



Student Achievement ® Well-Being ® Partnerships

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014



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, 2014

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St. Vrain Valley School District RE-1J

TABLE OF CONTENTS

June 30, 2014

INTRODUCTORY SECTION	Page
Vision and Mission Statements	x
Members of the Board of Education	xi
Letter of Transmittal	xiii
ASBO International Certificate of Excellence in Financial Reporting	xxiv
GFOA Certificate of Achievement for Excellence in Financial Reporting	xxv
Organizational Chart	xxvi
Elected and Appointed Officials	xxviii
 FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	5
 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Balance Sheet – Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Fund Net Position – Proprietary Funds	27
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29
Statement of Fiduciary Net Position – Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	31
Notes to Financial Statements	33

St. Vrain Valley School District RE-1J
TABLE OF CONTENTS (CONTINUED)
June 30, 2014

FINANCIAL SECTION (Continued)	Page
Required Supplementary Information	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Colorado Preschool Program, and Risk Management Funds.....	62
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Designated -Purpose Grants.....	64
Supplementary Information	
Supplementary Schedules – Major Governmental Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Bond Redemption Fund	66
Building Fund	67
Combining Nonmajor Fund Financial Statements	
Combining Balance Sheet – Nonmajor Governmental Funds	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	72
Supplementary Schedules – Nonmajor Governmental Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Reserve Capital Projects Fund.....	74
Community Education Fund	75
Fair Contributions Fund.....	76
Student Activity Fund	77
Supplementary Schedules – Proprietary Funds	
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual – Nutrition Services Fund	80
Self Insurance Fund	81
Supplementary Schedules – Fiduciary Funds	
Schedule of Additions, Deductions and Changes in Fiduciary Net Position – Budget and Actual – Student Scholarship Fund.....	84
Statement of Changes in Assets and Liabilities – Agency Fund.....	85
Schedule of Additions, Deductions and Changes in Undistributed Monies – Budget and Actual – Student Activity (Agency) Fund	86

St. Vrain Valley School District RE-1J
TABLE OF CONTENTS (CONTINUED)
June 30, 2014

FINANCIAL SECTION (Continued)	Page
Supplementary Information (Continued)	
Supplementary Schedules – Component Units	
Combining Statement of Net Position – Component Units – Charter Schools	88
Combining Statement of Activities – Component Units – Charter Schools	90
 STATISTICAL SECTION (Unaudited)	
Net Position by Component – Accrual Basis of Accounting	96
Changes in Net Position – Accrual Basis of Accounting	98
Colorado Public School Finance Act Revenues by Source – Accrual Basis of Accounting	100
Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	102
Changes in Fund Balances of Governmental Funds – Modified Accrual Basis of Accounting	104
Colorado Public School Finance Act Revenues by Source – Modified Accrual Basis of Accounting	106
Assessed Value and Estimated Actual Value of Taxable Property	108
Property Tax Rates – Direct and Overlapping Governments	110
Principal Taxpayers of the Boulder/Longmont Area	111
Property Tax Levied and Collected – All Funds	112
Ratios of Outstanding Debt by Type	113
Ratios of General Bonded Debt Outstanding	114
Direct and Overlapping Governmental Activities Debt	115
Legal Debt Margin	116
Demographic and Economic Information	118
Major Private and Public Employers – Boulder County and City & County of Broomfield Combined	123
Full-Time Equivalent (FTE) District Employees by Function	124
Student Count	126
Other Student Statistics	127
District Buildings	128
Capital Assets by Type	130

St. Vrain Valley School District RE-1J
TABLE OF CONTENTS (CONTINUED)
June 30, 2014

COMPLIANCE	Page
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 <i>Governmental Auditing Standards</i>	135
Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133.....	137
Schedule of Expenditures of Federal Awards	140
Notes to the Schedule of Expenditures of Federal Awards	141
Schedule of Findings and Questioned Costs	142
Electronic Financial Data Integrity Check Figures.....	146

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
2013-2014**



Pictured from left to right:

(Row 1) President John Creighton , Vice President Bob Smith ,
Secretary Debbie Lammers, Treasurer Joie Siegrist ,

(Row 2) Assistant Secretary Mike Schiers , and
Members Mr. John Ahrens and Ms. Paula Peairs

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November 12, 2014

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, 2014. 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, 2014.

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, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2014, 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 30,000 of Colorado's students. St. Vrain Valley jumped to the eighth largest school district in the state according to the Colorado Department of Education's 2013 District Ranking by Pupil Membership. This ranking has St. Vrain less than 400 students from seventh place Boulder Valley School District, on our southern border. St. Vrain Valley operates 50 schools that are spread over 411 square miles. The makeup of the schools include: 1 standalone early childhood learning center, 23 elementary, 1 PK-8, 1 K-8, 8 middle, 1 middle/senior, 7 high, 1 alternative, 1 online, 1 homeschool program, and 6 charter schools. Located approximately 30 miles north of Denver, the District is geographically diverse. Its physical boundaries extend from the Continental Divide into the plains of Colorado. Adding to its scenic setting are historic downtown Longmont and the backdrop of Rocky Mountain National Park and Longs Peak. The District includes approximately 163,400 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, 2014 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, 2014, 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, 2014. 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 2014.

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. Specific documents cited are the August 27, 2014 *An Update to the Budget and Economic Outlook: Fiscal years 2014-2024*; the September 8, 2014 *Monthly Budget Review for August 2014*; and the *2014 Long-Term Budget Outlook*, as posted on July 15, 2014.

According to CBO estimates, for the fiscal year ending September 30, 2014, the federal budget deficit will total \$506 billion, roughly \$170 billion lower than the 2013 shortfall. Relative to the size of the economy, the deficit this year—at 2.9 percent of gross domestic product (GDP)—will be less than half as large as the shortfall in 2009, which was 10.1 percent of GDP. By CBO projections, the total federal debt held by

the public will remain above 70 percent of GDP for the next decade—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.

Deficits over the coming decade are now projected to total \$7.2 trillion—about \$400 billion less than the cumulative deficit CBO projected in April. Although revenues for that period are projected to be lower than the amounts that were previously estimated, projected outlays decline even more, largely because of lower anticipated interest costs.

The economy's gradual recovery from the 2007–2009 recession, the waning budgetary effects of policies enacted in response to the weak economy, and other changes to tax and spending laws have caused the deficit to shrink this year to its smallest size since 2007: roughly 3 percent of GDP, compared with a peak of almost 10 percent in 2009. If current laws governing taxes and spending stayed generally the same—an assumption that underlies CBO's 10-year baseline budget projections—the anticipated further strengthening of the economy and constraints on federal spending built into law would keep deficits between 2½ percent and 3 percent of GDP from 2015 through 2018, CBO estimates.

In succeeding years, however, deficits would become notably larger under current law. The pressures stemming from an aging population, rising health care costs, and an expansion of federal subsidies for health insurance would cause spending for some of the largest federal programs to increase relative to GDP. Moreover, CBO expects interest rates to rebound in coming years from their current unusually low levels, raising the government's interest payments. That additional spending would contribute to larger budget deficits—equaling close to 4 percent of GDP—toward the end of the 10-year period spanned by the baseline, CBO anticipates. Altogether, deficits during that 2015–2024 period would total about \$7.6 trillion.

With deficits expected to remain close to their current percentage of GDP for the next few years, federal debt held by the public is projected to stay between 72 percent and 74 percent of GDP from 2015 through 2020. Thereafter, larger deficits would boost debt to 78 percent of GDP by the end of 2024.

The unsustainable nature of the federal tax and spending policies specified in current law presents lawmakers and the public with difficult choices. Unless substantial changes are made to the major health care programs and Social Security, spending for those programs will equal a much larger percentage of GDP in the future than it has in the past. At the same time, under current law, spending for all other federal benefits and services would be on track to make up a smaller percentage of GDP by 2024 than at any point in more than 70 years. Federal revenues would also represent a larger percentage of GDP in the future than they have, on average, in the past few decades. Even so, spending would soon start to outpace revenues by increasing amounts (relative to GDP), generating rising budget deficits. As a result, federal debt held by the public is projected to grow faster than the economy starting a few years from now, and because debt is already unusually high relative to GDP, further increases could be especially harmful.

To put the federal budget on a sustainable path for the long term, lawmakers would have to make significant changes to tax and spending policies: reducing spending for large benefit programs below the projected levels, letting revenues rise more than they would under current law, or adopting some combination of those approaches.

In deciding how quickly to carry out policies to put federal debt on a sustainable path, lawmakers face trade-offs:

- The sooner significant deficit reduction was implemented, the smaller the government's accumulated debt would be, the smaller policy changes would need to be to achieve a particular long-term outcome, and the less uncertainty there would be about what policies would be adopted. However, if lawmakers implemented spending cuts or tax increases quickly, people would have little time to plan and adjust to the policy changes, and those changes would weaken the economic expansion during the next few years.

- Reductions in federal spending or increases in taxes that were implemented several years from now would have a smaller effect on output and employment in the short term. However, waiting for some time before reducing federal spending or increasing taxes would result in a greater accumulation of debt, which would represent a greater drag on output and income in the long term and would increase the size of the policy changes needed to reach any chosen target for debt.

If lawmakers wanted to minimize both the short-term economic costs of reducing deficits quickly and the longer-term costs of running large deficits, they could enact a combination of changes in tax and spending policies that increased the deficit in the next few years relative to what it would be under current law but reduced the deficit thereafter.

Even if policy changes to shrink deficits in the long term were not implemented for several years, making decisions about them sooner rather than later would offer significant advantages. If decisions were reached sooner, people would have more time to alter their behavior to be prepared for the time when the changes would be carried out. In addition, decisions about policy changes that would reduce future debt relative to the amounts projected under current law would tend to increase output and employment in the next few years by holding down longer-term interest rates, reducing uncertainty, and enhancing businesses' and consumers' confidence.

State Economy

The September 22, 2014 Office of State Planning and Budgeting (OSPB) report, the *Colorado Economic Forecast – Economic and Fiscal Review*, 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.

Colorado's economy continues to expand at a pace that is among the best in the nation. The state's concentration of individuals and businesses focused on products that are in high demand in today's economy continue to feed economic growth. Colorado also benefits from a high degree of business dynamism, as well as a growing culture for innovation and collaboration among individuals and firms. However, not all parts of the state are experiencing the same degree of economic strength. Housing market and employment growth remain more modest in certain regions. We project the statewide unemployment rate to fall below five percent this year - the first time below this level since June 2008.

The national economy's expansion has accelerated in recent months. The labor market is showing more sustained momentum; though the recent report for the nation's job market in August was less strong than in prior months. Economic indicators associated with the business cycle currently point to continued expansion. Business loan demand and investment have picked up and consumer and business confidence have improved. These trends will lower unemployment further and sustain consumer spending and housing market growth. Despite recent improvement, the overall national economy continues to generate uneven growth in the aftermath of the Great Recession. Continued improvement in the labor market is needed to bolster employment levels and overall economic growth.

Many indicators point to a continued economic expansion. We find that only a special set of unique circumstances would materially slow, or less likely reverse, the expansion. One risk is less accommodative monetary policy. The economy could respond unfavorably as the Federal Reserve ends its large-scale asset purchases and begins to target increases in the federal funds rate, which currently is expected to occur next year. Additionally, due to the interconnected nature of the global economy and financial system, current economic conditions in Europe and parts of Asia, as well as continued geopolitical tensions in the Middle East and Russia, are concerns.

Colorado's favorable mix of industries and dynamic business climate has supported strong employment growth during the recovery. The unemployment rate declined to 5.1 percent in August, the lowest rate in nearly six years. The growing labor market has helped to attract many people to the state. In recent

years, a greater proportion of migrants to Colorado have possessed advanced education degrees, helping to further strengthen the state's pool of workers with skills and abilities that are currently in high demand.

As the state and national economies recover, spending on tourism also has increased. This trend, combined with favorable weather conditions for both winter and summer attractions, has helped boost tourism activity in Colorado and contributed to the state's expansion.

Any future adjustments in forecasted revenue could have potentially large impacts on the amount of revenue collected in relation to the TABOR revenue cap. The State is within 0.4 percent of reaching its TABOR revenue cap in FY 2014-15, well within the bounds of typical forecast adjustments. It is possible that a future forecast will show the State exceeding the cap. If that were to happen, the State would need to refund excess revenue to taxpayers or ask voters for permission to retain it.

Additionally, this forecast projects TABOR revenue will exceed the cap in FY 2015-16 and FY 2016-17. Slower-than-expected revenue growth may result in future forecasts showing revenue falling below the cap. In contrast, higher-than-expected revenue collections would result in more revenue above the cap. These changes would have implications for the budget, such as on the amount of General Fund money available for spending and the amount required to be transferred to transportation and capital construction.

There still exists a difficult and persistent structural gap in the Colorado General Fund budget. In other words, there is 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.

The State's General Fund reserve ended FY 2013-14 \$235.8 million above its required amount based on preliminary information from the State Controller. All but \$25 million of this money, which remains in the General Fund, is allocated to various cash funds, including \$135.3 million to the Capital Construction Fund.

Local Economy

Colorado property is reassessed for valuation every two years. In 2013, an assessment year, the District's assessment came in at \$2.43 billion. In August 2014, the initial certification of assessed valuations shows a minimal decline of less than 1%, mainly in the Weld County assessed valuation, possibly as a result of slightly lower oil and gas production. The District's current assessment is \$2.38 billion. The largest community within the District is Longmont (the City). According to the City website, the estimated population is 89,919.

The Economic Indicators For Longmont Through August 2014, prepared by the City's financial staff provides a positive snapshot. The City's most important revenue indicator, sales and use tax, is up 10.7% from 2013 levels. Building permits through the month of August were 146 single family permits and 13 multi-family permits. This compares to 124 single family and 0 multi-family permits issued through August 2013. There were 16 new commercial construction permits through August 2014 compared to 3 through August 2013. The total valuation on permits through August 2014 increased 71.2% from valuation through August 2013. Actual number of permits issued for all purposes through August 2014 increased by 2.8% over the same period in 2013. The U.S Department of Labor and Statistics estimated Longmont's unemployment rate as 3.8% in August 2014, down from 5.2% in August 2013. The Longmont Area Economic Council reported 215 primary employers in the Longmont area and a net loss of 141 primary jobs through August 2014. Real estate vacancies have decreased from 17.4% in 2013 to 11.3% in 2014.

The Weld County portion of the District includes the growing town of Erie with a population of about 21,500, increasing by 500 over 2013 numbers. Firestone, Mead, Frederick and Dacono have stable

populations or slight growth. 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 2014 show an increase of approximately 700 full-time equivalent students. Since 2005, the enrollment growth has averaged just over 790 students per year with an annual average growth rate of 3.69%. This totals 7,922 additional students in the district since 2005. The Planning Department projects that enrollment will continue to increase by an average of approximately 680 students per year over the next three years, to nearly 31,843 by the fall of 2017.

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 79% of the District's Government wide general revenues for fiscal year 2013-2014.

The District is scheduled to receive \$6,900 per pupil FTE as per pupil revenue (PPR) for FY15. This compares to \$6,533 for FY14, an increase of \$367. This compares to \$6,945 in FY10, the year prior to large rescissions in per pupil funding.

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

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: continue to strengthen District finances, align standards, curriculum and assessments, create a portfolio of 21st Century focus schools including expanding course offerings to meet the needs and ensure success for all students, enhance District-wide technology services, school safety, broaden communications and collaboration, and maximize the Board of Education's impact. These areas of focus will support specific, measurable District goals in the areas of 1st grade school readiness, 3rd grade reading proficiency, 5th grade reading proficiency, 8th grade algebra participation and successful completion, 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.

To achieve these goals with less state funding, the District has made a concerted effort to seek grants, gifts and donations. The District was successful in the 2010 Investing in Innovation (i3) ARRA Grant competition and received \$3.6 million over five years, ending in December 2015. This grant expands the implementation of, and investment in, innovative practices that are demonstrated to have an impact on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, and increasing high school graduation rates.

Successful preliminary data results helped the District win the only Race to the Top District (RTT-D) Grant awarded in Colorado. St. Vrain Valley Schools was selected for a Race to the Top District award for \$16.6 million in December 2012. The purpose of this grant is improving student achievement, closing achievement gaps, decreasing dropout rates, and increasing high school graduation rates in the Skyline feeder group by focusing on STEM education, summer intervention, and individual academic plans. This is a four year grant ending in December 2016.

Since 1997, all Colorado school districts have been required by State law to participate in the Colorado Student Assessment Program (CSAP and TCAP) which has now transitioned to Colorado Measures of Academic Success (CMAS). Pursuant to CMAS, all public school students are given standardized tests in grades 3-12. The tests have been designed to measure student achievement in relationship to the Colorado Academic Standards. The standards are expectations specifying what students should know at particular points in their education. CMAS provides a series of snapshots of student achievement in English Language Arts and mathematics as they move through grades 3-11. A separate grade 5, 8 and 12 science test and grade 4, 7, and 12 social studies test is also administered. ACT is administered to all grade 11 students across Colorado. CMAS and ACT test results are an important part of statewide school accountability and accreditation. These coupled with 1st grade readiness, 3rd grade reading levels, 5th grade reading levels, successful participation and completion in 8th grade algebra, secondary enrollment in Advanced Level courses, and the overall graduation rate are indicators of the District's student achievement goals.

In 2001, the State began assigning individual schools a rating based upon CSAP scores. The rating system was revised in 2009 for the 2010-11 fiscal year. Under the current plan, the State Board of Education adopts targets related to four key state performance indicators: (1) student achievement, (2) student academic growth, (3) student academic growth gaps, and (4) postsecondary and workforce readiness. Using the four key performance indicators, the Colorado Department of Education assigns accreditation levels to districts and recommends school plan (accreditation) levels to districts. Using these four key performance indicators the Colorado Department of Education produces a detailed data document for each school and district (School Performance Framework and District Performance Framework).

School Facilities

The continuing growth in student enrollment in the District requires ongoing construction to provide adequate District school facilities. The Planning Department projects that enrollment will continue to increase by an average of approximately 680 students per year over the next three years, to nearly 31,843 by the fall of 2017.

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.

Construction continues on new projects funded primarily through the 2008 bond project savings. The former Frederick High School has been renovated into a K-8 school to help address area growth, and the former Frederick Elementary school has reopened as a regional early childhood learning center with a STEM focus. Existing school buildings in Longmont were renovated and two older elementary schools and one middle school were closed and reopened as a technology-rich PK-8 school. All three of these renovated buildings met or exceeded enrollment projections when they opened in August 2013. In addition, one elementary school has been renovated to become a kindergarten through 4th grade school with a large capacity to provide centralized preschool to parts of Longmont.

FINANCIAL INFORMATION

As of June 30, 2014, the District had a fund balance of \$66.2 million in the General Fund (including its sub-funds). The increase of \$1.6 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 \$11.5 million.

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, 2013. This was the tenth 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.

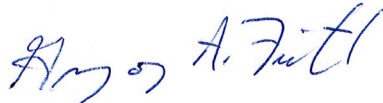
The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the team of professionals in the Financial Services Department, as well as the independent auditors, and other administrative staff called upon to provide 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 Accountant Jane Frederick, CPA; Budget Director Tony Whiteley, CPA; and District Accountants Kirk Youngman and Shelly Murphy, without whom we could not have met our very aggressive timeline.

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

Respectfully submitted,



Don Haddad, Ed.D.
Superintendent of Schools



Gregory A. Fieth
Chief Financial Officer

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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, 2013*

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



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

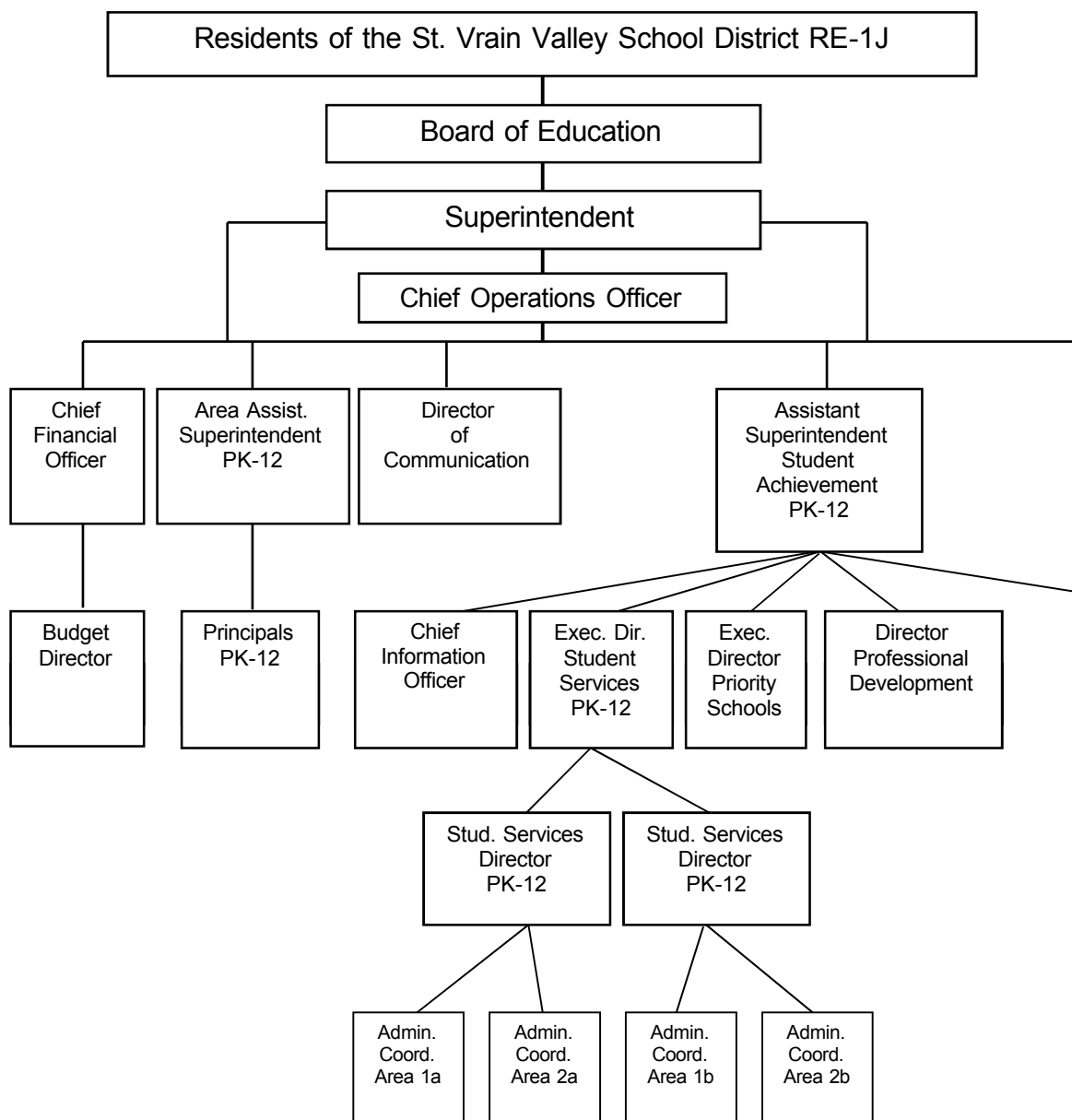
June 30, 2013

Executive Director/CEO

St. Vrain Valley School District RE-1J

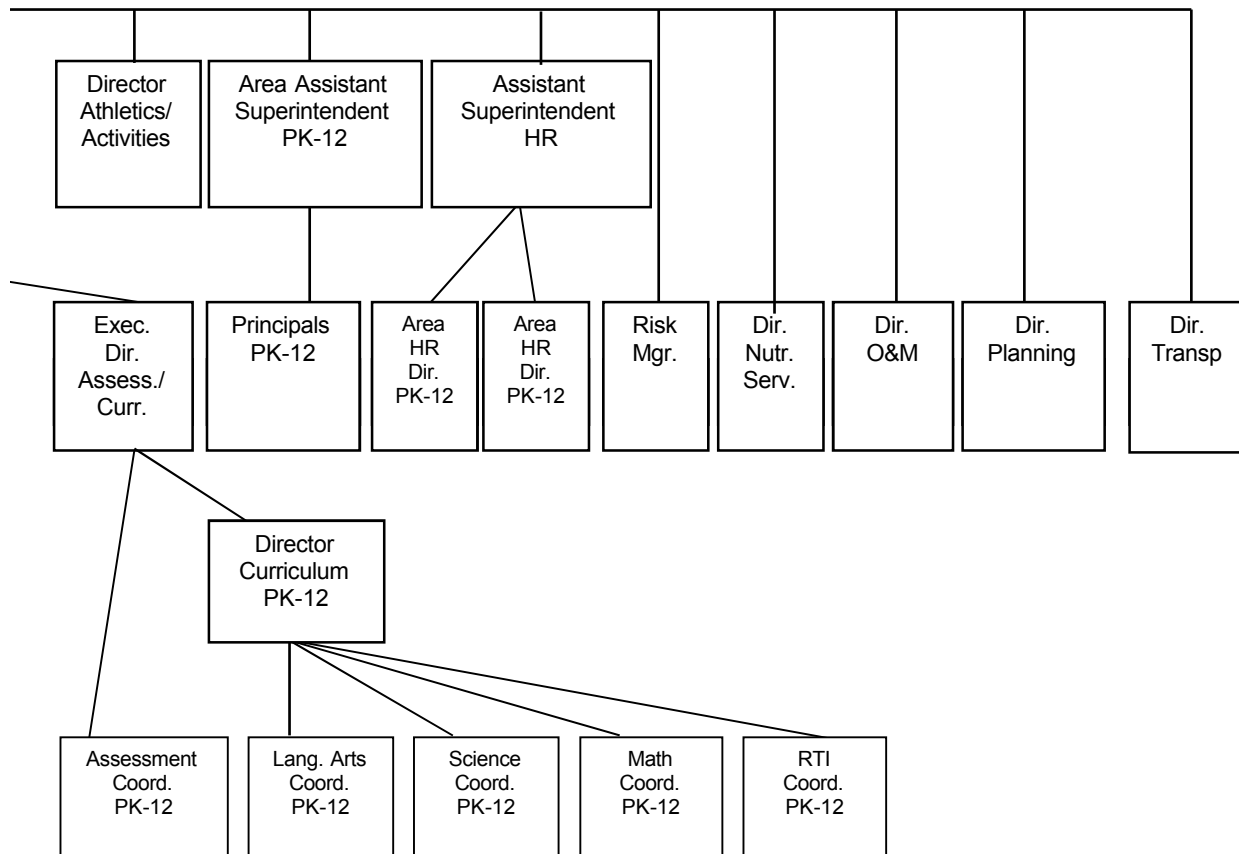
ORGANIZATIONAL CHART

June 2014



Revised September 8, 2010

Note: The organizational chart has not been updated and adopted by the Board to reflect recent changes with appointed officials.



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 2014

<u>Board Member</u>	<u>Term of Office</u>
District A, Joie Siegrist, Treasurer	2/12 - 11/15 (Appointed 2/12)
District B, Debbie Lammers, Secretary	11/09 - 11/17
District C, Bob Smith, Vice President	11/09 - 11/15 (Appointed 11/07)
District D, John Ahrens, Member	11/13 - 11/17
District E, John Creighton, President	11/07 - 11/15
District F, Paula Peairs, Member	11/13 - 11/17
District G, Mike Schiers, Asst Secretary	11/07 - 11/15

Appointed Officials

District Leadership Team

Don Haddad	Superintendent
Brian Lamer	Asst Superintendent of Operations
Greg Fieth	Chief Financial Officer
John Poynton	Executive Director of Organizational Development & Communications
Connie Syferd	Asst Superintendent of Student Achievement
David Burnison	Interim Area 1 Asst Superintendent K-12
Mark Mills	Area 2 Asst Superintendent K-12
Regina Renaldi	Area 3 Asst Superintendent K-12
Ella Padilla	Asst Superintendent of Human Resources
Dina Perfetti-Deany	Executive Director of Human Resources
Joe McBreen	Chief Information Officer
Jackie Whittington	Executive Director of Student Services
Patty Quinones	Executive Director of Innovation
Tori Teague	Asst Superintendent of Assessment & Curriculum
Kahle Charles	Executive Director of Assessment & Curriculum
Diana Lauer	Executive Director of Professional Development & Assessment

FINANCIAL SECTION

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Independent Auditors' Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Aspen Ridge Preparatory School, the Carbon Valley Academy, the Flagstaff Academy, the Imagine Charter School at Firestone, the St. Vrain Community Montessori School and the Twin Peaks Charter Academy, which are reported as and comprise in their entirety the aggregate discretely presented component units, as described in Note 1. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Aspen Ridge Preparatory School were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matter

As discussed in Notes 1 and 15, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for the year ended June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 budgetary comparison information; combining and individual major and nonmajor fund financial statements; the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures; schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2014 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* in considering the District's internal control over financial reporting and compliance.

RubinBrown LLP

November 12, 2014

St. Vrain Valley School District RE-1J
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2014

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, 2014. 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 plus deferred outflows of the District exceeded its liabilities plus deferred inflows at June 30, 2014 by \$131.0 million (net position).
- Business-type activities unrestricted net position increased \$162 thousand from \$2.07 million to \$2.23 million. This net position may be used to meet the District's ongoing obligations of the enterprise-related activities, the Nutrition Services Fund.
- Total net position of the District increased \$6.5 million during the year ended June 30, 2014, the majority resulting from a \$6.4 million increase in the net position of the District's governmental activities, and a \$70 thousand increase in the net position of the District's business-type activities.
- Fund balance of the District's governmental funds decreased from an ending fund balance of \$147.3 million for fiscal year ended June 30, 2013 to \$144.2 million for fiscal year ended June 30, 2014. The decrease is primarily the result of bond-related capital outlay expenditures of \$7.7 million by the Building Fund.
- During the current year, the fund balance in the District's General Fund increased by \$1.6 million leaving an ending fund balance of \$66.2 million. The increase is primarily due to increased revenue from a supplemental appropriation by the State legislature in the Spring of 2014, and from increased Specific Ownership Taxes due to an improved economy. After taking into consideration the various categories of fund balance, the ending unassigned General Fund balance is \$11.5 million.
- The District's total liabilities plus deferred inflows decreased \$13.9 million to \$467.8 million primarily due to the scheduled bond debt payments and aided by the retirement 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 position and the statement of activities.

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

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future or past period.

The government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities), and other functions that are intended to recover all or most of their costs from user fees and charges (business-type activities). Governmental activities consolidate governmental funds including the General Fund, Bond Redemption Fund, Building Fund, Governmental Designated-Purpose Grants Fund, nonmajor capital projects and special revenue funds, and internal service fund. 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 are legally separate entities with their own appointed independent governing boards. They are financially dependent on the District for most of their funding, and their applications and budgets must be approved by the District. In addition, because of their potential to provide financial benefit to, or impose financial burden on, the District, accounting principles prescribe a discrete presentation of the component units, meaning separate presentation from the primary government. The government-wide financial statements can be found on pages 19-21 of this report.

Fund Financial Statements

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

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

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

The District maintains eight different governmental funds. The major funds as of June 30, 2014 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 Nonmajor Governmental Funds. Individual fund information for the nonmajor funds is presented as other supplemental information elsewhere in this document. The basic governmental fund financial statements can be found on pages 22-25 of this report.

The District maintained two types of proprietary funds, an enterprise fund and an internal service 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 one internal service fund, the Self Insurance Fund, which is used to account for specific medical and dental plans. The basic proprietary fund financial statements are presented on pages 27-29 of this report.

The District 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

The District adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule for the General Fund and the major Special Revenue Governmental Designated - Purpose Fund is included as required supplementary information in the financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information. Combining and individual fund statements and schedules can be found on pages 61-91 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. Over 90% of the current assets are cash and investments.

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

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

Current and noncurrent liabilities are determined based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, claims payable, 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 2015. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2015.

Deferred inflows of resources are revenues that will be earned over the life of investments from a forward delivery agreement.

As of June 30, 2014, the assets plus deferred outflows of the primary government's governmental activities exceed liabilities plus deferred inflows by \$127.7 million with an unrestricted balance of \$75.3 million. For seven of the eight prior fiscal years, the District was able to report positive balances in all three categories of net position, both for the District as a whole, as well as for its separate governmental and business-type activities.

In fiscal year 2014, the amount “net investment in capital assets” for the primary government’s governmental activities decreased by \$1.2 million, to \$4.8 million. Net positive changes in other investments were not enough to offset the \$12.5 million spend down of cash in the Building Fund and capital assets realized net decrease of \$3.9 million, resulting in the decrease in “net investment in capital assets”. Positive changes include long-term debt decrease of \$14.2 million (see Note 8) and retainage payable decrease of \$1.4 million. Although there was a net addition of \$10 million in capital assets, the depreciation was \$14 million, causing a net decrease in capital assets. In addition, the sale of Spangler Elementary School contributed approximately \$400 thousand to the decrease in net capital assets.

Colorado Revised Statute Article X, Section 20 (Taxpayer Bill of Rights (TABOR) requires the District to establish reserves. The net position restricted for TABOR, as required by statute, increased almost \$1 million as of June 30, 2014. Net position restricted for debt service increased \$2.1 million resulting in a total of \$32.7 million.

Of the \$13.9 million decrease in liabilities plus deferred inflows, most is attributable to regularly scheduled payments of bonded debt (see Note 8).

Table 1 provides a summary of the District’s net position as of June 30, 2014 compared to June 30, 2013.

**Table 1 - Comparative Summary of Net Position
As of June 30, 2014 and 2013
(in Thousands)**

	Governmental	Activities	Business-Type Activities		Total School District		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013 - 2014
Assets							
Current assets	\$ 144,172	\$ 149,935	\$ 2,362	\$ 2,185	\$ 146,534	\$ 152,120	-3.67%
Noncurrent assets							
excluding capital assets	35,948	33,755	-	-	35,948	33,755	6.50%
Capital assets	405,436	409,350	1,046	1,138	406,482	410,488	-0.98%
Total assets	585,556	593,040	3,408	3,323	588,964	596,363	-1.24%
Deferred outflows	9,828	9,832	-	-	9,828	9,832	-0.04%
Liabilities							
Current liabilities	29,361	28,780	135	120	29,496	28,900	2.06%
Long-term liabilities	437,890	452,131	-	-	437,890	452,131	-3.15%
Total liabilities	467,251	480,911	135	120	467,386	481,031	-2.84%
Deferred inflows	435	681	-	-	435	681	-36.12%
Net Position							
Net investment in capital assets	4,820	5,976	1,046	1,138	5,866	7,114	17.54%
Restricted for							
TABOR	7,802	6,855	-	-	7,802	6,855	13.81%
Debt service	32,700	30,558	-	-	32,700	30,558	7.01%
Colo Preschool	454	399	-	-	454	399	13.78%
Other	6,660	5,701	-	-	6,660	5,701	16.82%
Unrestricted	75,262	71,791	2,227	2,065	77,489	73,856	4.92%
Total net position	\$ 127,698	\$ 121,280	\$ 3,273	\$ 3,203	\$ 130,971	\$ 124,483	5.21%

Government-wide Activities

Governmental activities increased the net position of the District \$6.4 million while the increase of Business-type Activities net position was \$70 thousand. The net result is an overall decrease of \$6.5 million in the net position of the District. Table 2 provides a summary of the District's change in net position for 2014 compared to 2013.

Table 2
Comparative Schedule of Changes in Net Position
For the Years Ended June 30, 2014 and 2013
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013 - 2014
Revenues							
Program revenues							
Charges for services	\$ 17,222	\$ 15,748	\$ 3,879	\$ 3,449	\$ 21,101	\$ 19,197	9.92%
Grants & contributions:							
Operating	25,359	19,285	5,053	5,035	30,412	24,320	25.05%
Capital	1,023	742	15	109	1,038	851	21.97%
General revenues							
Property, specific ownership, and mill levy override taxes	137,711	138,671	-	-	137,711	138,671	-0.69%
State revenue	119,132	108,347	-	-	119,132	108,347	9.95%
Other	7,124	15,990	1	2	7,125	15,992	-55.45%
Total revenues	307,571	298,783	8,948	8,595	316,519	307,378	2.97%
Expenses							
Instruction	178,639	162,259	-	-	178,639	162,259	10.09%
Supporting services	102,775	82,910	8,878	8,551	111,653	91,461	22.08%
Interest expense	19,739	20,384	-	-	19,739	20,384	-3.16%
Total expenses	301,153	265,553	8,878	8,551	310,031	274,104	13.11%
Increase (decrease) in net position	6,418	33,230	70	44	6,488	33,274	80.50%
Net position - 7/1	-	90,610	3,203	3,159	3,203	93,769	-96.58%
Restatement **	-	(2,560)	-	-	-	(2,560)	-100.00%
Net position, restated	121,280	88,050	3,203	3,159	124,483	91,209	36.48%
Net position - 6/30	\$ 127,698	\$ 121,280	\$ 3,273	\$ 3,203	\$ 9,691	\$ 124,483	-92.22%

** For comparability purposes, the restatement above is retroactively shown in fiscal year 2013 even though the accounting change was not implemented until fiscal year 2014.

Total assets of governmental activities decreased by \$7.5 million attributed to the following elements:

**Comparative Schedule of Assets of Governmental Activities
As of June 30, 2014 and 2013**

	2014	2013	Increase (Decrease)
Cash and investments	\$ 170,091,380	\$ 172,954,688	\$ (2,863,308)
Accounts receivable	285,349	720,912	(435,563)
Due from component units	200,946	11,615	189,331
Grants receivable	4,090,651	3,321,258	769,393
Interest receivable	179	10,200	(10,021)
Taxes receivable	4,294,950	5,563,334	(1,268,384)
Prepaid expenses	605,953	614,257	(8,304)
Deposits	549	484	65
Inventories	549,883	492,949	56,934
Capital assets			
Non-depreciable	27,679,925	68,051,361	(40,371,436)
Depreciable, net	377,756,112	341,298,729	36,457,383
Total assets	<u>\$ 585,555,877</u>	<u>\$ 593,039,787</u>	<u>\$ (7,483,910)</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 \$7.7 million within the Building Fund, partially offset by outperformance of various budgets, and increased revenues in the General Fund and the Fair Contributions Fund. The increase in grants receivable is due to the receipt of reimbursable expenditures and increased federal grant awards. Interest receivable reflects interest earned through June 2014 that was not received until July 2014; the lower amount is a result of a decreased average interest rate on secure investments and lower investment balances. The decrease in taxes receivable by \$1.3 million in the current year is mainly due to an improved economy allowing taxpayers to pay in a more timely manner. The decrease in non-depreciable capital assets reflects the construction projects in progress at year end. Depreciable capital assets increased because construction projects in progress as of June 30, 2013 were added to the capital assets inventory in the current year.

Total liabilities of governmental activities decreased by \$13.7 million as follows:

**Comparative Schedule of Liabilities of Governmental Activities
As of June 30, 2014 and 2013**

	2014	2013	Increase (Decrease)
Accounts payable	\$ 6,807,730	\$ 5,592,356	\$ 1,215,374
Due to component units	3,713	-	3,713
Retainage payable	295,682	1,645,711	(1,350,029)
Accrued salaries, benefits, withholdings	17,408,900	16,391,808	1,017,092
Accrued interest payable	826,787	854,198	(27,411)
Claims payable	2,820,177	3,123,402	(303,225)
Unearned revenues	1,198,135	1,172,475	25,660
Noncurrent liabilities			
Due within one year	15,476,645	14,673,706	802,939
Due in more than one year	422,412,906	437,457,484	(15,044,578)
Total liabilities	<u>\$ 467,250,675</u>	<u>\$ 480,911,140</u>	<u>\$ (13,660,465)</u>

Accounts payable increased by \$1.2 million as major renovation capital construction projects continued through the summer of 2014 with converting an elementary school into a preschool through 4th grade school. The decrease in retainage payable is due to the fact that as of June 30, 2013 there were three major renovations close to completion and as of June 30, 2014 there was one renovation. Accrued salaries, benefits and payroll withholdings increased by \$1.0 million due to salary increases given, benefit increases, and growth in the number of employees. The decrease in accrued interest reflects the decreased bond interest due by the District because of the principal payments made against bonded debt. The slight decrease in claims payable is due to estimates of claims within the Risk Management Fund and the internal service fund created for the District's specific self-insured health and dental plans at June 30, 2014. The slight increase in unearned revenues is due to increased grant program activity and an increased participation in preschool, kindergarten and community school programs. The increase in noncurrent liabilities due within one year is primarily due to the increase in bond principal due in December 2014 as compared to December 2013. Noncurrent liabilities due in more than one year decreased as a result of the paying down of bond debt (see Note 8).

Total assets of business-type activities increased by \$85,254 as follows:

**Comparative Schedule of Assets of Business-Type Activities
As of June 30, 2014 and 2013**

	2014	2013	Increase (Decrease)
Cash and investments	\$ 1,684,767	\$ 1,151,633	533,134
Accounts receivable	66,966	464,479	(397,513)
Due from component units	300	-	300
Prepaid expenses	751	-	751
Inventories	609,472	569,427	40,045
Capital assets, net of accumulated depreciation	1,046,337	1,137,800	(91,463)
Total assets	<u>\$ 3,408,593</u>	<u>\$ 3,323,339</u>	<u>\$ 85,254</u>

Cash and investments increased (and accounts receivable decreased) in-part due to the timing of the receipt of reimbursable meal costs at year-end. The net capital assets decreased slightly because the accumulated depreciation of capital assets was greater than the contributed capital. Total assets increased by \$85,254 as result of these changes.

Total liabilities for business-type activities increased \$15,020.

**Comparative Schedule of Liabilities of Business-Type Activities
As of June 30, 2014 and 2013**

	2014	2013	Increase (Decrease)
Accounts payable	\$ 10,046	\$ 5,843	\$ 4,203
Accrued salaries and benefits	125,467	114,650	10,817
Total liabilities	<u>\$ 135,513</u>	<u>\$ 120,493</u>	<u>\$ 15,020</u>

The 2014 accounts payable amount increased slightly compared to 2013. Similarly, the accrued salaries and benefits increased slightly over the 2013 amount.

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 \$6,533 per funded pupil. For the fiscal year ended June 30, 2014, the funded pupil count was 28,011.8, a growth rate of 2.96% 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 2014, SFA per pupil funding increased by \$197 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, 2014 and 2013
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Instruction	\$ 178,639	\$ 162,259	\$ 146,365	\$ 133,967
Supporting services	102,775	82,910	91,445	75,427
Interest expense	19,739	20,384	19,739	20,384
	<u>\$ 301,153</u>	<u>\$ 265,553</u>	<u>\$ 257,549</u>	<u>\$ 229,778</u>

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was \$301.2 million compared to \$265.6 million last year. Interest expense decreased by \$645 thousand primarily due to the bond repayment schedule.
- About \$17.2 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 \$1.5 million from 2013. The increase is primarily due to tuition charges for preschool, community school programs, and increased pupil activities and student fees.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$26.4 million, an increase of \$6.4 million from fiscal year 2013 primarily due to the Race to the Top federal grant program.
- The majority of the District's net cost of services, \$257.6 million, was financed by State and District taxpayers.
- General revenues accounted for \$264.0 million in revenue which was 85.8% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$43.6 million or 14.2% of total revenues of \$307.6 million. These percentages reflect a shift of 2.2% of total revenue to program specific from general revenues.

Business-type activities consist of the Nutrition Services Fund. This program had revenues and contributions totaling \$8.948 million and expenses of \$8.878 million. Due to improved operations, the program realized an operating income in fiscal years 2010 through 2014, unlike the operating losses in the three previous fiscal years. Business-type activities receive no support from local tax revenue; however, they generate support from student meal charges. In addition, the business-type activities receive funding from the National School Lunch Program (NSLP) and some revenue 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 \$144.2 million, a decrease from \$147.3 million in the prior year. As noted earlier, this decrease is predominantly the result of bond-related capital outlay expenditures of \$7.7 million within the building fund.

Among major funds, the General Fund is the chief operating fund of the District. The General Fund had \$235.1 million in revenues, and \$233.5 million in expenditures. The General Fund's fund balance increased from \$64.5 million to \$66.2 million. The increase of \$1.6 million is primarily the result of the increased revenues due to the supplemental appropriation by the State legislature and increased Specific Ownership Tax from an improved economy, encumbering funds for work in process (primarily for flood related projects in the Risk Management Fund, and not expending all accounts as planned in the budget. After taking into consideration the various categories of fund balance, the ending unassigned General Fund balance is \$11.5 million.

For five of the past six fiscal years, the Governmental Designated -Purpose Grants Fund met the minimum criteria to be reported as a major special revenue fund. Revenues of \$14.1 million were offset by equal expenditures.

The fund balance of the Bond Redemption Fund had a slight increase of \$2.1 million, resulting in a balance of \$32.7 million as of June 30, 2014. The Bond Redemption Fund has adequate resources accumulated to make the December 2014 principal and interest payments. The mill levy to accumulate resources for the June 2015 interest payment will be certified in December 2014. In October 2014, the District had an opportunity to refinance over \$50 million of its Series 2004, Series 2005A, and Series 2006B to save taxpayers over \$7.95 million (future value savings). During this process, the District was able to secure a credit ratings upgrade to "AA" from Standard and Poor's. The upgrade is a reflection of the District's solid financial procedures and healthy fund balance.

The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The fund balance decreased by \$11.5 million due to planned capital outlay construction activity during the fiscal year. The fund had total revenues of just under \$164 thousand and total expenditures of \$11.7 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, 2014 is \$406.5 million (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, projects in progress, and equipment. The District's investment in capital assets, net of accumulated depreciation, decreased for the current fiscal year by \$4.0 million. Major capital events during the year included the renovation of a District elementary school to provide additional preschool capacity in the Longmont area, along with building improvements in several other schools.

Table 4 shows fiscal year 2014 capital assets compared to 2013.

Table 4
Comparative Schedule of Capital Assets
As of June 30, 2014 and 2013
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013 - 2014
Land	\$ 20,053	\$ 20,073	\$ -	\$ -	\$ 20,053	\$ 20,073	-0.10%
Water rights	1,084	1,096	-	-	1,084	1,096	-1.09%
Projects in progress	6,543	46,882	-	-	6,543	46,882	-86.04%
Land improvements	10,695	11,685	-	-	10,695	11,685	-8.47%
Buildings	230,094	234,820	-	-	230,094	234,820	-2.01%
Building improvements	128,949	86,844	-	-	128,949	86,844	48.48%
Equipment	8,018	7,950	1,138	1,138	9,156	9,088	0.75%
Totals	<u>\$ 405,436</u>	<u>\$ 409,350</u>	<u>\$ 1,138</u>	<u>\$ 1,138</u>	<u>\$ 406,574</u>	<u>\$ 410,488</u>	-0.95%

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, 2014 as compared to June 30, 2013 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 \$484 million and the legal debt margin was \$72.5 million.

Table 5
Comparative Schedule of Outstanding Debt
As of June 30, 2014 and 2013
(in Thousands)

	2014	2013	Increase (Decrease)
General obligation bonds	\$ 411,565	\$ 424,925	\$ (13,360)
Deferred bond premium	22,771	23,517	(746)
Registered coupons	300	300	-
Reg'd coupons discount	(20)	(20)	-
Capital leases	736	924	(188)
Benefits payable	2,538	2,485	53
Total debt	<u>\$ 437,890</u>	<u>\$ 452,131</u>	<u>\$ (14,241)</u>

Additional information on the District's total bonded debt can be found in Note 8 beginning on page 49 of this report.

Factors Bearing on the District's Future

All school districts in the State were impacted by rescissions in fiscal years 2009, 2010, 2011 and 2012.

During these times, with the objective of avoiding budget cuts that would have a direct impact on the classroom, the District implemented a variety of cost saving measures. These included bringing previously contracted services in-house and moving to self-funded health insurance, increased operating efficiencies, elimination of some positions, reduction of support staff hours and budget cuts within the central administration. In fiscal year 2011-12, class sizes were increased by one. This reduced the number of classroom teachers district-wide, but those reductions occurred through attrition, not a reduction in force. Along with increased efficiencies, other budget adjustments included a one-time slowdown of General Fund purchases (primarily in textbooks and technology), the elimination of the Adult Education program, and a planned spend-down of the Risk Management Fund balance for two years.

To enhance learning opportunities for our students, the District also started an in-District online school and opened a homeschool program. The initial pupil count for 2014 in these two programs exceeds 700 students and is estimated to yield 350 funded pupils. In addition, the District has applied for and received numerous grants and continues to actively seek grants and corporate sponsorships. In early August 2010, the U.S. Department of Education notified the District that it had been selected for a \$3.6 million development grant, payable over five years, under the 2010 Investing in Innovation Fund (i3) competition. Out of 1700 applicants, the District received the highest score nationwide on its application and was one of 49 chosen to receive grant funds. The District's grant plan focused on expanding programs for at risk students in seven schools, including extending the school year at four elementary schools, targeting at-risk math students at two middle schools and fully implementing the STEM (science, technology, engineering, mathematics) academy at Skyline High School. In order to receive the award, the District submitted evidence of matching funds from the private sector, including in-kind donations from RidgeviewTel and IBM. The District had already begun several of these programs; the grant funds covered expenses that would have otherwise impacted the General Fund. In November 2012, the District also received one of the first round of Race to the Top grants from the federal government. This grant provides \$16.5 million dollars over four years. It was developed to create and implement more STEM curricula into the low socio-economic schools within the District.

In November 2008 the Board referred ballot questions to District voters for both a mill levy override increase of \$16.5 million and a bond issue of \$189 million. The voters approved both measures by a strong margin. The additional MLO funding allowed the District to accomplish many things, including: offering more competitive compensation to attract and retain superior teachers, administrators, and staff; improving the technology infrastructure; adding 21st century learning opportunities, enhancing safety measures throughout the District and increasing instructional programming. The 2008 bond revenues have been efficiently managed to accomplish all of the stated improvements and additions, and also provide additional renovations to District facilities that have improved and expanded educational services in our community.

In November 2012 the Board referred a ballot question to District voters for a mill levy override increase of \$14.8 million. This override helped the District continue the gains being realized from the 2008 MLO and avoid large class size increases and program cuts despite four years of state per pupil funding cuts. The voters approved the 2012 MLO measure by a strong margin despite the fact that the economy was just coming out of a multi-year recession. This is another indicator of the strong community support for the District. Additionally, the revenue has supported the enhancement of the District Learning Technology Plan and the expansion of preschool options.

The two mill levy overrides are projected to generate more than \$33 million dollars in fiscal year 2014-2015. This amounts to approximately \$1,100 more per student. These mill levy overrides are fixed mills so the revenues grow with assessed valuation.

The District has experienced strong growth in student enrollment from fiscal years 2005 through 2014, ranging from 2.3% to 6.6%. The October 2013 headcount was 1289 more students than the previous year, a 4.72% increase. Current projections reflect an estimated annual growth rate of 1.97% or above over the next five years.

Due to improved budgeting and financial oversight, and two successful Mill Levy Override Elections, 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 2015.

The District has provided increases in employee compensation for each of the 2005 through 2015 budget years. The mill levy overrides passed by the community, along with the operating efficiencies implemented by the District due to state budget cuts have improved the District's starting and average teacher pay compared to neighboring districts. In combination with test score improvements, national recognition and a stable, supportive School Board, the District continues to receive a strong response of qualified applicants for open positions.

Strong administrative leadership, a stable and supportive School Board, the vibrant and growing District population, an emphasis on positive relationships with businesses and stakeholders, and conservative financial management have combined to make St. Vrain Valley Schools one of the top achieving Districts in Colorado. Evidence in support of this claim include over 30 2014 John Irwin School of Distinction Awards for state's top 8% performing schools as well as numerous Governor's Distinguished Improvement Awards and Colorado Trailblazer 'Schools to Watch' Awards. Also, three District high schools ranked in top 5% of high schools in the nation according to Newsweek and U.S. News and World Report.

Dr. Don Haddad is now in his sixth 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 being acknowledged in many arenas. Dr. Haddad was recognized by the National Association of School Superintendents as the 2013 National Superintendent of the Year.

The District is now in its sixth year of operating Leadership St. Vrain, a formal training program providing community members an opportunity to obtain a foundation in district operations and governance and become more effective participants in school district affairs. This has led to a group of highly engaged graduates to form Grassroots St. Vrain, comprised of 2,600 district residents linked by email and engaged in educational issues.

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.svvdsd.org.

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

BASIC FINANCIAL STATEMENTS

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St. Vrain Valley School District RE-1J

**Statement of Net Position
June 30, 2014**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Cash and investments	\$ 134,143,144	\$ 1,684,767	\$ 135,827,911	\$ 10,110,253
Accounts receivable	285,349	66,966	352,315	47,104
Due from component units	200,946	300	201,246	-
Due from primary government	-	-	-	3,712
Grants receivable	4,090,651	-	4,090,651	-
Interest receivable	179	-	179	-
Taxes receivable	4,294,950	-	4,294,950	-
Prepaid expenses	605,953	751	606,704	35,512
Deposits	549	-	549	245,331
Inventories	549,883	609,472	1,159,355	-
Restricted cash and investments for				
Bond Redemption Fund	32,361,546	-	32,361,546	-
Building Corporations	-	-	-	4,538,469
Self Insurance Fund	3,586,690	-	3,586,690	-
Capital assets,				
Non-depreciable	27,679,925	-	27,679,925	3,717,512
Depreciable, net	377,756,112	1,046,337	378,802,449	29,659,972
Total assets	<u>585,555,877</u>	<u>3,408,593</u>	<u>588,964,470</u>	<u>48,357,865</u>
Deferred outflows of resources	<u>9,827,570</u>	<u>-</u>	<u>9,827,570</u>	<u>-</u>
Liabilities				
Accounts payable	6,807,730	10,046	6,817,776	197,226
Due to component units	3,712	-	3,712	-
Due to primary government	-	-	-	170,726
Retainage payable	295,682	-	295,682	-
Accrued salaries and benefits	10,403,850	125,467	10,529,317	933,364
Payroll withholdings	7,005,050	-	7,005,050	-
Accrued interest payable	826,787	-	826,787	580,365
Claims payable	2,820,177	-	2,820,177	-
Unearned revenues	1,198,135	-	1,198,135	226,846
Noncurrent liabilities				
Due within one year	15,476,645	-	15,476,645	582,820
Due in more than one year	422,412,906	-	422,412,906	36,290,984
Total liabilities	<u>467,250,674</u>	<u>135,513</u>	<u>467,386,187</u>	<u>38,982,331</u>
Deferred inflows of resources	<u>434,533</u>	<u>-</u>	<u>434,533</u>	<u>-</u>
Net Position				
Net investment in capital assets	4,819,681	1,046,337	5,866,018	(116,102)
Restricted for				
TABOR	7,801,664	-	7,801,664	764,814
Debt service	32,700,504	-	32,700,504	728,860
Colorado Preschool Fund	454,113	-	454,113	-
Extracurricular, community programs	6,659,794	-	6,659,794	-
Unrestricted	<u>75,262,484</u>	<u>2,226,743</u>	<u>77,489,227</u>	<u>7,997,962</u>
Total net position	<u>\$ 127,698,240</u>	<u>\$ 3,273,080</u>	<u>\$ 130,971,320</u>	<u>\$ 9,375,534</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, 2014**

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
Instruction	\$ 178,639,344	\$ 17,222,266	\$ 15,051,620	\$ -
Supporting services	102,775,348	-	10,307,819	1,022,765
Interest expense	19,739,295	-	-	-
Total governmental activities	301,153,987	17,222,266	25,359,439	1,022,765
Business-type activities				
Food services	8,878,049	3,879,122	5,052,608	15,396
Total business-type activities	8,878,049	3,879,122	5,052,608	15,396
Total primary government	\$ 310,032,036	\$ 21,101,388	\$ 30,412,047	\$ 1,038,161
COMPONENT UNITS				
Instruction	\$ 12,619,689	\$ 1,931,911	\$ 330,558	\$ -
Supporting services	9,503,471	147,217	93,351	304,432
Interest expense	2,469,868	-	-	-
Total component units	\$ 24,593,028	\$ 2,079,128	\$ 423,909	\$ 304,432

General Revenues

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

Total general revenues

Change in net position

Net position, beginning

Restatement, change in accounting principle

Net position, restated

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Charter Schools
\$ (146,365,458)	\$ -	\$ (146,365,458)	\$ -
(91,444,764)	-	(91,444,764)	-
(19,739,295)	-	(19,739,295)	-
(257,549,517)	-	(257,549,517)	-
-	69,077	69,077	-
-	69,077	69,077	-
(257,549,517)	69,077	(257,480,440)	-
-	-	-	(10,357,220)
-	-	-	(8,958,471)
-	-	-	(2,469,868)
-	-	-	(21,785,559)
96,794,464	-	96,794,464	-
8,241,096	-	8,241,096	-
119,131,699	-	119,131,699	-
-	-	-	20,353,134
32,675,735	-	32,675,735	3,065,207
447,054	1,157	448,211	3,606
6,677,328	-	6,677,328	418,223
263,967,376	1,157	263,968,533	23,840,170
6,417,859	70,234	6,488,093	2,054,611
123,840,460	3,202,846	127,043,306	8,092,447
(2,560,079)	-	(2,560,079)	(771,524)
121,280,381	3,202,846	124,483,227	7,320,923
\$ 127,698,240	\$ 3,273,080	\$ 130,971,320	\$ 9,375,534

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

St. Vrain Valley School District RE-1J

**Balance Sheet
Governmental Funds
June 30, 2014**

	General	Governmental Designated- Purpose Grants	Bond Redemption	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash & investments - unrestricted	\$ 82,756,204	\$ -	\$ -	28,365,614	\$ 20,905,612	\$ 132,027,430
Cash & investments - restricted	-	-	32,361,546	-	-	32,361,546
Accounts receivable	69,105	-	-	-	210,441	279,546
Due from other funds	2,176,709	-	-	-	-	2,176,709
Due from component units	200,946	-	-	-	-	200,946
Grants receivable	-	4,090,651	-	-	-	4,090,651
Interest receivable on investments	-	-	179	-	-	179
Taxes receivable	3,140,793	-	1,154,157	-	-	4,294,950
Prepays	-	-	-	-	605,953	605,953
Deposits	269	-	-	-	280	549
Inventories	549,883	-	-	-	-	549,883
Total assets	<u>\$ 88,893,909</u>	<u>\$ 4,090,651</u>	<u>\$ 33,515,882</u>	<u>\$ 28,365,614</u>	<u>\$ 21,722,286</u>	<u>\$ 176,588,342</u>
Liabilities						
Accounts payable	\$ 2,794,952	\$ 84,697	\$ 500	\$ 3,245,337	\$ 682,244	\$ 6,807,730
Due to other funds	-	2,176,709	-	-	-	2,176,709
Due to component units	250	-	-	-	3,462	3,712
Retainage payable	61,684	-	-	211,552	22,446	295,682
Accrued salaries and benefits	9,235,890	776,018	-	3,379	388,563	10,403,850
Payroll withholdings	7,005,050	-	-	-	-	7,005,050
Claims payable	945,458	-	-	-	-	945,458
Unearned revenues	137,810	1,053,227	-	-	7,098	1,198,135
Total liabilities	<u>20,181,094</u>	<u>4,090,651</u>	<u>500</u>	<u>3,460,268</u>	<u>1,103,813</u>	<u>28,836,326</u>
Deferred inflows of revenue						
From unavailable property tax revenue & forward investment agreement	<u>2,555,802</u>	<u>-</u>	<u>814,878</u>	<u>43,326</u>	<u>93,718</u>	<u>3,507,724</u>
Fund Balances						
Nonspendable:						
deposits, inventories, prepaids	550,152	-	-	-	606,233	1,156,385
Restricted: TABOR	7,801,664	-	-	-	-	7,801,664
Restricted: Colorado Preschool	454,113	-	-	-	-	454,113
Restricted: debt service	-	-	32,700,504	-	-	32,700,504
Restricted: special revenue funds	-	-	-	-	6,659,794	6,659,794
Committed: capital projects	-	-	-	24,862,020	7,981,816	32,843,836
Committed: contingencies	5,201,109	-	-	-	-	5,201,109
Committed: Board allocations	8,198,497	-	-	-	-	8,198,497
Committed: risk management	3,312,831	-	-	-	-	3,312,831
Committed: special revenue fund	-	-	-	-	5,276,912	5,276,912
Assigned: Mill Levy Override	25,962,990	-	-	-	-	25,962,990
Assigned: subsequent year expenditures reported in						
General Fund	3,181,544	-	-	-	-	3,181,544
Unassigned reported in General Fund	<u>11,494,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,494,113</u>
Total fund balances	<u>66,157,013</u>	<u>-</u>	<u>32,700,504</u>	<u>24,862,020</u>	<u>20,524,755</u>	<u>144,244,292</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 88,893,909</u>	<u>\$ 4,090,651</u>	<u>\$ 33,515,882</u>	<u>\$ 28,365,614</u>	<u>\$ 21,722,286</u>	<u>\$ 176,588,342</u>

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

St. Vrain Valley School District RE-1J

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2014**

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

Governmental funds total fund balances (page 22)	\$ 144,244,292
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	405,436,037
Deferred outflows from refunding debt are not considered current financial resources and, therefore, not reported in the governmental funds	9,827,570
Premium (\$22,771,053) on issuance of bonds, discount \$19,563 on registered coupons, are recognized as other financing source in the governmental funds but are deferred in the statement of net position.	(22,751,490)
Long-term liabilities, including capital leases (\$736,161), compensated absences (\$2,536,900), bonds payable (\$411,565,000), registered coupons payable (\$300,000), as well as related accrued interest (\$826,787) and claims payable (\$405,197) are not due and payable in the current period and, therefore, are not reported in the funds.	(416,370,045)
Deferred property tax inflows will be collected but are not available to pay for the current period's expenditures and, therefore, are not recorded as revenue in the funds.	3,073,191
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,238,685
Net position of governmental activities (page 19)	<u>\$ 127,698,240</u>

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

St. Vrain Valley School District RE-1J

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014**

	General	Governmental Designated- Purpose Grants	Bond Redemption	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 61,862,140	\$ -	\$ 36,006,292	\$ -	\$ -	\$ 97,868,432
Specific ownership taxes	8,241,096	-	-	-	-	8,241,096
Mill levy override	32,675,735	-	-	-	-	32,675,735
Investment income	228,760	-	1,558	141,758	69,695	441,771
Charges for services	4,999,744	-	-	-	6,233,718	11,233,462
Pupil activities	-	-	-	-	5,988,804	5,988,804
Miscellaneous	5,039,720	-	8,191	22,015	2,614,771	7,684,697
State intergovernmental	120,639,236	498,179	-	-	8,275,560	129,412,975
Federal intergovernmental	1,457,166	13,620,997	-	-	-	15,078,163
Total revenues	<u>235,143,597</u>	<u>14,119,176</u>	<u>36,016,041</u>	<u>163,773</u>	<u>23,182,548</u>	<u>308,625,135</u>
Expenditures						
Current						
Instruction	144,570,014	6,029,516	-	-	10,438,760	161,038,290
Supporting services	87,625,319	7,860,546	-	3,950,074	907,818	100,343,757
Capital outlay	1,313,359	229,114	-	7,732,132	7,192,035	16,466,640
Debt service						
Principal	-	-	13,360,000	-	-	13,360,000
Interest	-	-	20,508,017	-	-	20,508,017
Bond issuance costs, fiscal charges	-	-	5,900	-	-	5,900
Total expenditures	<u>233,508,692</u>	<u>14,119,176</u>	<u>33,873,917</u>	<u>11,682,206</u>	<u>18,538,613</u>	<u>311,722,604</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>1,634,905</u>	<u>-</u>	<u>2,142,124</u>	<u>(11,518,433)</u>	<u>4,643,935</u>	<u>(3,097,469)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	50,123	50,123
Transfers out	-	-	-	-	(50,123)	(50,123)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>1,634,905</u>	<u>-</u>	<u>2,142,124</u>	<u>(11,518,433)</u>	<u>4,643,935</u>	<u>(3,097,469)</u>
Fund balances, beginning	<u>64,522,108</u>	<u>-</u>	<u>30,558,380</u>	<u>36,380,453</u>	<u>15,880,820</u>	<u>147,341,761</u>
Fund balances, ending	<u>\$ 66,157,013</u>	<u>\$ -</u>	<u>\$ 32,700,504</u>	<u>\$ 24,862,020</u>	<u>\$ 20,524,755</u>	<u>\$ 144,244,292</u>

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, 2014

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

Net change in fund balances of governmental funds (page 24) **\$ (3,097,469)**

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	(13,684,167)	
Capital outlay - capitalized, net of deleted assets	<u>9,770,114</u>	(3,914,053)

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	746,021	
Current year amortization of deferred outflows	(4,710)	
Long term portion of claims payable	(122,712)	
Change in deferred property tax accrual	<u>(1,073,968)</u>	(455,369)

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	(136,654)	
Accrued vacation earned during the year	(968,689)	
Amount paid during the year	<u>1,053,005</u>	(52,338)

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

Bond principal payments	13,360,000	
Accrued interest expense on bonds	27,411	
Long-term lease payments	<u>187,956</u>	13,575,367

Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the statement of activities. The net revenue (expense) of the liquidated internal service fund is reported with governmental activities.

361,721

Change in net position of governmental activities (page 21) **\$ 6,417,859**

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

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St. Vrain Valley School District RE-1J

**Statement of Fund Net Position
Proprietary Funds
June 30, 2014**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	\$ 1,684,767	\$ 2,115,714
Accounts receivable	66,966	5,803
Due from component units	300	-
Inventories	609,472	-
Prepaid expenses	751	-
Total current assets	<u>2,362,256</u>	<u>2,121,517</u>
Noncurrent assets		
Restricted cash and cash equivalents	-	3,586,690
Capital assets		
Machinery and equipment	3,402,259	-
Accumulated depreciation	<u>(2,355,922)</u>	<u>-</u>
Total capital assets, net	<u>1,046,337</u>	<u>-</u>
Total assets	<u>3,408,593</u>	<u>5,708,207</u>
Liabilities		
Current liabilities		
Accounts payable	10,046	-
Claims payable	-	1,469,522
Accrued salaries and benefits	<u>125,467</u>	<u>-</u>
Total liabilities	<u>135,513</u>	<u>1,469,522</u>
Net Position		
Invested in capital assets	1,046,337	-
Unrestricted	<u>2,226,743</u>	<u>4,238,685</u>
Total net position	<u>\$ 3,273,080</u>	<u>\$ 4,238,685</u>

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

St. Vrain Valley School District RE-1J

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
Operating Revenues		
Charges for services	\$ 3,232,130	\$ 13,686,457
Other food service charges	105,709	-
Commodities entitlement	541,283	-
Total operating revenues	<u>3,879,122</u>	<u>13,686,457</u>
Operating Expenses		
Salaries and benefits	4,026,812	187,838
Purchased services	102,219	7,030
Supplies and materials	4,321,851	162
Small equipment	50,081	12,500
Other	205,678	-
Depreciation	171,408	-
Claims paid	-	13,122,489
Total operating expenses	<u>8,878,049</u>	<u>13,330,019</u>
Operating (loss) / income	<u>(4,998,927)</u>	<u>356,438</u>
Nonoperating Revenues		
Investment income	1,157	5,283
State match	118,772	-
National School Lunch/Breakfast Program	4,936,147	-
Loss on disposal of equipment	(2,311)	-
Total nonoperating revenues	<u>5,053,765</u>	<u>5,283</u>
Income before contributions	54,838	361,721
Capital contributions	<u>15,396</u>	<u>-</u>
Change in net position	70,234	361,721
Net position, beginning	<u>3,202,846</u>	<u>3,876,964</u>
Net position, ending	<u><u>\$ 3,273,080</u></u>	<u><u>\$ 4,238,685</u></u>

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

St. Vrain Valley School District RE-1J

**Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 3,878,822	\$ 13,689,902
Cash paid to suppliers/vendors	(4,716,422)	(13,854,446)
Cash paid to employees	(4,015,995)	(193,437)
Net cash (used in) operating activities	<u>(4,853,595)</u>	<u>(357,981)</u>
Cash Flows from Noncapital Financing Activities		
Cash received from State of Colorado	118,772	-
Cash received from Federal government	5,333,660	-
Change in restricted cash and cash equivalents	-	(4,130)
Net cash provided by / (used in) noncapital financing activities	<u>5,452,432</u>	<u>(4,130)</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of equipment	<u>(66,860)</u>	<u>-</u>
Cash Flows from Investing Activities		
Investment income	<u>1,157</u>	<u>5,283</u>
(Decrease) / increase in cash and cash equivalents	533,134	(356,828)
Cash and cash equivalents, beginning of the year	<u>1,151,633</u>	<u>2,472,542</u>
Cash and cash equivalents, end of the year	<u><u>\$ 1,684,767</u></u>	<u><u>\$ 2,115,714</u></u>
Reconciliation of Operating (Loss) / Income to Net Cash (Used in) / Provided by Operating Activities		
Operating (loss) / income	\$ (4,998,927)	\$ 356,438
Adjustments to reconcile operating (loss) / income to Net cash (used in) / provided by operating activities		
Depreciation	171,408	-
Changes in assets and liabilities		
Decrease in accounts receivable	-	3,445
Increase in deposits/prepays	(751)	-
Increase in due from component units	(300)	-
Increase in inventories	(40,045)	-
Increase in accounts payable	4,203	-
Increase / (decrease) in accrued salaries and benefits	10,817	(5,599)
Decrease in claims payable	<u>-</u>	<u>(712,265)</u>
Net cash (used in) operating activities	<u><u>\$ (4,853,595)</u></u>	<u><u>\$ (357,981)</u></u>
Noncash Transactions		
Commodities received	<u>\$ 541,283</u>	<u>\$ -</u>
Capital contributions	<u>\$ 15,396</u>	<u>\$ -</u>

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

St. Vrain Valley School District RE-1J

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014**

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
Assets		
Cash and investments	\$ 218,959	\$ 157,332
Accounts receivable	225	288
Total assets	<u>219,184</u>	<u>\$ 157,620</u>
Liabilities		
Undistributed monies	-	\$ 157,620
Total liabilities	<u>-</u>	<u>\$ 157,620</u>
Net Position		
Held in trust	<u>\$ 219,184</u>	

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

St. Vrain Valley School District RE-1J

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014**

	Private Purpose Trust - Student Scholarship
Additions	
Investment income	\$ 151
Contributions	<u>47,115</u>
Total additions	<u>47,266</u>
Deductions	
Scholarships	<u>51,469</u>
Total deductions	<u>51,469</u>
Change in net position	(4,203)
Net position, beginning	<u>223,387</u>
Net position, ending	<u><u>\$ 219,184</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, 2014

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 eighth largest in the state of Colorado, has 1 standalone early childhood learning center, 23 elementary, 1 PK-8, 1 K-8, 8 middle, 1 middle/senior, 7 high, 1 alternative, 1 online, 1 homeschool program, and 6 charter schools, serving over 30,000 students.

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

Discretely Presented Component Units – Charter Schools

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

The charter schools are discretely presented component units because of the significance of their financial relationship with the District and their potential to provide financial benefit to, or impose financial burden on, the District. They are all considered nonmajor.

The District's Board of Education has approved six charter school applications, Aspen Ridge Preparatory School, K-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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units – Charter Schools (Continued)

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

Fund Accounting

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

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

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

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

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

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

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

Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District's only enterprise fund is the *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's only internal service fund is the *Self Insurance Fund*. This fund accounts for the financial transactions related to specific healthcare and dental plans.

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

Government-wide and Fund Financial Statements

The District's financial statements (i.e., the statement of net position 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 the legally separate *component units* for which the District is financially accountable.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund 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 unassigned fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

Governmental fund revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year-end.

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources designated for such purpose, then unrestricted resources as they are needed. In addition, the District first reduces committed amounts, followed by assigned, and then unassigned when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Assets, Liabilities and Net Position

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

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 using the consumption method.

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

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

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

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

Land improvements	20 years
Buildings	50 years
Building improvements	7-50 years
Equipment	5-20 years

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts 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 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.

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. For refunding of debt resulting in defeasance, deferred outflows of resources is the difference where the net carrying value of the old debt is less than the reacquisition price.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. For advanced income from the forward delivery agreement and for property taxes, these revenues will be earned or collected but are not available to pay the current period's expenditures.

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

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

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

Property Taxes

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. The District's property tax calendar for 2014 is as follows:

Tax Year

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

Collection Year

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

Property taxes are recorded initially at the budgeted collection rate as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected in governmental funds and in the period for which the taxes are levied in the government-wide statements. The District has deferred inflows from property tax collection at June 30, 2014 in the amount of \$3,073,191. 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, 2014

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 Community Education Fund's expenditures of \$5,532,273 exceed budgeted appropriations of \$5,262,000. This may be in violation of state statute.

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

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

Accountability

Although the School Finance Act no longer requires school districts to budget a minimum amount per pupil for instructional supplies and materials, instructional capital outlay, and instructional field trips, the Board of Education approved a policy that requires the District to continue doing so to meet its goals and needs. For fiscal year 2014, the District budgeted \$4,705,442 for instructional supplies and material purposes. The District expended \$5,391,549 for instructional purposes during fiscal year ended June 30, 2014.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Accountability (Continued)

Direct allocation of funding to the Capital Reserve and Risk Management Funds was also discontinued by the Legislature. However, the District continues to fund these needs according to prior statute. For fiscal years 2012 and 2013, the Board of Education waived its own policy regarding the full funding at the prescribed amount. With the recovering economy and improved revenue forecasts, however, the Board of Education reinstated its policy for the adopted fiscal year 2014 budget. During fiscal year 2014, a total of \$11,518,560 was allocated: \$8,275,560 to the Capital Reserve Capital Projects Fund and \$3,243,000 to the Risk Management Fund, of which \$850,000 was additional and intended to help offset costs related to the September 2012 flood.

NOTE 3: DEPOSITS AND INVESTMENTS

At June 30, 2014, the District's deposits and investments were reported in the financial statements as follows:

Governmental activities	\$ 170,091,380
Business-type activities	1,684,767
Agency	157,332
Private purpose trust scholarship	218,959
	<u>\$ 172,152,438</u>
 Component units	 <u>\$ 14,648,722</u>

At June 30, 2014, the District and component units had cash and investments with the following carrying balances:

	<u>District</u>	<u>Component Units</u>
Cash	\$ 25,236,868	\$ 10,025,606
Investments	146,915,570	4,623,116
	<u>\$ 172,152,438</u>	<u>\$ 14,648,722</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, 2014, the District had bank deposits of \$26,042,269 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 \$10,449,311, of which \$1,500,000 was covered by FDIC and \$8,949,311 was covered by collateral held by authorized escrow agents in the financial institutions' name (PDPA).

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

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, 2014, 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
Money market mutual funds	AAAm	\$ 35,322,672	\$ 35,322,672	\$ -
Money market investment pools	AAAm	111,592,898	111,592,898	-
Total investments		<u>\$ 146,915,570</u>	<u>\$ 146,915,570</u>	<u>\$ -</u>

The component units had the following investments as of June 30, 2014:

Investment Type	S&P or Moody's Rating	Fair Value	Investment Maturities (in years)
			Less Than 1
Money market investment pool-CSAFE	AAAm	\$ 2,363,866	\$ 2,363,866
Money market investment pool-ColoTrust	AAAm	85,588	85,588
Money market funds	AAAm	2,173,662	2,173,662
Total investments		<u>\$ 4,623,116</u>	<u>\$ 4,623,116</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools – At June 30, 2014, the District and its component units invested in the Colorado Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE), which are money market investment pools established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. To obtain more information, go to www.colotrust.com and www.csafe.org.

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, 2014, none of the investments were subject to this risk.

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, 2014

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, 2014, the money market mutual funds and money market investment pool were 24% and 76%, respectively, of the District's total investments.

Restricted Cash and Investments

The Bond Redemption Fund's deposits and investments totaling \$32,361,546 are restricted for the payment of voter-approved long-term debt principal, interest and related costs. The Self Insurance Fund's deposits and investments of \$3,586,690 are restricted for the purposes of the medical and dental self-insurance trust funds. The component units' deposits and investments totaling \$4,538,469 are restricted for construction and debt payments.

NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Amounts owed to one fund or business-type activity by another which are due within one year are reported as due to other funds or business-type activities. These balances arise during the normal course of business and the District's use of pooled cash. Due to/from other funds as of June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grants Fund	<u>\$ 2,176,709</u>

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

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers during fiscal year 2014 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
Community Education Fund	Student Activities Fund	\$ 32,497
Student Activities Fund	Community Education Fund	17,626
Total governmental funds		<u>\$ 50,123</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the District's capital assets for the year ended June 30, 2014:

	Balance 7/1/2013	Additions	Deletions & Adjustments	Transfers	Balance 6/30/2014
Governmental activities					
Non-depreciable assets					
Land	\$ 20,073,379	\$ -	\$ (20,000)	\$ -	\$ 20,053,379
Projects in progress	46,882,404	8,658,986	-	(48,998,422)	6,542,968
Water rights	1,095,578	-	(12,000)	-	1,083,578
Total non-depreciable assets	<u>68,051,361</u>	<u>8,658,986</u>	<u>(32,000)</u>	<u>(48,998,422)</u>	<u>27,679,925</u>
Depreciable assets					
Land improvements	24,051,471	75,500	(20,012)	-	24,106,959
Buildings	301,587,741	790,257	(441,444)	-	301,936,554
Building improvements	135,461,032	-	(820,218)	48,998,422	183,639,236
Equipment	25,752,447	1,779,320	(204,879)	(15,396)	27,311,492
Total depreciable assets	<u>486,852,691</u>	<u>2,645,077</u>	<u>(1,486,553)</u>	<u>48,983,026</u>	<u>536,994,241</u>
Less accumulated depreciation for					
Land improvements	12,366,859	1,062,658	(17,471)	-	13,412,046
Buildings	66,768,318	5,472,118	(397,300)	-	71,843,136
Building improvements	48,617,140	6,555,038	(482,053)	-	54,690,125
Equipment	17,801,645	1,682,846	(191,669)	-	19,292,822
Total accumulated depreciation	<u>145,553,962</u>	<u>14,772,660</u>	<u>(1,088,493)</u>	<u>-</u>	<u>159,238,129</u>
Total depreciable assets, net	<u>341,298,729</u>	<u>(12,127,583)</u>	<u>(398,060)</u>	<u>48,983,026</u>	<u>377,756,112</u>
Governmental activities			-		
Total capital assets, net	<u>\$ 409,350,090</u>	<u>\$ (3,468,597)</u>	<u>\$ (430,060)</u>	<u>\$ (15,396)</u>	<u>\$ 405,436,037</u>
	Balance 7/1/2013	Additions	Deletions	Transfers	Balance 6/30/2014
Business-type activities					
Depreciable assets					
Equipment	\$ 3,377,603	\$ 66,860	\$ (57,600)	\$ 15,396	\$ 3,402,259
Less accumulated depreciation for					
Equipment	2,239,803	171,408	(55,289)	-	2,355,922
Business-type activities					
Total capital assets, net	<u>\$ 1,137,800</u>	<u>\$ (104,548)</u>	<u>\$ (2,311)</u>	<u>\$ 15,396</u>	<u>\$ 1,046,337</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 5: CAPITAL ASSETS (Continued)

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

Governmental activities

Instruction	\$ 13,122,544
Supporting services	<u>1,650,116</u>
Total	<u><u>\$ 14,772,660</u></u>

Business-type activities

Food service	<u><u>\$ 171,408</u></u>
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Component Units Capital Assets

The following is a summary of changes in the component units' capital assets for the year ended June 30, 2014:

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Reclassifications & Deletions</u>	<u>Balance 6/30/2014</u>
Component units				
Non-depreciable assets				
Land	\$ 3,029,481	\$ -	\$ 75,808	\$ 3,105,289
Construction in progress	<u>30,377</u>	<u>581,846</u>	<u>-</u>	<u>612,223</u>
Total non-depreciable assets	3,059,858	581,846	75,808	3,717,512
Depreciable assets				
Land improvements	341,295	-	(60,808)	280,487
Building	31,766,576	9,407	-	31,775,983
Leasehold improvements	1,161,299	207,735	(15,000)	1,354,034
Furniture & equipment	727,771	29,237	(1,610)	755,398
Software costs	<u>20,021</u>	<u>-</u>	<u>-</u>	<u>20,021</u>
Total depreciable assets	<u>34,016,962</u>	<u>246,379</u>	<u>(77,418)</u>	<u>34,185,923</u>
Less accumulated depreciation	<u>3,538,279</u>	<u>989,282</u>	<u>(1,610)</u>	<u>4,525,951</u>
Total depreciable assets, net	<u>30,478,683</u>	<u>(742,903)</u>	<u>(75,808)</u>	<u>29,659,972</u>
Total capital assets, net	<u><u>\$ 33,538,541</u></u>	<u><u>\$ (161,057)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,377,484</u></u>

Reclassifications between asset categories are shown above but are not necessarily reported accordingly in the charter schools' audit reports.

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, 2014

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, 2014 are determined to be as follows:

General Fund	\$ 9,235,890
Grants Fund	776,018
Other funds	391,942
Total governmental funds	<u>10,403,850</u>
Proprietary funds	<u>125,467</u>
Total primary government	<u>\$ 10,529,317</u>
Component units	<u>\$ 933,364</u>

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, 2014, \$246,013 of the deferred amount has been recognized. Income recognized was \$168,425 by the General Fund, \$24,528 by the Building Fund, \$2,851 by the Capital Reserve Capital Projects Fund, and \$50,209 by the Fair Contributions Fund. The remaining balances by fund of \$297,489, \$43,326, \$5,035, and \$88,683, respectively, are deferred inflows of resources as of June 30, 2014.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 8: LONG-TERM DEBT

The District's long-term debt changed as follows during the year ended June 30, 2014.

Governmental activities	Balance 7/1/2013	Additions	Payments/ Amortization	Balance 6/30/2014	Due within one year
General obligation bonds	\$ 424,925,000	\$ -	\$ (13,360,000)	\$ 411,565,000	\$ 14,140,000
Deferred bond premium	23,517,074	-	(746,021)	22,771,053	-
Capital leases	924,117	-	(187,956)	736,161	187,956
Registered coupons	300,000	-	-	300,000	-
Registered coupons discount	(19,563)	-	-	(19,563)	-
Vacation payable	945,750	968,689	(945,750)	968,689	968,689
Annual leave payable	1,538,812	136,654	(107,255)	1,568,211	180,000
Total	\$ 452,131,190	\$ 1,105,343	\$ (15,346,982)	\$ 437,889,551	\$ 15,476,645

General Obligation Bonds

Description, Interest Rates, and Maturity Dates

**Balance
due at
June 30, 2014**

Building Bonds (Series 2004), original amount of \$50,100,000, due in varying installments through December 15, 2015, 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 amortization was adjusted accordingly.

\$ 4,100,000

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.

7,310,000

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 the term of the bonds.

24,840,000

Refunding Bonds (Series 2006), original amount of \$43,455,000, due in varying installments through December 15, 2022, interest from 3.90% 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 the term of the bonds.

38,875,000

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.

48,200,000

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 8: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Building Bonds (Series 2009), original amount of \$104,000,000, due in varying installments through December 15, 2033, interest from 2.25% to 5.0%. Premium of \$504,199 received upon issuance is being amortized based on maturity of bonds. \$ 103,500,000

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 5.74%. 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. 34,255,000

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. 30,790,000

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 \$ 411,565,000

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 8: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Bond and coupon payments to maturity are as follows:

Year ending June 30	GO Bonds		Registered Coupons	Total
	Principal	Interest	Supplemental Interest	
2015	\$ 14,140,000	\$ 19,880,767	\$ -	\$ 34,020,767
2016	15,545,000	19,265,985	-	34,810,985
2017	16,125,000	18,602,366	300,000	35,027,366
2018	17,105,000	17,848,709	-	34,953,709
2019	18,400,000	17,018,589	-	35,418,589
2020-2024	100,385,000	71,197,158	-	171,582,158
2025-2029	100,440,000	47,893,073	-	148,333,073
2030-2034	129,425,000	17,972,852	-	147,397,852
Total	<u>\$ 411,565,000</u>	<u>\$ 229,679,499</u>	<u>\$ 300,000</u>	<u>\$ 641,544,499</u>

The amount of defeased debt outstanding as of June 30, 2014 is \$100,130,000. The defeased amount relates to the 2003 Series (no longer payable) and 2004 Series (shown above).

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, 2014 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, 2014 includes qualified annual leave for all eligible employees as of June 30, 2014.

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

Component Units Long-Term Debt

In December 2006, Carbon Valley Academy's Building Corporation issued \$5,305,000 of revenue bonds. Proceeds from the bonds were used to construct the Academy's building. The charter school is required to make lease payments to the Building Corporation for use of the building. The Building Corporation is required to make lease payments to the Trustee for payment of the bonds. Interest accrues at a rate of 5.65% per year. The lease matures in December 2036.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 8: LONG-TERM DEBT (Continued)

Component Units Long-Term Debt (Continued)

In August 2008, Flagstaff Academy's Building Corporation issued \$13,505,000 of revenue bonds. Proceeds of the bonds were used to construct Academy's building. The charter school is required to make lease payments to the Building Corporation for use of the building. The Building Corporation is required to make lease payments to the Trustee for payment of the bonds. Interest accrues at a rate of 6.75% and 7.0% per year. The lease matures in August 2038.

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. Interest accrues at a rate of 5.75% to 7.0% per year. The lease matures in November 2038. 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. Interest accrues at a rate of 6.375% to 7.5% per year. The lease matures in March 2043. The charter school is required to make equal lease payments to the Building Corporation for use of the building. The Building Corporation is required to make lease payments to the Trustee for payment of the bonds. In February 2013, the Academy signed a promissory note in the amount of \$365,000 with Wells Fargo for the purchase of land adjacent to the school building. A final payment is due when the note matures in February 2017. Wells Fargo also issued a \$350,000 line of credit to the Academy to prepare the land for use; the academy borrowed \$336,275 against this line of credit. The line of credit matures February 2016. Interest for both the note and line of credit accrue at a rate of 4.15% per year

Following is a summary of the component units' long-term debt transactions for the year ended June 30, 2014.

	<u>Balance</u> <u>7/1/2013</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/2014</u>	<u>Due within</u> <u>one year</u>
Component units					
Revenue bonds	<u>\$ 37,095,449</u>	<u>\$ 336,275</u>	<u>\$ 557,920</u>	<u>\$ 36,873,804</u>	<u>\$ 582,820</u>

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 582,820	\$ 2,439,104	\$ 3,021,924
2016	623,363	2,401,806	3,025,169
2017	1,317,621	2,352,970	3,670,591
2018	685,000	2,292,989	2,977,989
2019	730,000	2,248,874	2,978,874
2020-2024	4,435,000	10,437,739	14,872,739
2025-2029	6,130,000	8,761,966	14,891,966
2030-2034	8,520,000	6,343,843	14,863,843
2035-2039	12,035,000	2,908,006	14,943,006
2040-2044	1,815,000	299,801	2,114,801
Total	<u>\$ 36,873,804</u>	<u>\$ 40,487,098</u>	<u>\$ 77,360,902</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

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, 2014, the District had insurance deductibles of \$50,000 (property), \$150,000 (general liability), and \$1,000 (vehicle liability) per claim. At June 30, 2014, the District's property and liability claims payable was \$613,004.

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, 2014. At June 30, 2014, the District's workers' compensation claims payable was \$737,651.

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, 2014

NOTE 9: RISK FINANCING (Continued)

Risk Management Fund (Continued)

Claims Liability – The claims liability on a government-wide basis includes losses from currently available funds as well as estimates for claims that have been incurred but not reported. Based on historic trends and analysis, \$945,458 of the total claims payable is considered payable from current resources and reported accordingly on the fund statements. Changes in the reported liability on a government-wide basis for the years ended June 30, 2014 and 2013 were as follows:

	2014	2013
Beginning fiscal year liability	\$ 941,615	\$ 838,792
Current year claims and adjustments	1,816,474	2,823,227
Claims paid	<u>(1,407,434)</u>	<u>(2,720,404)</u>
Ending fiscal year liability	<u>\$ 1,350,655</u>	<u>\$ 941,615</u>

Self Insurance Fund

In January 2013, the District established a Self Insurance Fund to account for dental and certain medical liability claims. Liabilities and related claims expense as reported in the Fund were estimated based on a financial services consultant's analyses of the dental and medical providers' claims data at June 30, 2014. The following is a summary of the changes in claims liability for the Self Insurance Fund for fiscal year ended June 30, 2014.

	2014	2013
Beginning fiscal year liability	\$ 2,181,787	\$ -
Current year claims and adjustments	12,410,224	9,986,141
Claims paid	<u>(13,122,489)</u>	<u>(7,804,354)</u>
Ending fiscal year liability	<u>\$ 1,469,522</u>	<u>\$ 2,181,787</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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy (Continued)

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 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 3.8% of the total payroll for the calendar year 2014, (3.4% for calendar 2013 and 3.0% for calendar year 2012).

Additionally, the District is required to pay a supplemental amortization equalization disbursement (SAED) equal to 3.5% of the total payroll for the calendar year 2014 (3.0% for the calendar year 2013 and 2.5% for calendar year 2012). 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, 2014, 2013, and 2012, the District's employer contributions to the SDTF were \$22,558,019, \$20,478,208, and \$19,039,019, 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 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, 2014, 2013, and 2012, the District's employer contributions to the HCTF were \$1,439,638, \$1,384,724, and \$1,369,306, respectively, equal to its required contributions for each year.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

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 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 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the Internal Revenue Service (\$17,500 for calendar years 2014 and 2013, and \$17,000 for calendar year 2012). In addition, catch-up contributions, up to \$5,500 for the calendar year 2012 through calendar year 2014, 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, 2014, 2013 and 2012, the 401(k) Plan member contributions from the District were \$1,445,496, \$1,424,306, and \$1,579,424, 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 \$218,580 for services provided during the year ended June 30, 2014. 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, 2014, 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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 14: COMMITMENTS AND CONTINGENCIES (Continued)

Construction Contracts

The District has entered into a number of separate construction projects as of June 30, 2014. Contract commitments at June 30, 2014, as a result of these projects, totaled \$6,581,210.

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, 2014, the District has complied with the requirements to include emergency reserves in its net position and fund balance.

Contingency Reserve

As allowed by state statute, the District Board of Education may provide for an operating reserve in the General Fund. District policy requires that the budget adopted by the Board include an additional appropriated reserve equal to 2% of operating fund expenditures. The District has met the 2% contingency requirement, which is reported in the committed fund balance, as of June 30, 2014.

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: CHANGE IN ACCOUNTING PRINCIPLE

During the year, the District adopted GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and, instead, classify them as deferred inflows of resources, deferred outflows of resources, inflows of resources or outflows of resources.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2014

NOTE 15: CHANGE IN ACCOUNTING PRINCIPLE (Continued)

As a result of implementing this statement, the following assets and liabilities have been reclassified for the year ended June 30, 2014:

<u>Item</u>	<u>New Classification</u>	<u>Amount</u>
Bond issue costs (unamortized portion was previously reported as an asset)	Outflow of resources	\$2,560,079
Deferred revenue in governmental funds not collected within 60 days of year end and are not available for current period expenditures (previously reported as a liability)	Deferred inflow of resources	\$434,533
Deferred loss from the refunding of bonds are not considered current financial resources (previously reported as a reduction of long term debt)	Deferred outflow of resources	\$9,827,570

NOTE 16: RESTATEMENT

The implementation of GASB No. 65 required the District to expense costs related to the issuance of debt. As a result, the beginning net position is restated as follows:

Net position, June 30, 2013, as originally reported	\$123,840,460
Adjustment for removal of bond issue costs	<u>(2,560,079)</u>
Net position, June 30, 2013, restated	<u>\$121,280,381</u>

Also, due to the implementation of GASB No. 65, the component units were required to expense costs related to the issuance of debt.

NOTE 17: SUBSEQUENT EVENT

In October 2014, the District refinanced over \$50 million of its Series 2004, Series 2005A, and Series 2006B general obligation building bonds to save taxpayers over \$7.95 million (future value savings). During this process, the District secured a credit ratings upgrade to "AA" from Standard and Poor's. The upgrade is a reflection of the District's solid financial procedures and healthy fund balance.



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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:

- \$2.2 million increase in total program funding due to student growth
- \$4.7 million increase in personnel costs due to a one-time budget savings stipend
- \$3.8 million increase in the allocation to the *Capital Reserve Capital Projects Fund* for deferred maintenance projects
- \$2.9 million increase in technology, maintenance and other uncompleted expenditure items from fiscal year 2013

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, 2014**

	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)
Revenues								
Local								
Property taxes	\$ 63,137,541	\$ 60,430,557	\$ 61,862,140	\$ 1,431,583	\$ -	\$ -	\$ -	\$ -
Specific ownership taxes	6,362,000	5,851,998	8,241,096	2,389,098	-	-	-	-
Mill levy override	32,962,000	32,856,622	32,675,735	(180,887)	-	-	-	-
Investment income	291,552	291,552	226,601	(64,951)	-	500	243	(257)
Charges for services	6,459,779	6,459,779	4,995,644	(1,464,135)	-	-	-	-
Miscellaneous	2,074,066	2,074,066	3,491,549	1,417,483	-	-	-	-
Total local revenues	111,286,938	107,964,574	111,492,765	3,528,191	-	500	243	(257)
State								
Equalization, net	104,306,976	104,769,179	106,497,351	1,728,172	993,000	1,111,000	1,115,788	4,788
Special Education	4,115,277	5,237,019	5,351,844	114,825	-	-	-	-
Vocational Education	949,650	838,889	677,984	(160,905)	-	-	-	-
Transportation	1,549,589	1,562,186	1,598,427	36,241	-	-	-	-
Gifted and Talented	259,310	267,554	267,554	-	-	-	-	-
English Language Proficiency Act	328,857	328,857	365,914	37,057	-	-	-	-
BEST grant	800,000	800,000	848,846	48,846	-	-	-	-
Other state sources	-	535,326	672,528	137,202	-	-	-	-
Total state revenues	112,309,659	114,339,010	116,280,448	1,941,438	993,000	1,111,000	1,115,788	4,788
Federal								
Adult Education	-	-	-	-	-	-	-	-
Build America Bond rebates	1,367,123	1,367,123	1,412,795	45,672	-	-	-	-
Migrant passed through BOCES	88,000	88,000	43,350	(44,650)	-	-	-	-
Education Jobs Fund	-	-	-	-	-	-	-	-
ARRA: Stabilization Funds	-	-	-	-	-	-	-	-
Other federal sources	-	-	1,021	1,021	-	-	-	-
Total federal revenues	1,455,123	1,455,123	1,457,166	2,043	-	-	-	-
Total revenues	225,051,720	223,758,707	229,230,379	5,471,672	993,000	1,111,500	1,116,031	4,531
Expenditures, encumbered basis								
Current								
Salaries	134,791,423	138,830,998	135,685,903	3,145,095	127,841	82,841	111,133	(28,292)
Benefits	38,609,980	38,648,047	37,523,354	1,124,693	39,975	30,975	32,635	(1,660)
Purchased services	11,330,697	12,186,753	7,820,580	4,366,173	751,000	944,550	890,427	54,123
Supplies and materials	19,963,324	23,043,821	20,267,749	2,776,072	5,000	5,000	5,938	(938)
Claims paid	-	-	-	-	-	-	-	-
Other	780,961	791,817	716,791	75,026	19,500	23,270	20,581	2,689
Charter schools	24,617,911	23,207,191	23,418,341	(211,150)	-	-	-	-
Capital outlay	283,009	286,447	812,280	(525,833)	150,000	223,034	-	223,034
Total expenditures, encumbered basis	230,377,305	236,995,074	226,244,998	10,750,076	1,093,316	1,309,670	1,060,714	248,956
Excess (deficiency) of revenues over (under) expenditures before transfers	(5,325,585)	(13,236,367)	2,985,381	16,221,748	(100,316)	(198,170)	55,317	253,487
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other financing sources uses	\$ (5,325,585)	\$ (13,236,367)	2,985,381	\$ 16,221,748	\$ (100,316)	\$ (198,170)	55,317	\$ 253,487
Fund balance, beginning			61,244,696				398,796	
Fund balance, ending			\$ 64,230,077				\$ 454,113	
Reconciliation of expenditures								
Expenditures, encumbered basis			\$ 226,244,998				\$ 1,060,714	
Plus: prior year encumbrances			2,157,167				-	
Less: current year encumbrances			(317,159)				-	
Expenditures, US GAAP basis			228,085,006				1,060,714	
Excess revenues over expenditures (US GAAP)			1,145,373				55,317	
Fund balance, beginning			61,244,696				398,796	
Fund balance, ending			\$ 62,390,069				\$ 454,113	

See the accompanying Independent Auditors' Report.

Risk Management Fund (A sub-fund of the General Fund)				Total			
Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 63,137,541	\$ 60,430,557	\$ 61,862,140	\$ 1,431,583
-	-	-	-	6,362,000	5,851,998	8,241,096	2,389,098
-	-	-	-	32,962,000	32,856,622	32,675,735	(180,887)
20,000	20,000	1,916	(18,084)	311,552	312,052	228,760	(83,292)
-	-	4,100	4,100	6,459,779	6,459,779	4,999,744	(1,460,035)
15,000	806,000	1,548,171	742,171	2,089,066	2,880,066	5,039,720	2,159,654
35,000	826,000	1,554,187	728,187	111,321,938	108,791,074	113,047,195	4,256,121
2,393,000	3,243,000	3,243,000	-	107,692,976	109,123,179	110,856,139	1,732,960
-	-	-	-	4,115,277	5,237,019	5,351,844	114,825
-	-	-	-	949,650	838,889	677,984	(160,905)
-	-	-	-	1,549,589	1,562,186	1,598,427	36,241
-	-	-	-	259,310	267,554	267,554	-
-	-	-	-	328,857	328,857	365,914	37,057
-	-	-	-	800,000	800,000	848,846	48,846
-	-	-	-	-	535,326	672,528	137,202
2,393,000	3,243,000	3,243,000	-	115,695,659	118,693,010	120,639,236	1,946,226
-	-	-	-	-	-	-	-
-	-	-	-	1,367,123	1,367,123	1,412,795	45,672
-	-	-	-	88,000	88,000	43,350	(44,650)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,021	1,021
-	-	-	-	1,455,123	1,455,123	1,457,166	2,043
2,428,000	4,069,000	4,797,187	728,187	228,472,720	228,939,207	235,143,597	6,204,390
264,600	264,600	452,561	(187,961)	135,183,864	139,178,439	136,249,597	2,928,842
68,975	68,975	94,296	(25,321)	38,718,930	38,747,997	37,650,285	1,097,712
993,770	2,753,770	2,275,115	478,655	13,075,467	15,885,073	10,986,122	4,898,951
57,200	57,200	120,635	(63,435)	20,025,524	23,106,021	20,394,322	2,711,699
1,000,000	1,227,000	1,407,434	(180,434)	1,000,000	1,227,000	1,407,434	(180,434)
43,700	43,700	12,931	30,769	844,161	858,787	750,303	108,484
-	-	-	-	24,617,911	23,207,191	23,418,341	(211,150)
-	-	-	-	433,009	509,481	812,280	(302,799)
2,428,245	4,415,245	4,362,972	52,273	233,898,866	242,719,989	231,668,684	11,051,305
(245)	(346,245)	434,215	780,460	(5,426,146)	(13,780,782)	3,474,913	17,255,695
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ (245)	\$ (346,245)	434,215	\$ 780,460	\$ (5,426,146)	\$ (13,780,782)	3,474,913	\$ 17,255,695
		2,878,616				64,522,108	
		<u>\$ 3,312,831</u>				<u>\$ 67,997,021</u>	
		\$ 4,362,972				\$ 231,668,684	
		-				2,157,167	
		-				(317,159)	
		<u>4,362,972</u>				<u>233,508,692</u>	
		434,215				1,634,905	
		<u>2,878,616</u>				<u>64,522,108</u>	
		<u>\$ 3,312,831</u>				<u>\$ 66,157,013</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Governmental Designated-Purpose Grants
For the Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
State grants	\$ 200,000	\$ 200,000	\$ 498,179	\$ 298,179
Federal grants	10,060,000	10,467,000	8,468,126	(1,998,874)
ARRA - Federal education stimulus grants	<u>4,200,000</u>	<u>4,200,000</u>	<u>5,152,871</u>	<u>952,871</u>
Total revenues	<u>14,460,000</u>	<u>14,867,000</u>	<u>14,119,176</u>	<u>(747,824)</u>
Expenditures				
Salaries	9,285,432	9,285,000	8,277,912	1,007,088
Benefits	2,397,333	2,397,000	2,232,468	164,532
Purchased services	833,000	833,000	516,016	316,984
Supplies and materials	1,024,000	1,432,000	2,093,112	(661,112)
Other	244,578	245,000	770,554	(525,554)
Capital outlay	<u>675,657</u>	<u>675,000</u>	<u>229,114</u>	<u>445,886</u>
Total expenditures	<u>14,460,000</u>	<u>14,867,000</u>	<u>14,119,176</u>	<u>747,824</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	<u>-</u>	
Fund balance, ending		<u>\$ -</u>	<u>\$ -</u>	

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

Major Governmental Funds

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

Building Fund – The *Building Fund* is a capital projects fund that accounts for the proceeds of bond sales and expenditures for capital outlay for land, buildings, improvements of grounds, construction of buildings, additions or remodeling of buildings or initial, additional and replacement equipment.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2014**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	\$ 36,061,506	\$ 35,782,046	\$ 36,006,292	\$ 224,246
Investment income	4,700	4,700	1,558	(3,142)
Miscellaneous	-	-	8,191	8,191
Total revenues	<u>36,066,206</u>	<u>35,786,746</u>	<u>36,016,041</u>	<u>229,295</u>
Expenditures				
Debt principal	13,360,000	13,360,000	13,360,000	-
Debt interest	20,508,017	20,508,017	20,508,017	-
Fiscal charges	7,050	7,050	5,900	1,150
Total expenditures	<u>33,875,067</u>	<u>33,875,067</u>	<u>33,873,917</u>	<u>1,150</u>
Net change in fund balances	<u>\$ 2,191,139</u>	1,911,679	2,142,124	<u>\$ 230,445</u>
Fund balance, beginning		<u>30,558,380</u>	<u>30,558,380</u>	
Fund balance, ending		<u>\$ 32,470,059</u>	<u>\$ 32,700,504</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Building Fund
For the Year Ended June 30, 2014**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 400,000	\$ 400,000	\$ 141,758	\$ (258,242)
Miscellaneous	-	-	22,015	22,015
Total revenues	400,000	400,000	163,773	(236,227)
Expenditures				
Salaries	686,595	664,000	586,830	77,170
Benefits	180,652	180,000	152,579	27,421
Purchased services	3,000,000	3,000,000	3,141,181	(141,181)
Supplies and materials	500,000	500,000	23,250	476,750
Capital outlay	33,282,632	32,336,453	7,732,132	24,604,321
Other	30,000	100,000	46,234	53,766
Total expenditures	37,679,879	36,780,453	11,682,206	25,098,247
Net change in fund balances	<u>\$ (37,279,879)</u>	(36,380,453)	(11,518,433)	<u>\$ 24,862,020</u>
Fund balance, beginning		36,380,453	36,380,453	
Fund balance, ending		<u>\$ -</u>	<u>\$ 24,862,020</u>	

See the accompanying Independent Auditors' Report.

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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.

St. Vrain Valley School District RE-1J

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

	Capital Reserve Capital Projects Fund
Assets	
Cash and investments	\$ 8,652,889
Accounts receivable	-
Prepays	605,953
Deposits	280
	<hr/>
Total assets	<u>\$ 9,259,122</u>
Liabilities	
Accounts payable	\$ 643,592
Due from component untis	-
Accrued salaries and benefits	-
Construction retainage payable	22,446
Unearned revenues	-
	<hr/>
Total liabilities	<u>666,038</u>
Deferred inflows of revenue	
From forward investment agreement	<u>5,035</u>
Fund Balances	
Nonspendable: deposits, prepaids	606,233
Restricted: special revenue funds	-
Committed: capital projects	7,981,816
Committed: special revenue fund	-
	<hr/>
Total fund balances	<u>8,588,049</u>
Total liabilities, deferred inflows, and fund balances	<u><u>\$ 9,259,122</u></u>

See the accompanying Independent Auditors' Report.

Special Revenue Funds			Total Nonmajor Governmental Funds
Community Education	Fair Contributions	Student Activity	
\$ 3,519,809	\$ 5,205,870	\$ 3,527,044	\$ 20,905,612
37,531	165,000	7,910	210,441
-	-	-	605,953
-	-	-	280
<u>\$ 3,557,340</u>	<u>\$ 5,370,870</u>	<u>\$ 3,534,954</u>	<u>\$ 21,722,286</u>
\$ 6,383	\$ 5,275	\$ 26,994	\$ 682,244
3,462	-	-	3,462
387,040	-	1,523	388,563
-	-	-	22,446
7,098	-	-	7,098
<u>403,983</u>	<u>5,275</u>	<u>28,517</u>	<u>1,103,813</u>
<u>-</u>	<u>88,683</u>	<u>-</u>	<u>93,718</u>
-	-	-	606,233
3,153,357	-	3,506,437	6,659,794
-	-	-	7,981,816
-	5,276,912	-	5,276,912
<u>3,153,357</u>	<u>5,276,912</u>	<u>3,506,437</u>	<u>20,524,755</u>
<u>\$ 3,557,340</u>	<u>\$ 5,370,870</u>	<u>\$ 3,534,954</u>	<u>\$ 21,722,286</u>

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014**

	Capital Reserve Capital Projects Fund
	<hr/>
Revenues	
Intergovernmental	\$ 8,275,560
Investment income	8,306
Charges for services	-
Pupil activities	-
Miscellaneous	<u>1,592,006</u>
Total revenues	<u>9,875,872</u>
 Expenditures	
Instruction	-
Supporting services	-
Capital expenditures/outlay	<u>7,045,089</u>
Total expenditures	<u>7,045,089</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>2,830,783</u>
 Other Financing Sources (Uses)	
Transfers in	-
Transfers out	<u>-</u>
Total other financing sources (uses)	<u>-</u>
Net changes in fund balances	2,830,783
Fund balances, beginning	<u>5,757,266</u>
Fund balances, ending	<u><u>\$ 8,588,049</u></u>

See the accompanying Independent Auditors' Report.

Special Revenue Funds			Total Nonmajor Governmental Funds
Community Education	Fair Contributions	Student Activity	
\$ -	\$ -	\$ -	\$ 8,275,560
2,953	54,929	3,507	69,695
6,233,718	-	-	6,233,718
-	-	5,988,804	5,988,804
-	1,022,765	-	2,614,771
<u>6,236,671</u>	<u>1,077,694</u>	<u>5,992,311</u>	<u>23,182,548</u>
4,945,675	-	5,493,085	10,438,760
515,151	147,971	244,696	907,818
71,446	75,500	-	7,192,035
<u>5,532,272</u>	<u>223,471</u>	<u>5,737,781</u>	<u>18,538,613</u>
<u>704,399</u>	<u>854,223</u>	<u>254,530</u>	<u>4,643,935</u>
17,626	-	32,497	50,123
(32,497)	-	(17,626)	(50,123)
(14,871)	-	14,871	-
689,528	854,223	269,401	4,643,935
2,463,829	4,422,689	3,237,036	15,880,820
<u>\$ 3,153,357</u>	<u>\$ 5,276,912</u>	<u>\$ 3,506,437</u>	<u>\$ 20,524,755</u>

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Reserve Capital Projects Fund
For the Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Allocation from General Fund	\$ 4,873,000	\$ 8,875,560	\$ 8,275,560	\$ (600,000)
Investment income	10,000	10,000	8,306	(1,694)
Miscellaneous	<u>-</u>	<u>1,500,000</u>	<u>1,592,006</u>	<u>92,006</u>
Total revenues	<u>4,883,000</u>	<u>10,385,560</u>	<u>9,875,872</u>	<u>(509,688)</u>
Expenditures				
Capital expenditures	<u>4,883,000</u>	<u>8,700,000</u>	<u>7,045,089</u>	<u>1,654,911</u>
Total expenditures	<u>4,883,000</u>	<u>8,700,000</u>	<u>7,045,089</u>	<u>1,654,911</u>
Net change in fund balances	<u>\$ -</u>	1,685,560	2,830,783	<u>\$ 1,145,223</u>
Fund balance, beginning		<u>5,757,266</u>	<u>5,757,266</u>	
Fund balance, ending		<u>\$ 7,442,826</u>	<u>\$ 8,588,049</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Education Fund
For the Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	\$ 5,000	\$ 5,000	\$ 2,953	\$ (2,047)
Charges for services	<u>4,750,000</u>	<u>4,750,000</u>	<u>6,233,718</u>	<u>1,483,718</u>
Total revenues	<u>4,755,000</u>	<u>4,755,000</u>	<u>6,236,671</u>	<u>1,481,671</u>
Expenditures				
Instruction	5,012,000	5,012,000	4,945,675	66,325
Support services	250,000	250,000	515,151	(265,151)
Capital outlay	<u>-</u>	<u>-</u>	<u>71,446</u>	<u>(71,446)</u>
Total expenditures	<u>5,262,000</u>	<u>5,262,000</u>	<u>5,532,272</u>	<u>(270,272)</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(507,000)	(507,000)	704,399	1,211,399
Other Financing Sources (Uses)				
Transfers in	-	-	17,626	17,626
Transfers out	<u>-</u>	<u>-</u>	<u>(32,497)</u>	<u>(32,497)</u>
Total other financing sources (uses)	-	-	(14,871)	(14,871)
Net change in fund balances	<u>\$ (507,000)</u>	(507,000)	689,528	<u>\$ 1,196,528</u>
Fund balance, beginning		<u>2,463,829</u>	<u>2,463,829</u>	
Fund balance, ending		<u>\$ 1,956,829</u>	<u>\$ 3,153,357</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Fair Contributions Fund
For the Year Ended June 30, 2014**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 10,000	\$ 60,200	\$ 54,929	\$ (5,271)
Cash in lieu	750,000	800,000	1,022,765	222,765
Total revenues	760,000	860,200	1,077,694	217,494
Expenditures				
Purchased services	100,000	100,000	147,971	(47,971)
Capital outlay	5,067,558	5,182,889	75,500	5,107,389
Total expenditures	5,167,558	5,282,889	223,471	5,059,418
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (4,407,558)</u>	(4,422,689)	854,223	<u>\$ 5,276,912</u>
Fund balance, beginning		4,422,689	4,422,689	
Fund balance, ending		<u>\$ -</u>	<u>\$ 5,276,912</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Student Activity Fund
For the Year Ended June 30, 2014**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 7,000	\$ 7,000	\$ 3,507	\$ (3,493)
Athletic activities	2,200,000	2,200,000	1,926,884	(273,116)
Pupil activities	3,200,000	3,200,000	3,300,258	100,258
PTO/Gift activities	900,000	900,000	756,369	(143,631)
Resources from agency fund	-	-	5,293	5,293
Total revenues	<u>6,307,000</u>	<u>6,307,000</u>	<u>5,992,311</u>	<u>(314,689)</u>
Expenditures				
Athletic activities	3,500,000	3,500,000	1,921,620	1,578,380
Pupil activities	4,000,000	4,000,000	3,165,276	834,724
PTO/Gift activities	2,738,515	2,044,036	631,772	1,412,264
Resources to agency fund	-	-	19,113	(19,113)
Total expenditures	<u>10,238,515</u>	<u>9,544,036</u>	<u>5,737,781</u>	<u>3,806,255</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(3,931,515)	(3,237,036)	254,530	3,491,566
Other Financing Sources (Uses)				
Transfers in	-	-	32,497	32,497
Transfers out	-	-	(17,626)	(17,626)
Total other financing sources (uses)	-	-	14,871	14,871
Net change in fund balances	<u>\$ (3,931,515)</u>	<u>(3,237,036)</u>	<u>269,401</u>	<u>\$ 3,506,437</u>
Fund balance, beginning		<u>3,237,036</u>	<u>3,237,036</u>	
Fund balance, ending		<u>\$ -</u>	<u>\$ 3,506,437</u>	

See the accompanying Independent Auditors' Report.

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SUPPLEMENTARY SCHEDULES – PROPRIETARY FUNDS

Enterprise Fund

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

Internal Service Fund

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

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual
Nutrition Services Fund
For the Year Ended June 30, 2014

	Original Budget	2nd Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 1,500	\$ 1,500	\$ 1,157	\$ (343)
Charges for services	3,900,000	3,900,000	3,232,130	(667,870)
Other food service charges	60,000	60,000	105,709	45,709
State match	108,000	108,000	118,772	10,772
National School Lunch/Breakfast Program	4,200,000	4,295,000	4,936,147	641,147
Total revenues	<u>8,269,500</u>	<u>8,364,500</u>	<u>8,393,915</u>	<u>29,415</u>
Expenses				
Salaries	3,283,486	3,283,486	3,022,517	260,969
Benefits	1,069,423	1,069,423	1,004,295	65,128
Purchased services	175,000	175,000	102,219	72,781
Supplies and materials	4,000,000	4,095,000	3,776,023	318,977
Small equipment	30,000	50,000	50,081	(81)
Other	100,000	100,000	205,678	(105,678)
Total expenses	<u>8,657,909</u>	<u>8,772,909</u>	<u>8,160,813</u>	<u>612,096</u>
Net income, cash basis	(388,409)	(408,409)	233,102	641,511
Noncash Revenues (Expenses)				
Depreciation	(181,000)	(181,000)	(171,408)	9,592
Loss on disposal of equipment	-	-	(2,311)	(2,311)
Capital contributions	-	-	15,396	15,396
Commodities entitlement	602,804	602,804	541,283	(61,521)
Commodities used	<u>-</u>	<u>-</u>	<u>(545,828)</u>	<u>(545,828)</u>
Change in net position	<u>\$ 33,395</u>	13,395	70,234	<u>\$ 56,839</u>
Net position, beginning		<u>3,202,846</u>	<u>3,202,846</u>	
Net position, ending		<u>\$ 3,216,241</u>	<u>\$ 3,273,080</u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Schedule of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual
Self Insurance Fund
For the Year Ended June 30, 2014**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 5,000	\$ 5,000	\$ 5,283	\$ 283
Charges for services	13,200,000	13,200,000	13,686,457	486,457
Total revenues	13,205,000	13,205,000	13,691,740	486,740
Expenditures				
Salaries	153,759	153,759	146,097	7,662
Benefits	43,318	43,318	41,741	1,577
Purchased services	68,000	68,000	7,030	60,970
Supplies and materials	6,000	6,000	162	5,838
Other	12,000	12,000	12,500	(500)
Claims paid	12,000,000	14,000,000	13,122,489	877,511
Total expenditures	12,283,077	14,283,077	13,330,019	953,058
Net change in fund balances	<u>\$ 921,923</u>	(1,078,077)	361,721	<u>\$ 1,439,798</u>
Net position, beginning		3,876,964	3,876,964	
Net position, ending		<u>\$ 2,798,887</u>	<u>\$ 4,238,685</u>	

See the accompanying Independent Auditors' Report.

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SUPPLEMENTARY SCHEDULES – FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. Of the four fiduciary funds categories (pension trust funds, investment trust funds, private-purpose trust funds, and 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 Fiduciary Net Position - Budget and Actual
Student Scholarship Fund
For the Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Additions				
Investment income	\$ 200	\$ 200	\$ 151	\$ (49)
Contributions	<u>50,000</u>	<u>50,000</u>	<u>47,115</u>	<u>(2,885)</u>
Total additions	<u>50,200</u>	<u>50,200</u>	<u>47,266</u>	<u>(2,934)</u>
Deductions				
Scholarships	<u>75,000</u>	<u>75,000</u>	<u>51,469</u>	<u>23,531</u>
Total deductions	<u>75,000</u>	<u>75,000</u>	<u>51,469</u>	<u>23,531</u>
Change in net position	<u><u>\$ (24,800)</u></u>	<u>(24,800)</u>	<u>(4,203)</u>	<u><u>\$ 20,597</u></u>
Net position, beginning		<u>223,387</u>	<u>223,387</u>	
Net position, ending		<u><u>\$ 198,587</u></u>	<u><u>\$ 219,184</u></u>	

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2014**

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Student Activity (Agency)</u>				
<u>Fund</u>				
Assets				
Cash and investments	\$ 143,346	\$ 142,002	\$ 128,016	\$ 157,332
Accounts receivable	-	288	-	288
Total assets	<u>\$ 143,346</u>	<u>\$ 142,290</u>	<u>\$ 128,016</u>	<u>\$ 157,620</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Undistributed monies	143,346	142,290	128,016	157,620
Total liabilities	<u>\$ 143,346</u>	<u>\$ 142,290</u>	<u>\$ 128,016</u>	<u>\$ 157,620</u>

See the accompanying Independent Auditors' Report.

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, 2014**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Additions				
Elementary Schools	\$ 100,000	\$ 100,000	\$ 46,104	\$ (53,896)
Middle Schools	22,000	22,000	18,400	(3,600)
High Schools	45,000	45,000	58,673	13,673
Other additions	8,000	8,000	-	(8,000)
Resources from special revenue funds	-	-	19,113	19,113
Total additions	<u>175,000</u>	<u>175,000</u>	<u>142,290</u>	<u>(32,710)</u>
Deductions				
Elementary Schools	159,611	143,356	56,476	86,880
Middle Schools	44,890	50,734	14,157	36,577
High Schools	103,830	106,570	52,090	54,480
Other deductions	12,985	17,686	-	17,686
Resources to special revenue funds	-	-	5,293	(5,293)
Total deductions	<u>321,316</u>	<u>318,346</u>	<u>128,016</u>	<u>190,330</u>
Change in undistributed monies	<u>\$ (146,316)</u>	<u>(143,346)</u>	<u>14,274</u>	<u>\$ 157,620</u>
Undistributed monies, beginning		<u>143,346</u>	<u>143,346</u>	
Undistributed monies, ending		<u>\$ -</u>	<u>\$ 157,620</u>	

See the accompanying Independent Auditors' Report.

SUPPLEMENTARY SCHEDULES – COMPONENT UNITS

Charter Schools

Aspen Ridge Preparatory School began operations in the fall of fiscal year 2012 to serve students in grades K through 5. 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 12th grade. However, the secondary academy was closed in December 2010.

Flagstaff Academy also began operations in the fall of fiscal year 2006 serving students in grades 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 6th 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 12th grade.

St. Vrain Valley School District RE-1J

**Combining Statement of Net Position
Component Units
June 30, 2014**

	Aspen Ridge Preparatory School	Carbon Valley Academy	Flagstaff Academy
Assets			
Cash and investments	\$ 640,416	\$ 977,465	\$ 3,472,533
Accounts receivable	1,092	-	1,175
Due from primary government	-	-	3,712
Grants receivable	-	-	-
Prepays	5,019	-	-
Deposits	29,533	11,099	183,358
Deferred charges	-	-	-
Restricted cash and investments	-	517,607	1,846,259
Capital assets,			
Non-depreciable	-	1,158,251	-
Depreciable, net	4,830	3,199,493	9,710,521
Total assets	<u>680,890</u>	<u>5,863,915</u>	<u>15,217,558</u>
Liabilities			
Accounts payable	2,436	47,549	63,972
Due to primary government	17,212	107,972	2,840
Accrued salaries and benefits	54,815	93,820	313,179
Accrued interest payable	-	21,965	387,765
Unearned revenue	15,855	-	43,869
Noncurrent liabilities			
Due within one year	-	100,000	215,000
Due in more than one year	-	4,630,000	12,905,000
Total liabilities	<u>90,318</u>	<u>5,001,306</u>	<u>13,931,625</u>
Net Position			
Net investment in capital assets	4,830	(1,012,900)	(1,563,220)
Restricted for			
Emergencies	57,000	78,000	216,000
Debt service	-	-	-
Unrestricted	528,742	1,797,509	2,633,153
Total net position	<u>\$ 590,572</u>	<u>\$ 862,609</u>	<u>\$ 1,285,933</u>

See the accompanying Independent Auditors' Report.

Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	Component Units
			Total Charter Schools
\$ 2,214,785	\$ 432,523	\$ 2,372,531	\$ 10,110,253
24,417	2,535	17,885	47,104
-	-	-	3,712
-	-	-	-
1,100	29,393	-	35,512
-	13,841	7,500	245,331
-	-	-	-
-	-	2,174,603	4,538,469
-	-	2,559,261	3,717,512
-	160,504	16,584,624	29,659,972
<u>2,240,302</u>	<u>638,796</u>	<u>23,716,404</u>	<u>48,357,865</u>
8,760	1,217	73,292	197,226
8,645	-	34,057	170,726
149,367	3,528	318,655	933,364
-	-	170,635	580,365
36,090	86,173	44,859	226,846
-	-	267,820	582,820
-	-	18,755,984	36,290,984
<u>202,862</u>	<u>90,918</u>	<u>19,665,302</u>	<u>38,982,331</u>
-	160,504	2,294,684	(116,102)
156,000	48,900	208,914	764,814
-	-	728,860	728,860
1,881,440	338,474	818,644	7,997,962
<u>\$ 2,037,440</u>	<u>\$ 547,878</u>	<u>\$ 4,051,102</u>	<u>\$ 9,375,534</u>

See the accompanying Independent Auditors' Report.

St. Vrain Valley School District RE-1J

**Combining Statement of Activities
Component Units
For the Year Ended June 30, 2014**

	Aspen Ridge Preparatory School	Carbon Valley Academy	Flagstaff Academy
Expenses			
Instruction	\$ 691,490	\$ 1,403,088	\$ 3,828,153
Supporting services	845,835	794,877	2,180,458
Interest expense	-	268,734	912,000
Total expenses	<u>1,537,325</u>	<u>2,466,699</u>	<u>6,920,611</u>
Program Revenues			
Charges for Services	42,075	206,400	773,592
Operating Grants and Contributions	198,338	17,199	58,152
Capital Grants and Contributions	<u>22,473</u>	<u>26,449</u>	<u>88,311</u>
Total program revenues	<u>262,886</u>	<u>250,048</u>	<u>920,055</u>
General Revenues			
Per pupil revenue	1,547,121	1,778,797	5,526,906
Mill levy override	106,229	446,607	783,867
Interest income	-	644	2,114
Other	<u>-</u>	<u>148,927</u>	<u>46,512</u>
Total general revenues	<u>1,653,350</u>	<u>2,374,975</u>	<u>6,359,399</u>
Change in net position	378,911	158,324	358,843
Net position, beginning	<u>211,661</u>	<u>795,789</u>	<u>1,162,077</u>
Restatement	-	(91,504)	(234,987)
Net position, restated	<u>211,661</u>	<u>704,285</u>	<u>927,090</u>
Net position, ending	<u>\$ 590,572</u>	<u>\$ 862,609</u>	<u>\$ 1,285,933</u>

See the accompanying Independent Auditors' Report.

Imagine Charter School at Firestone	St Vrain Community Montessori School	Twin Peaks Charter Academy	Component Units
			Total Charter Schools
\$ 2,377,037	\$ 707,600	\$ 3,612,321	\$ 12,619,689
2,675,585	776,708	2,230,008	9,503,471
-	-	1,289,134	2,469,868
<u>5,052,622</u>	<u>1,484,308</u>	<u>7,131,463</u>	<u>24,593,028</u>
425,363	287,715	343,983	2,079,128
29,766	105,527	14,927	423,909
<u>56,533</u>	<u>14,995</u>	<u>95,671</u>	<u>304,432</u>
<u>511,662</u>	<u>408,237</u>	<u>454,581</u>	<u>2,807,469</u>
3,881,653	1,032,547	6,586,110	20,353,134
641,390	129,174	957,940	3,065,207
-	417	431	3,606
<u>164,686</u>	<u>58,098</u>	<u>-</u>	<u>418,223</u>
<u>4,687,729</u>	<u>1,220,236</u>	<u>7,544,481</u>	<u>23,840,170</u>
146,769	144,165	867,599	2,054,611
<u>1,890,671</u>	<u>403,713</u>	<u>3,628,536</u>	<u>8,092,447</u>
-	-	(445,033)	(771,524)
<u>1,890,671</u>	<u>403,713</u>	<u>3,183,503</u>	<u>7,320,923</u>
<u>\$ 2,037,440</u>	<u>\$ 547,878</u>	<u>\$ 4,051,102</u>	<u>\$ 9,375,534</u>

See the accompanying Independent Auditors' Report.

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**STATISTICAL SECTION
(UNAUDITED)**

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

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	
The schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	96 – 107
Revenue Capacity	
The schedules contain information to help the reader assess the District’s most significant local and state revenue sources.	108 – 112
Debt Capacity	
The schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	113 – 117
Demographic and Economic Information	
The schedules offer demographic and economic indicators to help the reader understand the environment with which the District’s financial activities take place.	118 – 123
Operating Information	
The schedules contain information to help the reader understand the staffing of the District, student population it serves, and capital asset data.	124 - 131

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

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

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets (1)	\$ 22,549,614	\$ 10,755,304	\$ 20,092,457	\$ 17,752,278
Restricted	35,653,114	38,271,459	42,011,881	36,348,780
Unrestricted	<u>(13,103,041)</u>	<u>2,416,984</u>	<u>(1,985,048)</u>	<u>14,481,434</u>
Total governmental net position	<u>45,099,687</u>	<u>51,443,747</u>	<u>60,119,290</u>	<u>68,582,492</u>
Business-type activities				
Net investment in capital assets	981,771	1,143,171	1,059,518	926,902
Restricted	-	-	-	-
Unrestricted	<u>1,225,914</u>	<u>1,067,695</u>	<u>927,056</u>	<u>695,203</u>
Total business-type net position	<u>2,207,685</u>	<u>2,210,866</u>	<u>1,986,574</u>	<u>1,622,105</u>
Primary government				
Net investment in capital assets	23,531,385	11,898,475	21,151,975	18,679,180
Restricted	35,653,114	38,271,459	42,011,881	36,348,780
Unrestricted	<u>(11,877,127)</u>	<u>3,484,679</u>	<u>(1,057,992)</u>	<u>15,176,637</u>
Total primary government net position	<u>\$ 47,307,372</u>	<u>\$ 53,654,613</u>	<u>\$ 62,105,864</u>	<u>\$ 70,204,597</u>

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 16,389,200	\$ 5,837,277	\$ 1,650,384	\$ (4,553,120)	\$ 5,975,997	\$ 4,819,681
43,552,511	48,873,296	41,903,392	42,346,312	43,513,161	47,616,074
<u>35,783,693</u>	<u>41,983,603</u>	<u>49,879,868</u>	<u>52,817,264</u>	<u>74,351,302</u>	<u>75,262,484</u>
<u>95,725,404</u>	<u>96,694,176</u>	<u>93,433,644</u>	<u>90,610,456</u>	<u>123,840,460</u>	<u>127,698,239</u>
1,075,631	1,042,353	908,812	1,201,873	1,137,800	1,046,337
-	-	-	-	-	-
<u>476,099</u>	<u>967,637</u>	<u>1,534,339</u>	<u>1,957,064</u>	<u>2,065,046</u>	<u>2,226,743</u>
<u>1,551,730</u>	<u>2,009,990</u>	<u>2,443,151</u>	<u>3,158,937</u>	<u>3,202,846</u>	<u>3,273,080</u>
17,464,831	6,879,630	2,559,196	(3,351,247)	7,113,797	5,866,018
43,552,511	48,873,296	41,903,392	42,346,312	43,513,161	47,616,074
<u>36,259,792</u>	<u>42,951,240</u>	<u>51,414,207</u>	<u>54,774,328</u>	<u>76,416,348</u>	<u>77,489,227</u>
<u>\$ 97,277,134</u>	<u>\$ 98,704,166</u>	<u>\$ 95,876,795</u>	<u>\$ 93,769,393</u>	<u>\$ 127,043,306</u>	<u>\$ 130,971,319</u>

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

	2005	2006	2007	2008
Expenses				
Governmental activities:				
Instruction	\$ 95,661,489	\$ 113,735,114	\$ 115,031,293	\$ 122,240,743
Supporting services	49,653,089	53,304,184	58,113,258	60,629,900
Interest	12,247,793	14,320,914	16,010,493	15,500,560
Total governmental activities expenses	<u>157,562,371</u>	<u>181,360,212</u>	<u>189,155,044</u>	<u>198,371,203</u>
Business-type activities:				
Food services	4,885,656	5,873,965	6,368,635	7,069,557
Total primary government expenses	<u>\$ 162,448,027</u>	<u>\$ 187,234,177</u>	<u>\$ 195,523,679</u>	<u>\$ 205,440,760</u>
Program Revenues				
Governmental activities:				
Charges for services				
Tuition and fees	\$ 2,659,299	\$ 3,280,966	\$ 6,299,455	\$ 7,167,010
Internal charges (1)	526,506	576,681	634,386	731,765
Operating grants and contributions	10,930,997	13,090,706	12,329,701	13,200,675
Capital grants and contributions	1,041,182	1,053,746	591,496	507,755
Total governmental activities program revenues	<u>15,157,984</u>	<u>18,002,099</u>	<u>19,855,038</u>	<u>21,607,205</u>
Business-type activities:				
Charges for services	2,978,095	3,098,897	3,363,892	3,574,268
Operating grants and contributions	1,905,055	2,442,897	2,754,834	3,106,894
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>4,883,150</u>	<u>5,541,794</u>	<u>6,118,726</u>	<u>6,681,162</u>
Total primary government program revenues	<u>\$ 20,041,134</u>	<u>\$ 23,543,893</u>	<u>\$ 25,973,764</u>	<u>\$ 28,288,367</u>
Net (expense) / revenue				
Governmental activities	\$ (142,404,387)	\$ (163,358,113)	\$ (169,300,006)	\$ (176,763,998)
Business-type activities	(2,506)	(332,171)	(249,909)	(388,395)
Total primary government net expense	<u>\$ (142,406,893)</u>	<u>\$ (163,690,284)</u>	<u>\$ (169,549,915)</u>	<u>\$ (177,152,393)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	\$ 71,791,304	\$ 74,977,182	\$ 77,555,794	\$ 83,233,225
Specific ownership taxes	5,976,580	5,987,316	5,997,044	6,047,704
Mill levy override	-	-	-	-
State equalization	72,261,580	77,794,994	85,049,954	90,264,910
Investment income	2,285,218	2,511,220	4,805,951	4,350,866
Other	444,753	941,954	3,471,495	1,330,495
Transfers	(340,410)	(310,317)	1,095,313	-
Total governmental activities	<u>152,419,025</u>	<u>161,902,349</u>	<u>177,975,551</u>	<u>185,227,200</u>
Business-type activities:				
Investment income	15,896	25,035	25,617	23,926
Transfers	340,410	310,317	-	-
Total business-type activities	<u>356,306</u>	<u>335,352</u>	<u>25,617</u>	<u>23,926</u>
Total primary government	<u>\$ 152,775,331</u>	<u>\$ 162,237,701</u>	<u>\$ 178,001,168</u>	<u>\$ 185,251,126</u>
Change in Net Assets				
Governmental activities	\$ 10,014,638	\$ (1,455,764)	\$ 8,675,545	\$ 8,463,202
Business-type activities	353,800	3,181	(224,292)	(364,469)
Total primary government	<u>\$ 10,368,438</u>	<u>\$ (1,452,583)</u>	<u>\$ 8,451,253</u>	<u>\$ 8,098,733</u>

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

2009	2010	2011	2012	2013	2014
\$ 127,681,937	\$ 136,783,787	\$ 154,559,432	\$ 156,466,950	\$ 162,259,184	\$ 178,639,344
69,745,866	106,835,640	92,466,787	87,621,269	82,910,079	102,775,349
15,845,498	19,182,556	20,837,721	20,839,718	20,383,627	19,739,295
213,273,301	262,801,983	267,863,940	264,927,937	265,552,890	301,153,988
7,825,813	7,795,085	8,155,509	8,338,941	8,550,602	8,878,049
\$ 221,099,114	\$ 270,597,068	\$ 276,019,449	\$ 273,266,878	\$ 274,103,492	\$ 310,032,037
\$ 8,182,298	\$ 11,324,592	\$ 10,924,440	\$ 12,478,933	\$ 14,190,837	\$ 15,704,630
1,892,602	2,033,494	1,594,055	1,731,141	1,557,178	1,517,636
14,558,258	19,607,144	26,905,761	19,577,033	19,285,254	25,359,439
199,537	452,712	334,803	514,826	742,088	1,022,765
24,832,695	33,417,942	39,759,059	34,301,933	35,775,357	43,604,470
3,776,079	3,911,304	3,709,186	3,804,775	3,448,430	3,879,122
3,661,169	4,206,325	4,878,818	4,884,351	5,035,106	5,052,608
312,655	135,146	-	364,451	109,033	15,396
7,749,903	8,252,775	8,588,004	9,053,577	8,592,569	8,947,126
\$ 32,582,598	\$ 41,670,717	\$ 48,347,063	\$ 43,355,510	\$ 44,367,926	\$ 52,551,596
\$ (188,440,606)	\$ (229,384,041)	\$ (228,104,881)	\$ (230,626,004)	\$ (229,777,533)	\$ (257,549,518)
(75,910)	457,690	432,495	714,636	41,967	69,077
\$ (188,516,516)	\$ (228,926,351)	\$ (227,672,386)	\$ (229,911,368)	\$ (229,735,566)	\$ (257,480,441)
\$ 88,457,619	\$ 91,637,477	\$ 91,600,278	\$ 94,238,488	\$ 99,933,752	\$ 96,794,464
6,054,107	6,023,739	5,805,254	5,920,333	7,090,842	8,241,096
15,923,875	17,385,887	17,180,635	17,108,522	31,646,447	32,675,735
100,658,351	110,042,029	101,290,756	103,622,720	108,346,576	119,131,699
1,690,910	1,361,173	2,014,620	952,516	770,928	447,054
2,798,656	3,902,508	6,952,806	5,960,237	15,218,992	6,677,328
-	-	-	-	-	-
215,583,518	230,352,813	224,844,349	227,802,816	263,007,537	263,967,376
5,535	570	666	1,150	1,942	1,157
-	-	-	-	-	-
5,535	570	666	1,150	1,942	1,157
\$ 215,589,053	\$ 230,353,383	\$ 224,845,015	\$ 227,803,966	\$ 263,009,479	\$ 263,968,533
\$ 27,142,912	\$ 968,772	\$ (3,260,532)	\$ (2,823,188)	\$ 33,230,004	\$ 6,417,858
(70,375)	458,260	433,161	715,786	43,909	70,234
\$ 27,072,537	\$ 1,427,032	\$ (2,827,371)	\$ (2,107,402)	\$ 33,273,913	\$ 6,488,092

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:				
Property taxes	\$ 71,791,304	\$ 74,977,182	\$ 77,555,794	\$ 83,233,225
Specific ownership taxes	5,976,580	5,987,316	5,997,044	6,047,704
State equalization	<u>72,261,580</u>	<u>77,794,994</u>	<u>85,049,954</u>	<u>90,264,910</u>
Total finance act revenues	<u>\$ 150,029,464</u>	<u>\$ 158,759,492</u>	<u>\$ 168,602,792</u>	<u>\$ 179,545,839</u>
 Total governmental activities revenues (1)	 \$ 167,577,009	 \$ 179,904,448	 \$ 197,830,589	 \$ 206,834,405
 Public School Finance Act revenues as percentage of total governmental activities revenues	 89.5%	 88.2%	 85.2%	 86.8%

Note 1: Governmental activities revenues are a combination of
program revenues and general revenues as shown on page 98-99

2009	2010	2011	2012	2013	2014
\$ 88,457,619	\$ 91,637,477	\$ 91,600,278	\$ 94,238,488	\$ 99,933,752	\$ 96,794,464
6,054,107	6,023,739	5,805,254	5,920,333	7,090,842	8,241,096
100,658,351	110,042,029	101,290,756	103,622,720	108,346,576	119,131,699
<u>\$ 195,170,077</u>	<u>\$ 207,703,245</u>	<u>\$ 198,696,288</u>	<u>\$ 203,781,541</u>	<u>\$ 215,371,170</u>	<u>\$ 224,167,259</u>
\$ 240,416,213	\$ 263,770,755	\$ 264,603,408	\$ 262,104,749	\$ 298,782,894	\$ 307,571,846
81.2%	78.7%	75.1%	77.7%	72.1%	72.9%

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)

	2005	2006	2007	2008
General Fund				
Nonspendable	\$ 398,272	\$ 308,880	\$ 358,352	\$ 470,427
Restricted	21,994	62,808	3,586,569	3,335,550
Committed	-	-	182,924	1,430,725
Assigned	3,543,603	5,282,565	4,495,619	3,468,174
Unassigned	-	2,079,433	3,466,093	6,758,492
Total General Fund	<u>\$ 3,963,869</u>	<u>\$ 7,733,686</u>	<u>\$ 12,089,557</u>	<u>\$ 15,463,368</u>
All Other Governmental Funds				
Nonspendable	\$ 87,919	\$ 38,576	\$ 42,257	\$ 42,257
Restricted	31,721,960	33,802,155	38,425,312	33,013,230
Committed	44,387,914	21,426,345	73,272,726	23,459,105
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 76,197,793</u>	<u>\$ 55,267,076</u>	<u>\$ 111,740,295</u>	<u>\$ 56,514,592</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 & 2012, 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.

2009	2010	2011 (3)	2012	2013	2014
\$ 279,157	\$ 368,341	\$ 412,819	\$ 436,926	\$ 1,093,153	\$ 550,152
5,887,253	7,012,090	7,152,152	7,058,536	7,253,916	8,255,777
4,637,168	6,448,562	6,797,608	12,435,243	14,714,696	16,712,437
21,235,851 (2)	22,768,212	23,713,563	24,551,891	37,334,057	29,144,534
3,675,281	5,750,977	8,526,501	5,409,629	4,126,286	11,494,113
<u>\$ 35,714,710</u>	<u>\$ 42,348,182</u>	<u>\$ 46,602,643</u>	<u>\$ 49,892,225</u>	<u>\$ 64,522,108</u>	<u>\$ 66,157,013</u>
\$ 42,257	\$ 42,257	\$ 42,257	\$ 14,537	\$ 14,537	\$ 606,233
37,665,258	41,861,206	34,751,240	35,287,776	36,259,245	39,360,297
114,283,595	162,632,220	104,057,163	78,979,099	46,545,871	38,120,748
-	-	1,712,983	-	-	-
-	-	-	-	-	-
<u>\$ 151,991,110</u>	<u>\$ 204,535,683</u>	<u>\$ 140,563,643</u>	<u>\$ 114,281,412</u>	<u>\$ 82,819,653</u>	<u>\$ 78,087,278</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)

	2005	2006	2007	2008
Revenues				
Property taxes	\$ 71,172,100	\$ 75,034,205	\$ 75,761,142	\$ 82,001,081
Specific ownership taxes	5,976,580	5,987,316	5,997,044	6,047,704
Mill levy override	-	-	-	-
Investment income	2,023,366	2,386,324	4,758,927	4,324,865
Charges for service	3,185,805	3,857,647	4,505,478	4,949,331
Student activities (1)	-	-	2,428,363	2,949,444
Miscellaneous	1,470,585	1,670,385	1,760,662	1,804,691
Local intergovernmental	8,350	22,619	32,296	33,559
State intergovernmental	75,947,775	82,136,479	90,760,436	96,769,997
Federal intergovernmental	7,244,802	8,749,221	7,577,197	7,720,045
Total revenues	<u>\$ 167,029,363</u>	<u>\$ 179,844,196</u>	<u>\$ 193,581,545</u>	<u>\$ 206,600,717</u>
Expenditures				
Instruction	\$ 91,027,699	\$ 97,521,908	\$ 102,077,107	\$ 107,631,101
Supporting services	46,484,881	50,716,187	56,356,357	59,126,506
Student activities (1)	-	-	2,124,971	2,839,834
Capital outlay	44,165,547	25,050,564	12,796,447	54,797,679
Debt service				
Principal	2,850,000	10,680,000	11,700,000	18,835,000
Accrued interest	4,380,000	-	-	-
Interest, bond issuance costs, fiscal charges	13,095,314	13,047,785	14,638,580	15,222,489
Total expenditures	<u>\$ 202,003,441</u>	<u>\$ 197,016,444</u>	<u>\$ 199,693,462</u>	<u>\$ 258,452,609</u>
Excess of revenues over (under) expenditures	<u>(34,974,078)</u>	<u>(17,172,248)</u>	<u>(6,111,917)</u>	<u>(51,851,892)</u>
Other financing sources (uses)				
Issuance of bonds, coupons	\$ 56,815,000	\$ 43,455,000	\$ 56,800,000	\$ -
Premium received on issuance of bonds	4,057,901	2,520,719	3,622,791	-
Paid to bond agent	(47,074,703)	(45,964,371)	(479,707)	-
Proceeds from sale of land	846,813	-	2,309,767	-
Lease obligations	-	-	(473,254)	-
Transfers in (2)	47,000	126,455	5,585,026	705,425
Transfers out (2)	(47,000)	(126,455)	(423,614)	(705,425)
Total other financing sources (uses)	<u>\$ 14,645,011</u>	<u>\$ 11,348</u>	<u>\$ 66,941,009</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ (20,329,067)</u>	<u>\$ (17,160,900)</u>	<u>\$ 60,829,092</u>	<u>\$ (51,851,892)</u>
Debt service as percentage of noncapital expenditures	<u>13.0%</u>	<u>13.0%</u>	<u>13.9%</u>	<u>16.6%</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.

2009	2010	2011	2012	2013	2014
\$ 87,124,649	\$ 92,597,766	\$ 92,576,990	\$ 94,084,083	\$ 97,617,286	\$ 97,868,432
6,054,107	6,023,739	5,805,254	5,920,333	7,090,842	8,241,096
15,923,875	17,385,887	17,180,635	17,108,522	31,646,447	32,675,735
1,690,910	1,361,173	2,014,620	952,516	768,369	441,771
7,072,297	7,492,878	7,572,312	8,823,864	9,657,975	11,233,462
3,002,603	5,865,208	5,273,683	5,386,210	6,090,040	5,988,804
2,643,533	4,210,074	6,398,209	5,962,833	5,870,507	7,684,697
24,271	10,000	889,400	147,779	149,260	-
106,647,109	116,754,564	108,561,877	111,631,898	115,745,102	129,412,975
8,569,500	12,894,609	19,634,640	11,567,855	11,886,728	15,078,163
<u>\$ 238,752,854</u>	<u>\$ 264,595,898</u>	<u>\$ 265,907,620</u>	<u>\$ 261,585,893</u>	<u>\$ 286,522,556</u>	<u>\$ 308,625,135</u>
\$ 118,531,065	\$ 136,127,577	\$ 137,948,105	\$ 135,709,381	\$ 139,805,061	\$ 155,545,205
65,842,654	106,358,121	82,318,652	80,315,183	80,357,118	100,099,062
3,317,010	5,588,472	5,351,321	4,544,634	5,047,925	5,737,781
11,845,608	11,933,633	63,702,969	28,764,568	39,198,675	16,466,640
11,045,000	11,695,000	12,560,000	13,060,000	13,870,000	13,360,000
-	-	-	-	-	-
16,214,243	19,906,806	23,023,214	22,209,181	21,597,766	20,513,917
<u>\$ 226,795,580</u>	<u>\$ 291,609,609</u>	<u>\$ 324,904,261</u>	<u>\$ 284,602,947</u>	<u>\$ 299,876,545</u>	<u>\$ 311,722,605</u>
11,957,274	(27,013,711)	(58,996,641)	(23,017,054)	(13,353,989)	(3,097,470)
\$ 104,000,000	\$ 85,000,000	\$ 65,505,000	\$ 35,395,000	\$ -	\$ -
504,199	1,191,756	8,370,336	4,224,186	-	-
(751,347)	-	(74,596,274)	(39,594,781)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
377,825	675,521	5,034,643	217,592	3,972	50,123
(360,091)	(675,521)	(5,034,643)	(217,592)	(3,481,859)	(50,123)
<u>\$ 103,770,586</u>	<u>\$ 86,191,756</u>	<u>\$ (720,938)</u>	<u>\$ 24,405</u>	<u>\$ (3,477,887)</u>	<u>\$ -</u>
<u>\$ 115,727,860</u>	<u>\$ 59,178,045</u>	<u>\$ (59,717,579)</u>	<u>\$ (22,992,649)</u>	<u>\$ (16,831,876)</u>	<u>\$ (3,097,470)</u>
<u>12.9%</u>	<u>12.0%</u>	<u>13.5%</u>	<u>13.2%</u>	<u>13.2%</u>	<u>12.1%</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:				
Property taxes	\$ 71,172,100	\$ 75,034,205	\$ 75,761,142	\$ 82,001,081
Specific ownership taxes	5,976,580	5,987,316	5,997,044	6,047,704
State equalization	72,261,580	77,794,994	85,049,954	90,264,910
Total finance act revenues	<u>\$ 149,410,260</u>	<u>\$ 158,816,515</u>	<u>\$ 166,808,140</u>	<u>\$ 178,313,695</u>
 Total revenues (1)	 \$ 167,029,363	 \$ 179,844,196	 \$ 193,581,545	 \$ 206,600,717
 Public School Finance Act revenues as percentage of total governmental funds revenues	 89.5%	 88.3%	 86.2%	 86.3%

Note 1: As shown on the Changes in Fund Balances of Governmental Funds schedule, pages 104-105

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 87,124,649	\$ 92,597,766	\$ 92,576,990	\$ 94,084,083	\$ 97,617,286	\$ 97,868,432
6,054,107	6,023,739	5,805,254	5,920,333	7,090,842	8,241,096
<u>100,658,351</u>	<u>110,042,029</u>	<u>101,290,756</u>	<u>103,622,720</u>	<u>108,346,576</u>	<u>119,131,699</u>
<u>\$ 193,837,107</u>	<u>\$ 208,663,534</u>	<u>\$ 199,673,000</u>	<u>\$ 203,627,136</u>	<u>\$ 213,054,704</u>	<u>\$ 225,241,227</u>
\$ 238,752,854	\$ 264,595,898	\$ 265,907,620	\$ 261,585,893	\$ 286,522,556	\$ 308,625,135
81.2%	78.9%	75.1%	77.8%	74.4%	73.0%

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
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
2012	2013	1,007,602	573,511	178,137	53,144	484,467	141,099
2013	2014	1,158,066	557,650	209,886	69,100	359,581	54,164

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

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

Note 3: Boulder County's assessed value was updated subsequent to the District's Board of Education certification.

The amounts shown above reflect the Board certified amounts.

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
\$	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 (1)	18,182,936	12.49%
	17,168		6,995	2,402,288	46.268 (1)	18,423,291	13.04%
	16,517		5,174	2,360,300	46.837 (1)	18,488,567	12.77%
	18,526		4,894	2,359,808	47.614 (1)	17,863,544	13.21%
	20,548		2,204	2,460,712	53.500 (2)	18,121,027	13.58%
	21,464		5,035	2,434,946	53.679 (2)	18,177,477	13.40%

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

Levy Year	Collection Year	General Operating Millage	Debt Service Millage	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage	Total County Millage	City of Longmont Millage
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
2012	2013	38.700	14.800	53.500	24.645	16.804	22.520	28.968	92.937	13.420
2013	2014	38.879	14.800	53.679	25.120	16.804	22.424	28.968	93.316	13.420

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

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

Taxpayer	2005			2014		
	2004 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (1)	2013 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (2)
Kerr-McGee Rocky Mtn. Corp.	\$ 28,588,730	3	1.60%	\$ 192,417,396	1	7.96%
Encana Oil & Gas (USA) Inc.	18,278,270	5	1.02%	92,554,383	2	3.83%
Pratt Land Limited Liability Co.	35,358,980	2	1.98%			
Noble Energy, Inc.				30,321,781	3	1.25%
Amgen Inc.	44,755,070	1	2.51%	27,185,705	4	1.12%
Seagate Technology LLC	20,635,440	4	1.16%	20,828,596	5	0.86%
Longmont Diagonal Investments LP				19,208,441	6	0.79%
Public Service Co. nka Xcel Energy				17,286,204	7	0.71%
Xilinx Inc.	9,955,320	6	0.56%	15,398,012	8	0.64%
Hub Properties Trust				11,233,615	9	0.46%
Qwest Corporation	9,938,330	7	0.56%			
Patina Oil & Gas Corporation	9,872,260	8	0.55%			
Ramco-Gershenson Properties LP				9,655,458	10	0.40%
Maxtor Corporation	9,093,999	9	0.51%			
Twin Peaks Mall Associated Ltd.	8,229,210	10	0.46%			
Total	<u>\$ 194,705,609</u>		<u>10.91%</u>	<u>\$ 436,089,591</u>		<u>18.02%</u>

Note 1: Based on a 2004 certified assessed valuation of \$1,785,426,785

Note 2: Based on a 2013 certified assessed valuation of \$2,417,705,834

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)
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
2012	2013	130,357,471	124,794,137	95.73%	2,314,277	127,108,414	97.51%	5,563,334
2013	2014	129,922,153	125,627,203	96.69%	2,459,347	128,086,550	98.59%	4,294,950

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		
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	4.8%	2,877
2012	438,795,000	-	700,000	439,495,000	4.4%	2,764
2013	424,925,000	924,117	300,000	426,149,117	(1)	2,621
2014	411,565,000	736,161	300,000	412,601,161	(1)	2,525

Note 1: Personal income data for 2012 and 2013 not available

Note 2: Personal Income and Per Capita data from the Demographic and Economic Information on pages 118-119

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)
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
2012	2013	424,925,000	30,558,380	394,366,620	2.18%	2,426
2013	2014	411,565,000	32,700,504	378,864,496	2.08%	2,319

Note 1: Refer to Assessed and Estimated Actual Values of Taxable Property schedule on page 108-109

Note 2: Population data is in the Demographic and Economic Information on page 118-119

Source: District's financial records

St. Vrain Valley School District RE-1J
Debt Capacity
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
(Unaudited)

Name of Overlapping Entity	2013 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	\$ 209,092,024	\$ 730,000	10.68%	\$ 77,964
City of Boulder	2,567,474,742	20,410,000	0.91%	185,731
Carbon Valley Park & Recreation District	390,324,640	5,510,000	63.06%	3,474,606
Central Colorado Water Conservancy	2,546,758,328	29,250,000	0.01%	2,925
City of Dacono	50,744,024	3,978,579	44.63%	1,775,640
Town of Erie	241,094,493	20,825,000	83.32%	17,351,390
Erie Commons Metro District No. 1	10	23,235,000	100.00%	23,235,000
Frederick-Firestone Fire Protection Dist.	343,852,861	2,475,000	66.97%	1,657,508
Harvest Junction Metropolitan District	18,947,028	8,100,000	100.00%	8,100,000
Left Hand Water & Sanitation District	5,180,244	113,849	100.00%	113,849
Liberty Ranch Metropolitan District	7,175,849	4,755,000	100.00%	4,755,000
Lyons Fire Protection District	54,878,554	715,000	98.97%	707,636
Mead Western Meadows Metro District	3,241,400	3,195,000	100.00%	3,195,000
North Metro Fire Rescue Authority	1,147,255,121	21,875,000	95.99%	20,997,813
Northern Colorado Water Cons. District	14,594,645,974	4,410,011	14.06%	620,048
Palisade Metropolitan District No. 2	4,736,949	3,800,000	100.00%	3,800,000
Stoneridge Metropolitan District	6,690,760	3,850,000	95.34%	3,670,590
Sweetgrass Metropolitan District No. 2	6,892,739	2,750,000	0.03%	825
Vista Ridge Metropolitan District	50,219,898	905,000	100.00%	905,000
Wildflower Metropolitan District No. 1	126,658	312,100	100.00%	312,100
Wyndham Hill Metropolitan District No. 2	7,219,655	3,370,000	100.00%	3,370,000
Total overlapping debt				98,308,625
Direct debt of the District				411,565,000
Total direct and overlapping debt				<u>\$ 509,873,625</u>

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2013, 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)

	2005	2006	2007	2008
Debt Limit	\$ 860,996,213	\$ 915,527,849	\$ 969,158,919	\$ 442,367,652
Total net debt applicable to limit	283,890,000	272,770,000	317,870,000	299,035,000
Legal debt margin	<u>\$ 577,106,213</u>	<u>\$ 642,757,849</u>	<u>\$ 651,288,919</u>	<u>\$ 143,332,652</u>
Total net debt applicable to the limit as a percentage of debt limit	33.0%	29.8%	32.8%	67.6%

Fiscal Year 2014 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	\$ 2,420,353,468 (1)	\$ 18,177,477,291
Debt Limit Percentage	20.00% (2)	6.00%
Legal debt limit	484,070,694	1,090,648,637
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2014	<u>411,565,000</u>	<u>411,565,000</u>
Legal debt margin	<u>\$ 72,505,694</u>	<u>\$ 679,083,637</u>

Note 1: The assessed valuation shown here includes \$24,123,595 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.

Note 3: Boulder County's assessed value was updated subsequent to the District's Board of Education certification. The assessed value shown above in the FY14 calculation reflects the subsequently corrected amount.

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 454,114,207	\$ 480,457,607	\$ 472,060,055	\$ 471,961,545	\$ 492,142,370	\$ 484,070,694
391,990,000	465,295,000	451,865,000	438,795,000	424,925,000	411,565,000
<u>\$ 62,124,207</u>	<u>\$ 15,162,607</u>	<u>\$ 20,195,055</u>	<u>\$ 33,166,545</u>	<u>\$ 67,217,370</u>	<u>\$ 72,505,694</u>
86.3%	96.8%	95.7%	93.0%	86.3%	85.0%

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

Population District-wide

	2005	2006	2007	2008
	140,363	142,172	146,193	148,920

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

	2005	2006	2007	2008
Boulder	\$ 12,815,298	\$ 14,192,102	\$ 14,841,031	\$ 15,039,895
Broomfield (1)	1,550,383	1,694,754	1,918,571	2,023,405
Larimer	9,330,387	9,953,554	10,541,856	11,378,132
Weld	5,668,873	5,919,700	6,384,960	7,067,989
Average	<u>\$ 7,341,235</u>	<u>\$ 7,940,028</u>	<u>\$ 8,421,605</u>	<u>\$ 8,877,355</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

	2005	2006	2007	2008
Boulder	\$ 45,849	\$ 49,628	\$ 51,388	\$ 50,058
Broomfield (1)	35,743	32,949	35,781	36,915
Larimer	34,323	35,397	36,766	38,848
Weld	24,846	26,002	26,314	28,402
Average	<u>\$ 35,190</u>	<u>\$ 35,994</u>	<u>\$ 37,562</u>	<u>\$ 38,556</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
150,949	153,967	157,047	159,000	162,579	163,400

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 14,584,246	\$ 14,786,545	\$ 15,535,659	\$ 16,417,561
2,079,193	2,115,979	2,345,227	2,701,856
11,291,870	11,585,090	12,149,896	12,826,581
6,925,906	7,326,422	7,755,562	8,347,637
<u>\$ 8,720,304</u>	<u>\$ 8,953,509</u>	<u>\$ 9,446,586</u>	<u>\$ 10,073,409</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 48,056	\$ 50,095	\$ 51,893	\$ 53,772
37,135	37,709	40,892	46,346
37,844	38,546	39,767	41,311
27,186	28,817	29,986	31,657
<u>\$ 37,555</u>	<u>\$ 38,792</u>	<u>\$ 40,635</u>	<u>\$ 43,272</u>

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

Median Age by County

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Boulder	35.1	35.5	35.8	36.1	36.3
Broomfield	34.2	34.5	34.7	34.9	35.5
Larimer	34.5	34.9	35.1	35.2	35.5
Weld	31.2	31.3	31.5	31.7	31.8

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

Annual Unemployment Rate by County (1)

		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Boulder	(2)	4.5%	4.1%	3.3%	4.8%	6.6%
Broomfield	(3)	4.7%	4.7%	3.8%	5.4%	7.5%
Larimer	(4)	4.4%	4.2%	3.4%	4.7%	6.6%
Weld	(5)	5.1%	5.0%	4.2%	5.6%	8.8%

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

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

2010	2011	2012	2013	2014 (6)
7.1%	6.6%	6.1%	6.1%	4.3%
7.9%	7.7%	7.1%	7.1%	4.7%
7.4%	6.9%	6.4%	6.2%	4.2%
10.2%	9.7%	8.7%	8.3%	5.4%

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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 Nine Years Ago
(Unaudited)

Employer	Product of Service	2005		2014	
		Estimated Number of Employees (2)	Rank	Estimated Number of Employees (2)	Rank
IBM Corp.	Computer systems and services	4,700	1	2,800	1
Level 3 Communications Inc.	Communication/fiberoptic network	2,200	4	2,370	2
Boulder Community Hospital	Healthcare			2,260	3
Oracle Corp.	Network computer systems/software	3,100	2	1,980	4
Storage Technology Corp.	Data storage products	1,800	5		
Covidien (parent of Valleylab)	Surgical solution products	900	10	1,760	5
Exempla Good Samaritan Medical	Healthcare			1,480	6
Ball Corp.	Areospace instruments and data systems	2,600	3	1,440	7
Urban Lending Solutions	Mortgage industry professional services			1,390	8
Seagate Technology	Computer hard disc drives	1,200	6	1,370	9
Longmont United Hospital	Healthcare			1,250	10
Safeway Inc.	Food and drug retail	1,049	7		
Hunter Douglas Inc.,	Window louvers	968	8		
ConAgra Foods	Food (turkey) products	950	9		
		<u>19,467</u>		<u>18,100</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: 2014 figures as of May 2014 from the Development Research Partners as posted by Metro Denver Economic Development Corp; and Longmont Area Economic Council
2005 data from The Daily Camera, "Top 50 Boulder and Broomfield County Employers," June 7, 2004

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

<u>Function</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 (3), counselors (3)	1,534	1,515	1,571
Classroom Support	Librarians (3), counselors (3), 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: 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 3: 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 4: Although the above table represents FTE for the General Fund only, additional FTE were supported by federally funded grants as follows: 62, 49, 56, 56 and 48 FTE for direct instruction; 36, 44, 34, 41 and 69 FTE for classroom support; and 2 for building support for fiscal years 2010, 2011, 2012, 2013 and 2014, respectively.

Source: District's Human Resources Department

<u>2008</u>	<u>2009</u>	<u>2010 (2)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1,753	1,514	1,612 (4)	1,589 (4)	1,535 (4)	1,549 (4)	1,613 (4)
441	381	366 (4)	388 (4)	406 (4)	382 (4)	502 (4)
356	307	336	338	354	374	377 (4)
34	30	32	34	36	37	43
<u>2,584</u>	<u>2,232</u>	<u>2,346</u>	<u>2,349</u>	<u>2,331</u>	<u>2,342</u>	<u>2,535</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)
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
2013	28,599.0	27,207.8
2014	29,389.0	28,011.8

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

Note 2: Student full-time equivalency (FTE) represents the amount of time the students are actually attending classes.

Source: District's Records Management

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

Fiscal Year	Expenses (1)	Enrollment (2)	Cost per Pupil	Pupil Teacher Ratio (3)	Number of Free and Reduced Students (4)	Percent of Free and Reduced Students in Lunch Program
2005	\$ 157,562,371	21,467.0	\$ 7,340	23:5:1	5,007	23.3%
2006	181,360,212	22,482.0	8,067	24.1:1	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%
2013	265,552,890	28,599.0	9,285	25.4:1 (5)	9,433	33.0%
2014	301,153,988	29,389.0	10,247	25.4:1 (5)	10,879	37.0%

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 / Student Count schedule

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

Source: District's financial records

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

	2005	2006	2007	2008	2009
Elementary schools	22	22	22	22	25
Total square feet	1,072,642	1,072,642	1,072,642	1,072,642	1,228,045
Total program capacity	10,411	10,411	10,411	10,411	11,505
Enrollment	9,494	9,632	9,778	9,971	10,890
Percent capacity	91%	93%	94%	96%	95%
<hr/>					
(P)K-8 schools					
Total square feet					
Total program capacity					
Enrollment					
Percent capacity					
<hr/>					
Middle schools	6	9	9	9	9
Total square feet	569,712	905,153	905,153	905,153	905,153
Total program capacity	4,054	6,331	6,331	6,331	6,331
Enrollment	3,873	4,872	4,956	4,992	4,909
Percent capacity	96%	77%	78%	79%	78%
<hr/>					
High schools	7	7	7	7	7
Total square feet	920,371	1,083,994	1,083,994	1,083,994	1,083,994
Total program capacity	6,995	6,995	6,995	6,995	6,995
Enrollment	7,123	6,461	6,728	7,019	7,026
Percent capacity	102%	92%	96%	100%	100%
<hr/>					
Alternative schools (1)	2	2	2	2	2
Total square feet	97,032	97,032	97,032	97,032	97,032
Enrollment	483	554	572	556	558
<hr/>					
Charter schools	2	4	4	3	4
Enrollment	645	1,120	1,420	1,397	1,887
<hr/>					
Other District Facilities					
Total square feet	132,853	132,853	144,106	144,106	144,106

Note 1: Includes alternative programs in addition to alternative schools. In 2013, the District reassessed which programs to include. In 2014, one program closed.

Note 2 : Elementary school square feet & enrollment include a standalone preschool.

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

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

2010	2011	2012	2013	2014
25	26	26	26	23 (2)
1,232,741	1,305,337	1,305,337	1,305,337	1,227,732
11,641	12,291	12,336	12,065	11,068
11,236	11,453	11,475	11,724	10,763
97%	93%	93%	97%	97%
				2 (3)
				284,649
				2,150
				1,750
				81%
9	9	9	9	8
908,105	908,105	908,105	922,105	828,025
6,331	6,392	5,740	6,200	5,558
5,060	5,080	5,114	5,361	5,072
80%	79%	89%	86%	91%
8	8	9	8	8
1,246,227	1,301,849	1,492,200	1,372,591	1,461,491
7,721	8,413	8,738	8,834	7,721
7,147	7,255	7,440	7,681	7,897
93%	86%	85%	87%	102%
2	2	2	2	1
152,516	152,516	152,516	152,516	81,600
552	578	738	626	209
5	5	6	6	6
2,308	2,589	3,009	3,587	3,761
169,672	169,672	185,720	305,329	271,318

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

	2005	2006	2007	2008
General Fixed Assets Group / Governmental Activities				
Land/Sites	\$ 16,868,344	\$ 17,281,724	\$ 18,564,441	\$ 19,792,539
Projects in progress	20,455,309	5,072,230	8,658,126	58,980,808
Water rights	2,612,516	4,089,516	4,089,516	4,122,407
Capital assets not depreciated	<u>39,936,169</u>	<u>26,443,470</u>	<u>31,312,083</u>	<u>82,895,754</u>
Land Improvements	16,362,434	16,974,890	19,261,023	19,261,023
Buildings	163,650,732	176,858,388	178,542,911	178,624,762
Building Improvements	87,209,911	99,353,087	99,556,995	99,725,058
Equipment	23,182,130	23,950,193	25,213,065	26,120,496
Capital assets depreciated	<u>290,405,207</u>	<u>317,136,558</u>	<u>322,573,994</u>	<u>323,731,339</u>
Less: accumulated depreciation				
Land Improvements	4,840,750	5,681,171	6,579,135	7,477,099
Buildings	33,136,901	35,314,984	39,654,107	42,877,045
Building Improvements	19,791,865	23,283,112	26,385,211	29,472,391
Equipment	11,550,228	12,658,701	14,658,269	16,644,245
Total accumulated depreciation	<u>69,319,744</u>	<u>76,937,968</u>	<u>87,276,722</u>	<u>96,470,780</u>
Capital assets depreciated, net	<u>221,085,463</u>	<u>240,198,590</u>	<u>235,297,272</u>	<u>227,260,559</u>
Total capital assets, General Fixed Assets Group / Governmental Activities	<u>\$ 261,021,632</u>	<u>\$ 266,642,060</u>	<u>\$ 266,609,355</u>	<u>\$ 310,156,313</u>
Enterprise Fund / Business-type Activities				
Equipment	\$ 1,953,186	\$ 2,249,157	\$ 2,312,660	\$ 2,324,322
Less: accumulated depreciation	<u>971,415</u>	<u>1,105,986</u>	<u>1,253,142</u>	<u>1,397,420</u>
Total	<u>\$ 981,771</u>	<u>\$ 1,143,171</u>	<u>\$ 1,059,518</u>	<u>\$ 926,902</u>

Source: District's financial records

2009	2010	2011	2012	2013	2014
\$ 19,792,539	\$ 19,792,539	\$ 20,073,379	\$ 20,073,379	\$ 20,073,379	\$ 20,053,379
1,811,297	25,144,438	70,274,929	23,008,224	46,882,404	6,542,968
4,340,807	4,943,227	1,095,578	1,095,578	1,095,578	1,083,578
25,944,643	49,880,204	91,443,886	44,177,181	68,051,361	27,679,925
20,163,514	20,178,134	23,402,497	23,402,497	24,051,471	24,106,959
245,874,910	246,727,350	249,187,029	300,679,143	301,587,741	301,936,554
99,876,713	100,398,102	112,542,642	130,861,657	135,461,032	183,639,236
27,199,661	29,210,118	30,357,183	24,868,107	25,752,447	27,311,492
393,114,798	396,513,704	415,489,351	479,811,404	486,852,691	536,994,241
8,409,521	9,298,853	10,271,324	11,308,292	12,366,859	13,412,046
46,979,138	51,412,991	56,207,902	61,282,240	66,768,318	71,843,136
32,574,831	35,740,474	39,379,006	43,833,351	48,617,140	54,690,125
18,731,165	20,548,985	22,192,475	18,069,528	17,801,645	19,292,822
106,694,655	117,001,303	128,050,707	134,493,411	145,553,962	159,238,129
286,420,143	279,512,401	287,438,644	345,317,993	341,298,729	377,756,112
\$ 312,364,786	\$ 329,392,605	\$ 378,882,530	\$ 389,495,174	\$ 409,350,090	\$ 405,436,037
\$ 2,634,246	\$ 2,756,630	\$ 2,823,299	\$ 3,291,862	\$ 3,377,603	\$ 3,402,259
1,558,615	1,714,277	1,914,487	2,089,989	2,239,803	2,355,922
\$ 1,075,631	\$ 1,042,353	\$ 908,812	\$ 1,201,873	\$ 1,137,800	\$ 1,046,337

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COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 12, 2014. Our report includes a reference to other auditors, who audited the financial statements of the Aspen Ridge Preparatory School, the Carbon Valley Academy, the Flagstaff Academy, Imagine Charter School at Firestone, St. Vrain Community Montessori School and Twin Peaks Charter Academy, as described in our report on the District's financial statements. This report does not include the results of the Twin Peaks Charter Academy, Flagstaff Academy, Imagine Charter School at Firestone and St. Vrain Community Montessori School auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Aspen Ridge Preparatory School were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance And Other Matters

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

Purpose Of This Report

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

RubinBrown LLP

November 12, 2014



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**Independent Auditors' Report On Compliance
For Each Major Federal Program And
Report On Internal Control Over Compliance
Required by OMB Circular A-133**

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

Report On Compliance For Each Major Federal Program

We have audited St. Vrain Valley School District RE-1J's (the District) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *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, 2014. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion On Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2014.

Report On Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

RubinBrown LLP

November 12, 2014

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Period Ended June 30, 2014

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Program or Award Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Direct award from the federal government</i>			
Advanced Placement Program	84.330	5330	\$ 1,350
Investing in Innovation, Recovery Act	84.396	4396	519,523
Race to the Top - District Grants	84.416	5416	4,573,808
<i>Passed through State Department of Education</i>			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	4010, 92xx	2,500,963
Migrant Education - State Grant Program (Title I, Part C of ESEA)	84.011	4011	43,350
Special Education - Grants to States (IDEA, Part B)	84.027	4027	3,690,412
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	5126	612,288
Special Education - Preschool Grants (IDEA Preschool)	84.173	4173	45,873
Education for Homeless Children and Youth	84.196	5196	31,781
English Language Acquisition State Grants (Title III, Part A of ESEA)	84.365	4365	278,290
Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	4367	422,886
Race to the Top: Early Learning	84.412	5412	2,358
Race to the Top Fund	84.413	4395	59,213
<i>Passed through Colorado Community Colleges & Occupational Education System</i>			
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	4048	126,342
TOTAL U.S. DEPARTMENT OF EDUCATION			12,908,437
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through State Department of Human Services</i>			
National School Lunch Program (non-cash commodities entitlement)	10.555	4555	541,283
<i>Passed through State Department of Education</i>			
School Breakfast Program	10.553	4553	1,078,293
National School Lunch Program	10.555	4555	3,731,113
Summer Food Service Program for Children	10.559	4559	126,740
TOTAL U.S. DEPARTMENT OF AGRICULTURE			5,477,429
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 18,385,866

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended June 30, 2014

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 (the 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, 2014.

2. Noncash

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

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS**For The Year Ended June 30, 2014**

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	<u>✓</u> no
Significant deficiency(ies) identified?	_____ yes	<u>✓</u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u>✓</u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____ yes	<u>✓</u> no
Significant deficiency(ies) identified?	_____ yes	<u>✓</u> none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

_____ yes	<u>✓</u> no
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Identification Of Major Programs

CFDA No.	Name Of Federal Program Or Cluster
84.010	Title 1
84.396	State Fiscal Stabilization Fund (SFSF) - Investing in Innovation Fund (I3), Recovery Act
84.416	Race to the Top - District Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$551,576

Auditee qualified as low-risk auditee? ✓ yes _____ no

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) **For The Year Ended June 30, 2014**

Section II - Financial Statement Findings

There were no findings related to the District's financial statements for the year ended June 30, 2014.

Section III - Federal Award Findings And Questioned Costs

There were no federal award findings or questioned costs for the year ended June 30, 2014.

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*) For The Year Ended June 30, 2014

Section IV - Prior-Year Findings

Finding: 2013-01

Federal Award: CFDA 84.282 Charter Schools

Federal Agency: Colorado Department of Education

Criteria: Per the Procurement, Suspension and Debarment compliance requirement, nonfederal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR Section 180.220 of the government-wide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System maintained by the General Services Administration, collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR Section 180.300).

Condition: The charter school did not check to see if the vendor is on the debarment or suspended list before it entered into a transaction.

Questioned Costs: Not applicable.

Context: The disbursement selected for testing was not checked for debarment or suspension before the transactions occurred. In the transaction tested, the vendor was not debarred.

Effect: Without thorough reviews, inappropriate costs may be charged to the federal grant, possibly leading to misuse of federal funds, repayment of grant monies and loss of grant funding.

Cause: There is not sufficient review of vendors by the charter schools to ensure they are not on the debarment or suspension list.

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)

For The Year Ended June 30, 2014

Recommendation: We recommend the charter schools implement procurement policies to have vendors related to federal grants be appropriately reviewed for suspension or debarment through the Excluded Parties List System website before the transaction in excess of \$25,000 occurs. We recommend this review be properly documented. The District should also perform monitoring and oversight to ensure charter schools are checking debarment for covered transactions.

Views Of Responsible Officials And Planned Corrective Actions: Although the Purchasing Department (the Department) conducted searches of suspended or debarred entities to comply with Board Policy and federal grant guidelines, the Department did not maintain documentation to support their search results. Effective immediately, the Department is printing or saving documentation and attaching it to all federal grant requisitions equaling or exceeding \$25,000 before the requisition is approved and converted into a purchase order. For vendors who appear on the excluded party list, the Department will attach the supporting documentation and return it along with the requisition to the originator. The Department will also assist the requisition originator in finding an approved alternate entity.

Auditor Response: Beginning with the 2013-2014 fiscal year, all of the District's Charter Schools elected out of the fiscal policies of the District. This election eliminated the District's involvement in the procurement process of the Charter Schools. The District's obligations relating to the procurement processes for grant expenditures of the Charter Schools is now a subrecipient monitoring obligation. Additionally, for the 2013-2014 fiscal year, the District did not expend any funds on the grant. Therefore, this finding is considered resolved.

**Colorado Department of Education**

Page: 1

Auditors Integrity Report

District: 0470 - ST VRAIN VALLEY RE 1J

Fiscal Year 2013-14

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	61,244,696	204,294,402	203,149,028	62,390,070
18 Risk Mgmt Sub-Fund of General Fund	2,878,615	4,793,087	4,358,872	3,312,829
19 Colorado Preschool Program Fund	398,796	1,116,031	1,060,713	454,113
Sub- Total	64,522,107	210,203,519	208,568,613	66,157,012
11 Charter School Fund	5,169,928	25,798,716	23,965,376	7,003,268
20,26-29 Special Revenue Fund	7,466,625	7,860,331	6,283,710	9,043,245
21 Capital Reserve Spec Revenue Fund	0	0	0	0
22 Govt Designated-Purpose Grants Fund	0	14,294,594	14,294,594	0
23 Pupil Activity Special Revenue Fund	4,589,654	6,301,130	5,981,393	4,909,392
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	30,558,379	36,016,041	33,873,916	32,700,504
39 Non-Voter Approved Debt Service Fund	0	0	0	0
41 Building Fund	36,380,452	163,773	11,682,206	24,862,019
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	5,757,266	9,875,872	7,045,088	8,588,050
Totals	154,444,412	310,513,976	311,694,897	153,263,491
Proprietary				
51 Food Service Fund	3,202,846	8,950,595	8,880,361	3,273,079
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	2,251,290	3,414,726	2,879,141	2,786,875
Totals	5,454,136	12,365,321	11,759,502	6,059,954

11/12/14

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