<u>\$ 187,234,177</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
Tuition and fees	\$ 2,121,666	\$ 2,101,479	\$ 2,659,299	\$ 3,280,966
Internal charges (1)	-	-	526,506	576,681
Operating grants and contributions	8,069,583	9,513,660	10,930,997	13,090,706
Capital grants and contributions	1,650,635	1,402,614	1,041,182	1,053,746
Total governmental activities program revenues	<u>11,841,884</u>	<u>13,017,753</u>	<u>15,157,984</u>	<u>18,002,099</u>
Business-type activities:				
Charges for services	2,734,550	2,820,846	2,978,095	3,098,897
Operating grants and contributions	1,504,411	1,667,815	1,905,055	2,442,897
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>4,238,961</u>	<u>4,488,661</u>	<u>4,883,150</u>	<u>5,541,794</u>
Total primary government program revenues	<u>\$ 16,080,845</u>	<u>\$ 17,506,414</u>	<u>\$ 20,041,134</u>	<u>\$ 23,543,893</u>
Net (expense) / revenue				
Governmental activities	\$ (133,372,365)	\$ (133,914,856)	\$ (142,404,387)	\$ (163,358,113)
Business-type activities	(15,582)	77,831	(2,506)	(332,171)
Total primary government net expense	<u>\$ (133,387,947)</u>	<u>\$ (133,837,025)</u>	<u>\$ (142,406,893)</u>	<u>\$ (163,690,284)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Property taxes	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304	\$ 74,977,182
Specific ownership taxes	5,437,653	5,980,112	5,976,580	5,987,316
Mill levy override	-	-	-	-
State equalization	64,987,668	68,733,866	72,261,580	77,794,994
Investment income	451,322	1,374,794	2,285,218	2,511,220
Other	4,534,822	1,366,652	444,753	941,954
Transfers	26,446	-	(340,410)	(310,317)
Total governmental activities	<u>140,287,702</u>	<u>144,656,261</u>	<u>152,419,025</u>	<u>161,902,349</u>
Business-type activities:				
Investment income	5,755	4,645	15,896	25,035
Transfers	(140,000)	-	340,410	310,317
Total business-type activities	<u>(134,245)</u>	<u>4,645</u>	<u>356,306</u>	<u>335,352</u>
Total primary government	<u>\$ 140,153,457</u>	<u>\$ 144,660,906</u>	<u>\$ 152,775,331</u>	<u>\$ 162,237,701</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 6,915,337	\$ 10,741,405	\$ 10,014,638	\$ (1,455,764)
Business-type activities	(149,827)	82,476	353,800	3,181
Total primary government	<u>\$ 6,765,510</u>	<u>\$ 10,823,881</u>	<u>\$ 10,368,438</u>	<u>\$ (1,452,583)</u>

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

2007	2008	2009	2010	2011	2012
\$ 115,031,293	\$ 122,240,743	\$ 127,681,937	\$ 136,783,787	\$ 154,559,432	\$ 156,466,950
58,113,258	60,629,900	69,745,866	106,835,640	92,466,787	87,621,269
16,010,493	15,500,560	15,845,498	19,182,556	20,837,721	20,839,718
189,155,044	198,371,203	213,273,301	262,801,983	267,863,940	264,927,937
6,368,635	7,069,557	7,825,813	7,795,085	8,155,509	8,338,941
\$ 195,523,679	\$ 205,440,760	\$ 221,099,114	\$ 270,597,068	\$ 276,019,449	\$ 273,266,878
\$ 6,299,455	\$ 7,167,010	\$ 8,182,298	\$ 11,324,592	\$ 10,924,440	\$ 12,478,933
634,386	731,765	1,892,602	2,033,494	1,594,055	1,731,141
12,329,701	13,200,675	14,558,258	19,607,144	26,905,761	19,577,033
591,496	507,755	199,537	452,712	334,803	514,826
19,855,038	21,607,205	24,832,695	33,417,942	39,759,059	34,301,933
3,363,892	3,574,268	3,776,079	3,911,304	3,709,186	3,804,775
2,754,834	3,106,894	3,661,169	4,206,325	4,878,818	4,884,351
-	-	312,655	135,146	-	364,451
6,118,726	6,681,162	7,749,903	8,252,775	8,588,004	9,053,577
\$ 25,973,764	\$ 28,288,367	\$ 32,582,598	\$ 41,670,717	\$ 48,347,063	\$ 43,355,510
\$ (169,300,006)	\$ (176,763,998)	\$ (188,440,606)	\$ (229,384,041)	\$ (228,104,881)	\$ (230,626,004)
(249,909)	(388,395)	(75,910)	457,690	432,495	714,636
\$ (169,549,915)	\$ (177,152,393)	\$ (188,516,516)	\$ (228,926,351)	\$ (227,672,386)	\$ (229,911,368)
\$ 77,555,794	\$ 83,233,225	\$ 88,457,619	\$ 91,637,477	\$ 91,600,278	\$ 94,238,488
5,997,044	6,047,704	6,054,107	6,023,739	5,805,254	5,920,333
-	-	15,923,875	17,385,887	17,180,635	17,108,522
85,049,954	90,264,910	100,658,351	110,042,029	101,290,756	103,622,720
4,805,951	4,350,866	1,690,910	1,361,173	2,014,620	952,516
3,471,495	1,330,495	2,798,656	3,902,508	6,952,806	5,960,237
1,095,313	-	-	-	-	-
177,975,551	185,227,200	215,583,518	230,352,813	224,844,349	227,802,816
25,617	23,926	5,535	570	666	1,150
-	-	-	-	-	-
25,617	23,926	5,535	570	666	1,150
\$ 178,001,168	\$ 185,251,126	\$ 215,589,053	\$ 230,353,383	\$ 224,845,015	\$ 227,803,966
\$ 8,675,545	\$ 8,463,202	\$ 27,142,912	\$ 968,772	\$ (3,260,532)	\$ (2,823,188)
(224,292)	(364,469)	(70,375)	458,260	433,161	715,786
\$ 8,451,253	\$ 8,098,733	\$ 27,072,537	\$ 1,427,032	\$ (2,827,371)	\$ (2,107,402)

**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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Property taxes	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304	\$ 74,977,182
Specific ownership taxes	5,437,653	5,980,112	5,976,580	5,987,316
State equalization	64,987,668	68,733,866	72,261,580	77,794,994
Total finance act revenues	<u>\$ 135,275,112</u>	<u>\$ 141,914,815</u>	<u>\$ 150,029,464</u>	<u>\$ 158,759,492</u>
 Total governmental activities revenues (1)	 \$ 152,129,586	 \$ 157,674,014	 \$ 167,577,009	 \$ 179,904,448
 Public School Finance Act revenues as percentage of total governmental activities revenues	 88.9%	 90.0%	 89.5%	 88.2%

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 77,555,794	\$ 83,233,225	\$ 88,457,619	\$ 91,637,477	\$ 91,600,278	\$ 94,238,488
5,997,044	6,047,704	6,054,107	6,023,739	5,805,254	5,920,333
<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>103,622,720</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>	<u>\$ 203,781,541</u>
\$ 197,830,589	\$ 206,834,405	\$ 240,416,213	\$ 263,770,755	\$ 264,603,408	\$ 262,104,749
85.2%	86.8%	81.2%	78.7%	75.1%	77.7%

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Nonspendable	\$ 360,682	\$ 338,576	\$ 398,272	\$ 308,880
Restricted	44,146	35,484	21,994	62,808
Committed	-	-	-	-
Assigned	-	-	3,543,603	5,282,565
Unassigned	(14,333,506)	(4,653,181)	-	2,079,433
Total General Fund	<u>\$ (13,928,678)</u>	<u>\$ (4,279,121)</u>	<u>\$ 3,963,869</u>	<u>\$ 7,733,686</u>
All Other Governmental Funds				
Nonspendable	\$ 50,000	\$ 78,000	\$ 87,919	\$ 38,576
Restricted	21,401,112	26,303,934	31,721,960	33,802,155
Committed	90,555,323	78,387,916	44,387,914	21,426,345
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 112,006,435</u>	<u>\$ 104,769,850</u>	<u>\$ 76,197,793</u>	<u>\$ 55,267,076</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.

2007	2008	2009	2010	2011 (3)	2012
\$ 358,352	\$ 470,427	\$ 279,157	\$ 368,341	\$ 412,819	\$ 436,926
3,586,569	3,335,550	5,887,253	7,012,090	7,152,152	7,058,536
182,924	1,430,725	4,637,168	6,448,562	6,797,608	12,435,243
4,495,619	3,468,174	21,235,851 (2)	22,768,212	23,713,563	24,551,891
3,466,093	6,758,492	3,675,281	5,750,977	8,526,501	5,409,629
<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>	<u>\$ 49,892,225</u>
\$ 42,257	\$ 42,257	\$ 42,257	\$ 42,257	\$ 42,257	\$ 14,537
38,425,312	33,013,230	37,665,258	41,861,206	34,751,240	35,287,776
73,272,726	23,459,105	114,283,595	162,632,220	104,057,163	78,979,099
-	-	-	-	1,712,983	-
-	-	-	-	-	-
<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>	<u>\$ 114,281,412</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)**

	2003	2004	2005	2006
<b>Revenues</b>				
Property taxes	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205
Specific ownership taxes	5,437,653	5,980,112	5,976,580	5,987,316
Mill levy override	-	-	-	-
Investment income	693,051	1,328,350	2,023,366	2,386,324
Charges for service	2,121,666	2,101,479	3,185,805	3,857,647
Student activities (1)	-	-	-	-
Miscellaneous	2,387,357	2,696,524	1,470,585	1,670,385
Local intergovernmental	68,884	72,397	8,350	22,619
State intergovernmental	68,712,530	72,329,913	75,947,775	82,136,479
Federal intergovernmental	4,344,721	5,917,613	7,244,802	8,749,221
Total revenues	<u>\$ 148,468,305</u>	<u>\$ 158,973,733</u>	<u>\$ 167,029,363</u>	<u>\$ 179,844,196</u>
<b>Expenditures</b>				
Instruction	\$ 82,695,300	\$ 81,655,292	\$ 91,027,699	\$ 97,521,908
Supporting services	40,270,867	48,298,522	46,484,881	50,716,187
Student activities (1)	-	-	-	-
Capital outlay	14,994,818	58,421,911	44,165,547	25,050,564
Debt service				
Principal	2,123,000	4,200,000	2,850,000	10,680,000
Accrued interest	-	4,380,000	4,380,000	-
Interest, bond issuance costs, fiscal charges	12,764,301	11,132,546	13,095,314	13,047,785
Total expenditures	<u>\$ 152,848,286</u>	<u>\$ 208,088,271</u>	<u>\$ 202,003,441</u>	<u>\$ 197,016,444</u>
Excess of revenues over (under) expenditures	<u>(4,379,981)</u>	<u>(49,114,538)</u>	<u>(34,974,078)</u>	<u>(17,172,248)</u>
Other financing sources (uses)				
Issuance of bonds, coupons	\$ 131,090,000	\$ 50,100,000	\$ 56,815,000	\$ 43,455,000
Premium received on issuance of bonds	5,813,003	1,427,510	4,057,901	2,520,719
Paid to bond agent	(40,300,000)	-	(47,074,703)	(45,964,371)
Proceeds from sale of land	-	-	846,813	-
Lease proceeds	-	-	-	-
Lease obligations	-	-	-	-
Transfers in (2)	529,710	46,614	47,000	126,455
Transfers out (2)	(503,264)	(46,614)	(47,000)	(126,455)
Total other financing sources (uses)	<u>\$ 96,629,449</u>	<u>\$ 51,527,510</u>	<u>\$ 14,645,011</u>	<u>\$ 11,348</u>
Net change in fund balances	<u>\$ 92,249,468</u>	<u>\$ 2,412,972</u>	<u>\$ (20,329,067)</u>	<u>\$ (17,160,900)</u>
Debt service as percentage of noncapital expenditures	<u>10.2%</u>	<u>13.1%</u>	<u>13.0%</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.

2007	2008	2009	2010	2011	2012
\$ 75,761,142	\$ 82,001,081	\$ 87,124,649	\$ 92,597,766	\$ 92,576,990	\$ 94,084,083
5,997,044	6,047,704	6,054,107	6,023,739	5,805,254	5,920,333
-	-	15,923,875	17,385,887	17,180,635	17,108,522
4,758,927	4,324,865	1,690,910	1,361,173	2,014,620	952,516
4,505,478	4,949,331	7,072,297	7,492,878	7,572,312	8,823,864
2,428,363	2,949,444	3,002,603	5,865,208	5,273,683	5,386,210
1,760,662	1,804,691	2,643,533	4,210,074	6,398,209	5,962,833
32,296	33,559	24,271	10,000	889,400	147,779
90,760,436	96,769,997	106,647,109	116,754,564	108,561,877	111,631,898
7,577,197	7,720,045	8,569,500	12,894,609	19,634,640	11,567,855
<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>	<u>\$ 261,585,893</u>
\$ 102,077,107	\$ 107,631,101	\$ 118,531,065	\$ 136,127,577	\$ 137,948,105	\$ 135,709,381
56,356,357	59,126,506	65,842,654	106,358,121	82,318,652	80,315,183
2,124,971	2,839,834	3,317,010	5,588,472	5,351,321	4,544,634
12,796,447	54,797,679	11,845,608	11,933,633	63,702,969	28,764,568
11,700,000	18,835,000	11,045,000	11,695,000	12,560,000	13,060,000
-	-	-	-	-	-
14,638,580	15,222,489	16,214,243	19,906,806	23,023,214	22,209,181
<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>	<u>\$ 284,602,947</u>
(6,111,917)	(51,851,892)	11,957,274	(27,013,711)	(58,996,641)	(23,017,054)
\$ 56,800,000	\$ -	\$ 104,000,000	\$ 85,000,000	\$ 65,505,000	\$ 35,395,000
3,622,791	-	504,199	1,191,756	8,370,336	4,224,186
(479,707)	-	(751,347)	-	(74,596,274)	(39,594,781)
2,309,767	-	-	-	-	-
-	-	-	-	-	-
(473,254)	-	-	-	-	-
5,585,026	705,425	377,825	675,521	5,034,643	217,592
(423,614)	(705,425)	(360,091)	(675,521)	(5,034,643)	(217,592)
<u>\$ 66,941,009</u>	<u>\$ -</u>	<u>\$ 103,770,586</u>	<u>\$ 86,191,756</u>	<u>\$ (720,938)</u>	<u>\$ 24,405</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>\$ (22,992,649)</u>
<u>13.9%</u>	<u>16.6%</u>	<u>12.9%</u>	<u>12.0%</u>	<u>13.5%</u>	<u>13.2%</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Property taxes	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205
Specific ownership taxes	5,437,653	5,980,112	5,976,580	5,987,316
State equalization	<u>64,987,668</u>	<u>68,733,866</u>	<u>72,261,580</u>	<u>77,794,994</u>
Total finance act revenues	<u><u>\$ 135,127,764</u></u>	<u><u>\$ 143,261,323</u></u>	<u><u>\$ 149,410,260</u></u>	<u><u>\$ 158,816,515</u></u>
 Total revenues (1)	 \$ 148,468,305	 \$ 158,973,733	 \$ 167,029,363	 \$ 179,844,196
 Public School Finance Act revenues as percentage of total governmental funds revenues	   91.0%	   90.1%	   89.5%	   88.3%

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 75,761,142	\$ 82,001,081	\$ 87,124,649	\$ 92,597,766	\$ 92,576,990	\$ 94,084,083
5,997,044	6,047,704	6,054,107	6,023,739	5,805,254	5,920,333
<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>103,622,720</u>
<u>\$ 166,808,140</u>	<u>\$ 178,313,695</u>	<u>\$ 193,837,107</u>	<u>\$ 208,663,534</u>	<u>\$ 199,673,000</u>	<u>\$ 203,627,136</u>
\$ 193,581,545	\$ 206,600,717	\$ 238,752,854	\$ 264,595,898	\$ 265,907,620	\$ 261,585,893
86.2%	86.3%	81.2%	78.9%	75.1%	77.8%

**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
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
2011	2012	1,143,172	550,254	205,539	76,411	312,960	48,052

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
\$	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%
	18,526		4,894	2,359,808	47.614 (2)	17,863,544	13.21%

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

Levy Year	Collection Year	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
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
2011	2012	32.474	15.140	47.614	24.645	16.804	22.472	28.968	92.889	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 Ten Years Ago**  
**(Unaudited)**

Taxpayer	2003			2012		
	2002 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	2011 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (2)
Kerr-McGee Rocky Mtn. Corp.	\$ 21,969,640	3	1.38%	\$ 197,388,800	1	8.44%
Encana Oil & Gas (USA) Inc.				72,231,100	2	3.09%
Amgen Inc.	37,708,413	1	2.37%	28,147,440	3	1.20%
Pratt Land Limited Liability Co.	27,398,600	2	1.72%			
Noble Energy, Inc.				25,505,000	4	1.09%
Seagate Technology LLC	18,609,550	4	1.17%	20,322,751	5	0.87%
Circle Capital Longmont LLC				19,594,111	6	0.84%
Xilinx Inc.	9,383,170	7	0.59%	14,365,160	7	0.61%
Qwest Corporation	14,910,953	5	0.94%			
Hub Properties Trust				11,231,570	8	0.48%
Public Service Co. nka Xcel Energy				10,759,333	9	0.46%
Maxtor Corporation	10,534,730	6	0.66%			
Wal-Mart Stores, Inc.				9,350,303	10	0.40%
Cemex, Inc.	7,984,340	8	0.50%			
Twin Peaks Mall Associated Ltd.	7,930,220	9	0.50%			
Patina Oil & Gas Corporation	7,569,160	10	0.48%			
Total	<u>\$ 163,998,776</u>		<u>10.32%</u>	<u>\$ 408,895,568</u>		<u>17.48%</u>

Note 1: Based on a 2002 certified assessed valuation of \$1,589,581,541

Note 2: Based on a 2011 certified assessed valuation of \$2,338,523,416

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

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

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Levy	Outstanding Delinquent Taxes (1), (2)
2002	2003	\$ 65,212,583	\$ 63,192,297	96.90%	\$ 1,510,146	\$ 64,702,443	99.22%	\$ 2,020,286
2003	2004	68,894,334	66,833,309	97.01%	1,506,777	68,340,086	99.20%	2,061,024
2004	2005	71,575,974	69,356,553	96.90%	1,621,778	70,978,331	99.17%	2,219,422
2005	2006	75,501,852	73,248,325	97.02%	1,489,807	74,738,132	98.99%	2,253,528
2006	2007	76,540,145	73,647,406	96.22%	1,847,549	75,494,955	98.63%	2,892,740
2007	2008	83,603,063	80,083,112	95.79%	1,766,634	81,849,746	97.90%	3,519,950
2008	2009	104,326,045	99,523,612	95.40%	2,206,238	101,729,849	97.51%	4,802,434
2009	2010	110,323,836	106,309,890	96.36%	3,305,101	109,614,992	99.36%	4,013,945
2010	2011	109,541,888	106,266,524	97.01%	3,185,425	109,451,949	99.92%	3,275,364
2011	2012	111,346,454	107,891,736	96.90%	2,892,256	110,783,992	99.49%	3,454,718

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	Registered Coupons	Total		
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	5.2%	3,027
2011	451,865,000	-	-	451,865,000	(1)	2,877
2012	438,795,000	-	700,000	439,495,000	(1)	2,764

Note 1: Personal income data for 2011 and 2012 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)
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
2011	2012	438,795,000	30,163,653	408,631,347	2.29%	2,570

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, 2012**  
**(Unaudited)**

Name of Overlapping Entity	2011 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	\$ 157,748,491	\$ 980,000	10.76%	\$ 105,448
Carbon Valley Park & Recreation District	373,579,410	6,410,000	89.76%	5,753,616
Central Colorado Water Conservancy - Groundwater Management	1,196,704,970	16,743,925	0.15%	25,116
City of Dacono	32,473,900	2,280,000	78.58%	1,791,624
East I-25 Sanitation District	13,111,380	535,000	96.97%	518,790
Town of Erie	232,335,997	16,440,000	80.25%	13,193,100
Erie Commons Metro District No. 1	-	8,360,000	100.00%	8,360,000
Town of Firestone	131,980,920	135,000	94.57%	127,670
Frederick-Firestone Fire Protection Dist.	345,995,850	2,960,000	98.81%	2,924,776
Gunbarrel Estates Metro Park & Rec.	10,030,368	14,945	100.00%	14,945
Harvest Junction Metropolitan District	19,576,004	7,555,000	100.00%	7,555,000
Left Hand Water & Sanitation District	5,720,996	186,155	100.00%	186,155
Liberty Ranch Metropolitan District	3,933,390	4,855,000	100.00%	4,855,000
City of Longmont	1,035,934,799	1,185,000	100.00%	1,185,000
Lyons Fire Protection District	56,271,259	820,000	99.42%	815,244
Mead Western Meadows Metro District	2,506,260	2,670,000	100.00%	2,670,000
North Metro Fire Rescue Authority	1,329,469,347	23,400,000	0.25%	58,500
Northern Colorado Water Cons. District	13,669,545,855	4,903,850	16.63%	815,510
St. Vrain Sanitation District				-
Stoneridge Metropolitan District	6,899,170	3,955,000	99.99%	3,954,605
Vista Ridge Metropolitan District	49,265,630	39,385,000	100.00%	39,385,000
Wyndham Hill Metropolitan District No. 2	4,954,800	3,370,000	100.00%	3,370,000
Total overlapping debt				97,665,099
Direct debt of the District				438,795,000
Total direct and overlapping debt				<u>\$ 536,460,099</u>

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2011, 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)**

	2003	2004	2005	2006
Debt Limit	\$ 397,395,385	\$ 826,522,526	\$ 860,996,213	\$ 915,527,849
Total net debt applicable to limit	232,693,967	278,315,000	283,890,000	272,770,000
Legal debt margin	<u>\$ 164,701,418</u>	<u>\$ 548,207,526</u>	<u>\$ 577,106,213</u>	<u>\$ 642,757,849</u>
Total net debt applicable to the limit as a percentage of debt limit	58.6%	33.7%	33.0%	29.8%

**Fiscal Year 2012 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	\$ 2,359,807,724 (1)	\$ 17,863,544,139
Debt Limit Percentage	<u>20.00% (2)</u>	<u>6.00%</u>
Legal debt limit	471,961,545	1,071,812,648
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2012	<u>438,795,000</u>	<u>438,795,000</u>
Legal debt margin	<u>\$ 33,166,545</u>	<u>\$ 633,017,648</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.

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 969,158,919	\$ 442,367,652	\$ 454,114,207	\$ 480,457,607	\$ 472,060,055	\$ 471,961,545
317,870,000	299,035,000	391,990,000	465,295,000	451,865,000	438,795,000
<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>	<u>\$ 33,166,545</u>
32.8%	67.6%	86.3%	96.8%	95.7%	93.0%

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

**Population District-wide**

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
131,310	136,910	140,363	142,172

**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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Boulder	\$ 11,406,648	\$ 12,199,592	\$ 12,815,298	\$ 14,192,102
Broomfield (1)	1,410,324	1,550,901	1,550,383	1,694,754
Larimer	8,541,462	8,846,874	9,330,387	9,953,554
Weld	5,144,211	5,374,013	5,668,873	5,919,700
Average	<u>\$ 6,625,661</u>	<u>\$ 6,992,845</u>	<u>\$ 7,341,235</u>	<u>\$ 7,940,028</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Boulder	\$ 41,110	\$ 43,640	\$ 45,849	\$ 49,628
Broomfield (1)	33,376	36,530	35,743	32,949
Larimer	32,037	32,893	34,323	35,397
Weld	24,279	24,432	24,846	26,002
Average	<u>\$ 32,701</u>	<u>\$ 34,374</u>	<u>\$ 35,190</u>	<u>\$ 35,994</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
146,193	148,920	150,949	153,967	157,047	159,000

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 14,841,031	\$ 15,039,895	\$ 14,584,246	\$ 14,786,545
1,918,571	2,023,405	2,079,193	2,115,979
10,541,856	11,378,132	11,291,870	11,585,090
6,384,960	7,067,989	6,925,906	7,326,422
<u>\$ 8,421,605</u>	<u>\$ 8,877,355</u>	<u>\$ 8,720,304</u>	<u>\$ 8,953,509</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 51,388	\$ 50,058	\$ 48,056	\$ 50,095
35,781	36,915	37,135	37,709
36,766	38,848	37,844	38,546
26,314	28,402	27,186	28,817
<u>\$ 37,562</u>	<u>\$ 38,556</u>	<u>\$ 37,555</u>	<u>\$ 38,792</u>

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

**Median Age by County**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Boulder	34.2	34.6	35.1	35.5	35.8
Broomfield	33.6	33.9	34.2	34.5	34.7
Larimer	33.9	34.2	34.5	34.9	35.1
Weld	31.0	31.0	31.2	31.3	31.5

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

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

		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Boulder	(2)	5.9%	5.8%	4.5%	4.1%	3.3%
Broomfield	(3)	5.8%	6.2%	4.7%	4.7%	3.8%
Larimer	(4)	4.8%	5.3%	4.4%	4.2%	3.4%
Weld	(5)	5.2%	5.9%	5.1%	5.0%	4.2%

Note 1: Figures for the Counties are not seasonally adjusted

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

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

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

Note 5: Weld County includes the Greeley MSA

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

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

2008	2009	2010	2011	2012
36.1	36.3	37.0	37.3	36.5
34.9	35.5	35.8	36.1	36.9
35.2	35.5	36.3	36.7	35.8
31.7	31.8	32.4	32.6	33.6

2008	2009	2010	2011	2012 (6)
4.8%	6.6%	7.1%	6.6%	6.5%
5.4%	7.5%	7.9%	7.7%	7.6%
4.7%	6.6%	7.4%	6.9%	6.7%
5.6%	8.8%	10.2%	9.7%	9.2%

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**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 Ten Fiscal Years Ago**  
**(Unaudited)**

Employer	Product of Service	2003		2012	
		Estimated Number of Employees (2)	Rank	Estimated Number of Employees (2)	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	T4
Ball Corp.	Areospace instruments and data systems	1,925	7	3,300	T4
St. Vrain Valley School District	Public education			3,238	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
Exempla Good Samaritan Medical	Healthcare			1,374	11
City of Boulder	Local government			1,255	12
Longmont United Hospital	Healthcare			1,238	13
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	1,122	14
Amgen, Inc.	Human Therapeutics			935	15
		<u>23,037</u>		<u>37,845</u>	

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

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

**Source:** 2012 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 Eight 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, 49 and 56 FTE for direct instruction; and 36, 44, and 34 FTE for classroom support for fiscal years 2010, 2011 and 2012, respectively.

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

<u>2008</u>	<u>2009</u>	<u>2010 (3)</u>	<u>2011</u>	<u>2012</u>
1,753	1,514	1,612 (5)	1,589 (5)	1,535 (5)
441	381	366 (5)	388 (5)	406 (5)
356	307	336	338	354
34	30	32	34	36
<u>2,584</u>	<u>2,232</u>	<u>2,346</u>	<u>2,349</u>	<u>2,331</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)
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	25,493.3
2012	27,340.0	26,120.2

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.

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**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
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%
2012	264,927,937	27,340.0	9,690	25.0:1 (5)	9,586	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)**

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

Note 1: Includes alternative programs in addition to alternative schools

Note 2: Includes the new elementary school. Construction completed prior to June 30, 2011.

Note 3 : Includes the new high school. Construction completed prior to June 30, 2012.

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

2008	2009	2010	2011	2012
22	25	25	26 (2)	26
1,072,642	1,228,045	1,232,741	1,305,337	1,305,337
10,411	11,505	11,641	12,291	12,336
9,971	10,890	11,236	11,453	11,475
96%	95%	97%	93%	93%
9	9	9	9	9
905,153	905,153	908,105	908,105	908,105
6,331	6,331	6,331	6,392	5,740
4,992	4,909	5,060	5,080	5,114
79%	78%	80%	79%	89%
7	7	8	8	9 (3)
1,083,994	1,083,994	1,246,227	1,301,849	1,492,200
6,995	6,995	7,721	8,413	8,738
7,019	7,026	7,147	7,255	7,440
100%	100%	93%	86%	85%
2	2	2	2	2
97,032	97,032	152,516	152,516	152,516
556	558	552	578	738
3	4	5	5	6
1,397	1,887	2,308	2,589	3,009
144,106	144,106	169,672	169,672	185,720

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

	2003	2004	2005	2006
General Fixed Assets Group / Governmental Activities				
Land/Sites	\$ 11,700,106	\$ 13,101,777	\$ 16,868,344	\$ 17,281,724
Projects in progress	3,701,002	47,988,336	20,455,309	5,072,230
Water rights	2,612,516	2,612,516	2,612,516	4,089,516
Capital assets not depreciated	<u>18,013,624</u>	<u>63,702,629</u>	<u>39,936,169</u>	<u>26,443,470</u>
Land Improvements	11,643,568	13,803,835	16,362,434	16,974,890
Buildings	104,563,622	104,563,622	163,650,732	176,858,388
Building Improvements	76,042,521	83,590,019	87,209,911	99,353,087
Equipment	15,397,086	17,487,102	23,182,130	23,950,193
Capital assets depreciated	<u>207,646,797</u>	<u>219,444,578</u>	<u>290,405,207</u>	<u>317,136,558</u>
Less: accumulated depreciation				
Land Improvements	3,566,526	4,222,100	4,840,750	5,681,171
Buildings	29,444,832	31,298,614	33,136,901	35,314,984
Building Improvements	15,746,468	18,049,170	19,791,865	23,283,112
Equipment	9,731,386	10,746,973	11,550,228	12,658,701
Total accumulated depreciation	<u>58,489,212</u>	<u>(1) 64,316,857</u>	<u>69,319,744</u>	<u>76,937,968</u>
Capital assets depreciated, net	<u>149,157,585</u>	<u>155,127,721</u>	<u>221,085,463</u>	<u>240,198,590</u>
Total capital assets, General Fixed Assets Group / Governmental Activities	<u><u>\$ 167,171,209</u></u>	<u><u>\$ 218,830,350</u></u>	<u><u>\$ 261,021,632</u></u>	<u><u>\$ 266,642,060</u></u>
Enterprise Fund / Business-type Activities				
Equipment	\$ 1,559,536	\$ 1,576,109	\$ 1,953,186	\$ 2,249,157
Less: accumulated depreciation	<u>737,693</u>	<u>848,425</u>	<u>971,415</u>	<u>1,105,986</u>
Total	<u><u>\$ 821,843</u></u>	<u><u>\$ 727,684</u></u>	<u><u>\$ 981,771</u></u>	<u><u>\$ 1,143,171</u></u>

**Source:** District's financial records

2007	2008	2009	2010	2011	2012
\$ 18,564,441	\$ 19,792,539	\$ 19,792,539	\$ 19,792,539	\$ 20,073,379	\$ 20,073,379
8,658,126	58,980,808	1,811,297	25,144,438	70,274,929	23,008,224
4,089,516	4,122,407	4,340,807	4,943,227	1,095,578	1,095,578
31,312,083	82,895,754	25,944,643	49,880,204	91,443,886	44,177,181
19,261,023	19,261,023	20,163,514	20,178,134	23,402,497	23,402,497
178,542,911	178,624,762	245,874,910	246,727,350	249,187,029	300,679,143
99,556,995	99,725,058	99,876,713	100,398,102	112,542,642	130,861,657
25,213,065	26,120,496	27,199,661	29,210,118	30,357,183	24,868,107
322,573,994	323,731,339	393,114,798	396,513,704	415,489,351	479,811,404
6,579,135	7,477,099	8,409,521	9,298,853	10,271,324	11,308,292
39,654,107	42,877,045	46,979,138	51,412,991	56,207,902	61,282,240
26,385,211	29,472,391	32,574,831	35,740,474	39,379,006	43,833,351
14,658,269	16,644,245	18,731,165	20,548,985	22,192,475	18,069,528
87,276,722	96,470,780	106,694,655	117,001,303	128,050,707	134,493,411
235,297,272	227,260,559	286,420,143	279,512,401	287,438,644	345,317,993
\$ 266,609,355	\$ 310,156,313	\$ 312,364,786	\$ 329,392,605	\$ 378,882,530	\$ 389,495,174
\$ 2,312,660	\$ 2,324,322	\$ 2,634,246	\$ 2,756,630	\$ 2,823,299	\$ 3,291,862
1,253,142	1,397,420	1,558,615	1,714,277	1,914,487	2,089,989
\$ 1,059,518	\$ 926,902	\$ 1,075,631	\$ 1,042,353	\$ 908,812	\$ 1,201,873

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## **COMPLIANCE SECTION**

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RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

1900 16th Street  
Suite 300  
Denver, CO 80202

T 303.698.1883  
F 303.777.4458

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

**Independent Auditors' Report On Internal  
Control Over Financial Reporting And On  
Compliance And Other Matters Based On An  
Audit Of Financial Statements Performed In  
Accordance With *Government Auditing Standards***

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

We have audited 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 (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 15, 2012. 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, Aspen Ridge Preparatory School 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, Aspen Ridge Preparatory School and St. Vrain Community Montessori School were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

Management of the District is responsible for establishing and maintaining effective 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.

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 previously.

#### 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 15, 2012.

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*

October 15, 2012



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

1900 16th Street  
Suite 300  
Denver, CO 80202

T 303.698.1883  
F 303.777.4458

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

**Independent Auditors' 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**

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

**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, 2012. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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, 2012.

### **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*

October 15, 2012

# ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Period Ended June 30, 2012

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Program Or Award Number	Federal Expenditures
<b>U.S. Department Of Education</b>			
<i>Direct award from the Federal government</i>			
Advanced Placement Program	84.330	5330	\$ 166,810
Investing in Innovation, Recovery Act	84.396	4396	789,122
<i>Passed through State Department of Education</i>			
Adult Education - Basic Grants to States	84.002	5002,6002	256,606
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	4010, 5010, 6010	2,608,171
Migrant Education - State Grant Program (Title I, Part C of ESEA)	84.011	4011	74,159
Special Education - Grants to States (IDEA, Part B)	84.027	4027	4,499,840
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	5126	191,176
Special Education - Preschool Grants (IDEA Preschool)	84.173	4173	30,091
Safe and Drug-Free Schools and Communities - State Grants	84.186	4186	12,264
Education for Homeless Children and Youth	84.196	5196	34,948
Charter Schools (Title V, Part B of ESEA)	84.282	5282, 6282	368,342
English Language Acquisition State Grants (Title III, Part A of ESEA)	84.365	4365	297,061
Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	4367	464,954
Title I Grants to Local Educational Agencies, Recovery Act	84.389	4389	163,060
Special Education - Grants to States (IDEA, Part B), Recovery Act	84.391	4391,8391	12,497
Special Education - Preschool Grants (IDEA Preschool), Recovery Act	84.392	4392	557
Education Jobs Fund	84.410	4410	162,386
<i>Passed through Colorado Community Colleges &amp; Occupational Education System</i>			
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	4048	121,271
<b>Total U.S. Department Of Education</b>			10,253,315
<b>U.S. Department Of Agriculture</b>			
<i>Passed through State Department of Human Services</i>			
National School Lunch Program (non-cash commodities entitlement)	10.555	4555	535,289
<i>Passed through State Department of Education</i>			
School Breakfast Program	10.553	4553	898,162
National School Lunch Program	10.555	4555	3,159,975
Summer Food Service Program for Children	10.559	4559	173,999
<b>Total U.S. Department Of Agriculture</b>			4,767,425
<b>Total Expenditures Of Federal Awards</b>			<b>\$ 15,020,740</b>

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

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## **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2012**

### **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, 2012.

### **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.

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

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2012**

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

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**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> 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?

<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
------------------------------	--

**Identification Of Major Programs**

CFDA No.	Name Of Federal Program Or Cluster
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.367	Improving Teacher Quality State Grants
84.396	State Fiscal Stabilization Fund (SFSF) - Investing in Innovation Fund (I3), Recovery Act
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between Type A and Type B programs: \$450,622

Auditee qualified as low-risk auditee? ☒ yes ☐ no

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

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### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS For The Year Ended June 30, 2012**

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#### **Section II – Financial Statement Findings**

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There were no findings relating to the District's financial statements for the year ended June 30, 2012.

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#### **Section III - Federal Award Findings And Questioned Costs**

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There were no federal award findings or questioned costs for the year ended June 30, 2012.

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#### **Section IV - Prior Year Findings**

---

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



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

1900 16th Street  
Suite 300  
Denver, CO 80202

T 303.698.1883  
F 303.777.4458

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

## Independent Auditors' Report On Electronic Financial Data Integrity Check Figures

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

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 (the District), as of and for the year ended June 30, 2012, and have issued our report thereon, dated October 15, 2012. 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*

October 18, 2012



# Colorado Department of Education

## Automated Data Exchange View Report

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Colorado Department of Education  
Fiscal Year 2011-2012  
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
Governmental				
10 General Fund	39,319,762	182,219,680	176,996,265	44,543,177
18 Risk Mgmt Sub-Fund of General Fund	6,797,609	394,407	2,205,988	4,986,029
19 Colorado Preschool Program Fund	485,273	894,725	1,016,976	363,021
Subtotal	46,602,643	183,508,812	180,219,229	49,892,226
11 Charter School Fund	4,403,093	18,921,137	20,218,363	3,105,868
20,26-29 Special Revenue Fund	5,620,090	5,141,617	4,484,063	6,277,644
21 Capital Reserve Spec Revenue Fund	228,112	231,636	459,748	0
22 Govt Designated-Purpose Grants Fund	0	10,458,068	10,458,068	0
23 Pupil Activity Special Revenue Fund	3,665,030	6,072,562	5,686,408	4,051,184
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	30,081,745	74,945,871	74,863,963	30,163,653
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	96,276,909	662,871	27,103,502	69,836,278
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	6,115,163	2,683,097	3,282,711	5,515,549
TOTALS	192,992,786	302,625,671	326,776,054	168,842,403
Proprietary				
51 Food Service Fund	2,443,153	9,054,727	8,338,943	3,158,937
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	2,443,153	9,054,727	8,338,943	3,158,937
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	199,568	56,381	40,129	215,820
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	127,865	233,717	224,267	137,315
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	-1,329,225	3,948,236	3,319,709	-700,698
TOTALS	-1,001,792	4,238,335	3,584,105	-347,563

\*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.

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Program: fdrdh.sqr

File: fd0470.dha

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*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*

