


Comprehensive Annual Financial Report

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

Year Ended June 30, 2004

Grant Thornton 

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Year Ended June 30, 2004

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**St. Vrain Valley
School District**

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

Boulder, Broomfield, Larimer, and Weld Counties

**Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2004**

Prepared by: Financial Services Department

Mark E. Pillmore, CPA
Chief Financial Officer

Jane Frederick Schein, CPA
District Accountant

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St. Vrain Valley School District RE-1J

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INTRODUCTORY SECTION

St. Vrain Valley School District

October 1, 2004

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

The comprehensive annual financial report of the St. Vrain Valley School District RE-1J for the year ended June 30, 2004 is hereby submitted as mandated by both local policy and state statutes. These policies and statutes require that the St. Vrain Valley School District RE-1J issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The June 30, 2004, financial statements of St. Vrain Valley School District RE-1J were audited by Grant Thornton LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. 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 various funds of the St. Vrain Valley School District RE-1J. All disclosures necessary to enable the reader to gain an understanding of the St. Vrain Valley School District RE-1J's activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal and a list of the St. Vrain Valley School District RE-1J's elected and principal appointed officials. The financial section includes the basic financial statements and the combining financial statements and schedules, as well as the independent auditors' report on these financial statements and schedules and management's discussion and analysis. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The St. Vrain Valley School District RE-1J is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act 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 may be obtained from the District.

St. Vrain Valley School District RE-1J is governed by an elected seven-member board. 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. There are two 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.

The District Board of Education previously approved two charter schools (Twin Peaks Charter Academy and Ute Creek Secondary Academy). The respective members of the Charter School Governing Boards are appointed separately from the District 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 Charters in the form of per pupil operating revenue. The Charter Schools financial information has been presented as discrete component units.

Sincerely,

A handwritten signature in black ink, reading "Mark E. Pillmore". The signature is written in a cursive style with a large, stylized "M" and "P".

Mark E. Pillmore, CPA
Chief Financial Officer

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

**BOARD OF EDUCATION
As of June 2004**

<u>Board Member</u>	<u>Term of Office</u>
Director District A Robert Auman Member	11/03 - 11/07
Director District B Sandi Searls President	11/01 - 11/05
Director District C Edwin Smith Treasurer	11/03 - 11/07
Director District D Kathy Hall Vice-President	11/01 - 11/05
Director District E John Caldwell Member	11/03 - 11/07
Director District F Mike Rademacher Secretary	11/01 - 11/05
Director District G Merrill Bohaning Assistant Secretary/ Treasurer	11/03 - 11/07

FINANCIAL SECTION

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J, Longmont, Colorado, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, Longmont, Colorado, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2004, on our consideration of St. Vrain Valley School District RE-1J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 4 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, statistical and combining and individual nonmajor fund financial statements and other supporting schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supporting schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Grant Thornton LLP". The signature is stylized, with the first name "Grant" and last name "Thornton" written in a cursive-like script, followed by "LLP" in a more straightforward, blocky font.

Denver, Colorado
September 10, 2004

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St. Vrain Valley School District RE-1J
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2004

As management of the St. Vrain Valley School District RE-1J, Boulder County, 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, 2004. 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

- In June 2004, the District made the final payment to the State of Colorado on the lease purchase of the Clover Basin Educational Support Center, thus completing the repayment of debt to the State resulting from the financial crisis of 2002, at which time ownership of the property was transferred back to the District.
- All loans received during the current year pursuant to the Colorado Interest Free School Loan Program were repaid in full before June 30, 2004.
- As of June 16, 2004, all requirements of the agreement entered into with the Colorado State Treasurer in December 2002 were fulfilled by the District, and the agreement was terminated.
- Total net assets of the primary government increased \$10,823,881 for the year ended June 30, 2004, from \$26,115,053 to \$36,938,934 as follows:

	Years Ended June 30,		Increase
	2004	2003	(Decrease)
Invested in Capital Assets, net of Related Debt	\$ 22,376,679	\$ 19,024,626	\$ 3,352,053
Restricted for:			
TABOR	3,659,609	3,853,355	(193,746)
Debt Service	24,180,448	19,625,088	4,555,360
Unrestricted (deficit)	(13,277,802)	(16,388,016)	3,110,214
Total Net Assets	<u>\$ 36,938,934</u>	<u>\$ 26,115,053</u>	<u>\$ 10,823,881</u>

The amount "invested in capital assets, net of related debt" increased as a result of activity in the Building Fund. Construction was nearly completed on 2 new elementary schools and substantially advanced on 2 new middle schools. In addition, construction began on a new high school, and numerous other smaller projects were initiated and/or completed during the year. Colorado Revised Statute Article X, Section 20 (Taxpayer Bill of Rights (TABOR) requires the District to establish reserves. The TABOR reserve was adjusted as of June 30, 2004 to the statutory balance and net assets restricted for TABOR decreased to \$3,659,609. Net assets restricted for debt service increased \$4,555,360 as a result of the \$212 million of bonds approved in November 2002 and issued in fiscal years 2003 and 2004.

- Total assets of governmental activities increased by \$50,852,222 attributed to the following elements:

	Years Ended June 30,		Increase
	2004	2003	(Decrease)
Cash and Investments	\$ 128,897,623	\$ 129,909,863	\$ (1,012,240)
Accounts Receivable	1,360,552	1,464,966	(104,414)
Taxes Receivable	2,061,024	2,020,285	40,739
Deposits	78,000	78,000	-
Inventories	338,576	360,682	(22,106)
Prepaid expenses	291,102	-	291,102
Capital Assets, Net of			
Accumulated Depreciation	218,830,350	167,171,209	51,659,141
Total Assets	<u>\$ 351,857,227</u>	<u>\$ 301,005,005</u>	<u>\$ 50,852,222</u>

The net decrease in cash and investments (which includes unrestricted and restricted cash and investments) was caused primarily by construction expenditures from the proceeds of the bonds issued in the prior year. The relatively small changes in both accounts receivable and taxes receivable reflect a consistent percentage of collection of taxes as of June 30, 2004 as compared to June 30, 2003. The increase in prepaid expenses represents money paid in the Internal Service Funds during the current year that will benefit the subsequent year. The increase in capital assets is the result of current year investment in capital assets exceeding current year depreciation expense.

- Total assets of business-type activities increased by \$64,605 as follows:

	Years Ended June 30,		Increase
	2004	2003	(Decrease)
Cash and Investments	\$ 872,760	\$ 811,502	\$ 61,258
Accounts Receivable	169,102	35,544	133,558
Inventories	137,446	173,498	(36,052)
Capital Assets, Net of			
Accumulated Depreciation	727,684	821,843	(94,159)
Total Assets	<u>\$ 1,906,992</u>	<u>\$ 1,842,387</u>	<u>\$ 64,605</u>

Accounts receivable increased as the result of May's federal reimbursements being delayed until after year end. Net capital assets have decreased solely because current year depreciation expense exceeded current year investment in capital assets. Other changes in assets are due to the normal operations of the Food Service Fund.

- Total liabilities of governmental activities increased by \$40,110,817 as follows:

	Years Ended June 30,		Increase
	2004	2003	(Decrease)
Accounts Payable	\$ 8,267,444	\$ 4,687,191	\$ 3,580,253
Due to agency fund	639	-	639
Retainage Payable	2,318,906	345,705	1,973,201
Arbitrage Payable	161,357	137,278	24,079
Accrued Salaries & Benefits	11,579,987	12,362,486	(782,499)
Accrued Interest Payable	937,181	-	937,181
Claims Payable	248,296	1,910,962	(1,662,666)
Short-term Capital Lease	-	4,800,000	(4,800,000)
Deferred Revenues	3,348,589	4,259,276	(910,687)
Deferred Bond Premium	6,649,600	5,644,666	1,004,934
Debt Due Within One Year	8,101,160	9,553,087	(1,451,927)
Debt Due in More Than One Year	275,159,019	232,960,710	42,198,309
Total Liabilities	<u>\$ 316,772,178</u>	<u>\$ 276,661,361</u>	<u>\$ 40,110,817</u>

The primary increase to liabilities is due to the bonds issued in May 2004. Accounts payable increased primarily due to the construction projects ongoing as of June 30, 2004. The increase in retainage payable and accrued interest payable is also related to the construction projects. The reduction in claims payable is the result of a change in estimate of the potential claims within the Internal Service Funds at June 30, 2004. The short-term capital lease was for District real property sold to and leased back from the State of Colorado in June 2003, and fully repaid as of June 2004. Deferred revenues decreased as a result of income recognition for the year 2004. The decrease in accrued salaries and benefits is primarily the result of pay differential between teacher retirees and their replacements.

- Total liabilities for business-type activities decreased by \$17,871, primarily due to a decrease in deferred revenue.
- General revenues accounted for \$144.7 million in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$17.5 million or 11% of total revenues of \$162.2 million.
- The District had \$146.9 million in expenses related to governmental activities. Program specific charges for services and sales, grants, and contributions offset \$13.0 million of these expenses. General revenues (primarily state equalization and property taxes) of \$144.6 million were adequate to provide for these programs and increase net assets by \$10.7 million.
- Among major funds, the General Fund had \$119.7 million in revenues and \$110.1 million in expenditures. The General Fund's fund balance increased by \$9.6 million, reducing the deficit from \$13.9 million to \$4.3 million. The Building Fund's fund balance decreased by \$12.9 million due to the construction of school sites during the year. The fund balance of all other governmental funds of the District increased during the year.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements presented beginning on page 16 are comprised of three components: 1.) Government-wide financial statements, 2.) Fund financial statements, and 3.) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's Comprehensive Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net assets and the statement of activities.

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

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

The government-wide financial statements consolidate governmental and internal service activities that are supported from taxes and intergovernmental revenues, and business-type activities that are intended to recover all or most of their costs from user fees and charges. Governmental activities consolidate governmental funds including the general fund, debt service fund, capital projects funds, and special revenue funds with internal services funds including the risk management fund and the minimum medical insurance liability fund. Business-type activities include the enterprise fund.

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

The government-wide financial statements can be found beginning on page 16.

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 are the General Fund, the Bond Redemption Debt Service Fund, and the Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled other governmental funds. Individual fund information for the nonmajor funds is presented as other supplemental information elsewhere in this document.

The District adopts an annual appropriated budget for each of the governmental funds. Budgetary comparison schedules for the major funds are included in the basic financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information.

The basic governmental fund financial statements can be found beginning on page 19 of this report.

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

The Enterprise Fund (food service fund) is listed individually and is considered to be a major fund. Individual internal service fund information is presented as other supplemental information elsewhere in this document. The District's internal service funds are the risk management fund and the minimum medical insurance liability fund.

The basic proprietary fund financial statements are presented beginning on page 24 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 asset belongs. 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 beginning on page 27 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 beginning on page 30 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplemental information concerning the District's nonmajor governmental and internal service funds. Combining and individual fund statements and schedules can be found beginning on page 51 of this report.

Financial Analysis of the District as a Whole

The assets of the District are composed of current assets and capital assets. Cash, receivables, deposits inventories and prepaid expenditures are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of unspent bond proceeds and the property tax collection process; the District received over 38% of the annual property tax assessment in May and June.

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

Current and non-current liabilities are determined based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, deferred revenue, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2005. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2005.

The assets of the primary government's governmental activities exceed liabilities by \$35,085,049 with an unrestricted deficit of \$14,404,003. Total net assets of the primary government do not include internal balances.

A net investment of \$21,648,995 in land, buildings, and equipment to provide the services to the District's 21,596 public school students represents 62% of the District's net assets. Net assets of \$24,180,448 accumulated due to voter-approved bonded debt mill levy assessments have been restricted to provide resources for related principal and interest payments.

Table 1 provides a summary of the District's net assets as of June 30, 2004 compared to June 30, 2003:

Table 1
Condensed Statement of Net Assets
June 30
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2004	2003	2004	2003	2004	2003	2003 - 2004
Assets							
Current assets	\$ 133,027	\$ 133,834	\$ 1,179	\$ 1,020	\$ 134,206	\$ 134,854	-0.48%
Capital assets	218,830	167,171	728	822	219,558	167,993	30.69%
Total Assets	351,857	301,005	1,907	1,842	353,764	302,847	16.81%
Liabilities							
Current liabilities	41,613	43,700	53	71	41,666	43,771	-4.81%
Long-term liabilities	275,159	232,961	-	-	275,159	232,961	18.11%
Total Liabilities	316,772	276,661	53	71	316,825	276,732	14.49%
Net Assets							
Invested in capital - net of related debt	21,649	18,203	728	822	22,377	19,025	17.62%
Restricted							
TABOR	3,660	3,715	-	139	3,660	3,854	-5.03%
Debt Service	24,180	19,625	-	-	24,180	19,625	23.21%
Unrestricted (Deficit)	(14,404)	(17,199)	1,126	810	(13,278)	(16,389)	18.98%
Total Net Assets	\$ 35,085	\$ 24,344	\$ 1,854	\$ 1,771	\$ 36,939	\$ 26,115	41.45%

Table 2 provides a summary of the District's change in net assets for 2004 compared to 2003:

Table 2
Changes in Net Assets
Year Ended June 30
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2004	2003	2004	2003	2004	2003	2003 - 2004
Revenues							
Program Revenues							
Charges for services	\$ 2,101	\$ 2,122	\$ 2,821	\$ 2,735	\$ 4,922	\$ 4,857	1.34%
Operating grants & contributions	9,514	8,069	1,668	1,504	11,182	9,573	16.81%
Capital grants & contributions	1,403	1,651	-	-	1,403	1,651	-15.02%
General Revenues							
Property taxes	73,181	70,287	-	-	73,181	70,287	4.12%
State revenue	68,734	64,988	-	-	68,734	64,988	5.76%
Other	2,741	5,012	4	(134)	2,745	4,878	-43.73%
Total Revenues	157,674	152,129	4,493	4,105	162,167	156,234	3.80%
Expenses							
Instruction	85,427	93,572	-	-	85,427	93,572	-8.70%
Supporting services	49,859	42,042	4,411	4,255	54,270	46,297	17.22%
Interest expense	11,647	9,600	-	-	11,647	9,600	21.32%
Total Expenses	146,933	145,214	4,411	4,255	151,344	149,469	1.25%
Increase (decrease)							
in net assets	\$ 10,741	\$ 6,915	\$ 82	\$ (150)	\$ 10,823	\$ 6,765	59.99%

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$5,818 per funded pupil. For the fiscal year ended June 30, 2004, the funded pupil count was 20,174. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The District receives approximately 59% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax.

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

Table 3
Governmental Activities
Year Ended June 30
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2004	2003	2004	2003
Instruction	\$ 85,427	\$ 93,572	\$ 77,014	\$ 85,897
Supporting Services	49,859	42,042	45,254	37,875
Interest Expense	11,647	9,600	11,647	9,600
	<u>\$ 146,933</u>	<u>\$ 145,214</u>	<u>\$ 133,915</u>	<u>\$ 133,372</u>

The cost of all governmental activities this year was \$146,932,609 .

- \$2,101,479 of the cost was financed by the users of the District's programs.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$9,513,660 .
- The majority of the District's net cost of services, \$133,914,856 , was financed by State and District taxpayers.

Business-type Activities

Business-type activities consist of the Food Services Fund. This program had revenues of \$4,493,306 and expenses of \$4,410,830. Business-type activities receive no support from tax revenue.

Financial Analysis of the District's Governmental Funds

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

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$100,490,729, an increase of \$2,412,972 in comparison with the prior year. This increase is due primarily to the excess revenues over expenditures in the general fund.

The General Fund fund balance increased by \$9,649,557. The General Fund is the chief operating fund of the District. The increase is the result of the many actions implemented by District management during the previous fiscal year.

The Bond Redemption Debt Service Fund has adequate resources accumulated to make the December 2004 principal and interest payments. The mill levy to accumulate resources for the June 2005 interest payment will be certified on December 10, 2004.

The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The District expended over \$65 million on building projects during the year. This was partially offset by additional bonds of \$50 million issued in May 2004 and revenues from investments and miscellaneous sources resulting in a decrease in fund balance of \$12,875,084.

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2004 is \$219,558,034 (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, construction in progress, and equipment.

Major capital events during the year include the following:

- Substantially completed construction on 2 middle schools and 2 elementary schools
- Significant progress on construction of 1 new high school
- Installed new telephone system throughout the District
- Numerous addition, remodel, and improvement projects completed during the year

Table 4 shows fiscal 2004 capital assets compared to 2003.

Table 4
Capital Assets at June 30
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2004	2003	2004	2003	2004	2003	2003 - 2004
Land	\$ 13,102	\$ 11,700	\$ -	\$ -	\$ 13,102	\$ 11,700	11.98%
Water Rights	2,613	2,613	-	-	2,613	2,613	0.00%
Construction in Progress	47,988	3,701	-	-	47,988	3,701	1196.62%
Land Improvements	9,582	8,077	-	-	9,582	8,077	18.63%
Buildings	73,265	75,119	-	-	73,265	75,119	-2.47%
Building Improvements	65,541	60,295	-	-	65,541	60,295	8.70%
Equipment	6,739	5,666	728	822	7,467	6,488	15.09%
Totals	<u>\$ 218,830</u>	<u>\$ 167,171</u>	<u>\$ 728</u>	<u>\$ 822</u>	<u>\$ 219,558</u>	<u>\$ 167,993</u>	30.69%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 40 of this report.

During the year ended June 30, 2004, the District issued \$50,100,000 of General Obligation Building Bonds for the primary purpose of constructing additional schools. Total long-term debt outstanding as of June 30, 2004 as compared to June 30, 2003 is shown in Table 5.

Table 5
Outstanding Debt at June 30
(in Thousands)

	2004	2003	Increase (Decrease)
General Obligation Bonds	\$ 273,935	\$ 228,035	\$ 45,900
Accrued Interest	4,380	8,760	(4,380)
Capital Leases	3,381	4,157	(776)
Benefits Payable	1,564	1,562	2
Total Debt	<u>\$ 283,260</u>	<u>\$ 242,514</u>	<u>\$ 40,746</u>

Additional information in the District's total bonded debt can be found in Note 9 beginning on page 42 of this report.

Factors Bearing on the District's Future

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

For the fiscal year 2005, the District was able to provide a 3.7% increase in salary and 0.5% increase for health benefits to all employees. Although this does not restore compensation and benefits lost as a result of the financial shortfall from fiscal year 2002, the District was able to reach agreement with all employee groups. The District will continue to focus on compensation and benefits as a priority within future budgets in order to attract, hire, and retain the most qualified staff.

Previous reductions made within the Department of Learning Services (DLS) eliminated a number of positions dedicated to school curriculum and professional development of teachers. In addition, significant allocations for curricular program renewal and textbook replacement have been eliminated. As a result, a major portion of these activities have been put on hold for lack of personnel to perform the functions necessary for continued development and the resources to support these activities.

During fiscal year 2004, the District has regained financial stability and has made significant progress in restoring the fund balance of the general fund. However, most of the expenditure reductions made to accomplish this have yet to be restored. In order to accelerate recovery, as well as provide for the many objectives contained in the strategic plan, the District has placed a request for a mill levy override of \$15.47 million on the ballot for the November 2, 2004 election. The override would provide additional funding for four primary purposes: (1) the student instructional and safety needs, (2) open and operate school facilities, (3) recruit and retain highly qualified employees, and (4) eliminate the general fund balance deficit.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

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St. Vrain Valley School District RE-1J

**Statement of Net Assets
June 30, 2004**

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Charter Schools</u>
Assets				
Cash and investments	\$ 44,383,462	\$ 872,760	\$ 45,256,222	\$ 1,027,394
Accounts receivable	1,360,552	169,102	1,529,654	74,137
Taxes receivable	2,061,024	-	2,061,024	-
Deposits	78,000	-	78,000	-
Inventories	338,576	137,446	476,022	-
Prepaid expenses	291,102	-	291,102	-
Restricted assets -				
Cash and investments	84,514,161	-	84,514,161	-
Capital assets,				
Net of accumulated depreciation	218,830,350	727,684	219,558,034	-
Total assets	<u>351,857,227</u>	<u>1,906,992</u>	<u>353,764,219</u>	<u>1,101,531</u>
Liabilities				
Accounts payable	8,267,444	5,565	8,273,009	177,976
Due to agency fund	639	-	639	-
Retainage payable	2,318,906	-	2,318,906	-
Arbitrage payable	161,357	-	161,357	-
Accrued salaries and benefits	11,579,987	-	11,579,987	271,130
Accrued interest payable	937,181	-	937,181	-
Claims payable	248,296	-	248,296	-
Deferred revenues	3,348,589	47,542	3,396,131	-
Deferred bond premium	6,649,600	-	6,649,600	-
Non-current liabilities				
Due within one year	8,101,160	-	8,101,160	-
Due in more than one year	275,159,019	-	275,159,019	-
Total liabilities	<u>316,772,178</u>	<u>53,107</u>	<u>316,825,285</u>	<u>449,106</u>
Net Assets				
Invested in capital assets,				
net of related debt	21,648,995	727,684	22,376,679	-
Restricted for				
TABOR	3,659,609	-	3,659,609	108,301
Debt service	24,180,448	-	24,180,448	-
Unrestricted (deficit)	<u>(14,404,003)</u>	<u>1,126,201</u>	<u>(13,277,802)</u>	<u>544,124</u>
Total net assets	<u>\$ 35,085,049</u>	<u>\$ 1,853,885</u>	<u>\$ 36,938,934</u>	<u>\$ 652,425</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, 2004

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 85,427,185	\$ 2,036,053	\$ 6,376,981	\$ -
Supporting services	49,858,273	65,426	3,136,679	1,402,614
Interest expense	11,647,151	-	-	-
Total governmental activities	146,932,609	2,101,479	9,513,660	1,402,614
Business-type Activities				
Food services	4,410,830	2,820,846	1,667,815	-
Total business-type activities	4,410,830	2,820,846	1,667,815	-
Total primary government	\$ 151,343,439	\$ 4,922,325	\$ 11,181,475	\$ 1,402,614
COMPONENT UNITS				
Charter schools	\$ 3,610,022	\$ 90,941	\$ 186,418	\$ -

General Revenues

Property taxes
Specific ownership taxes
State equalization
Investment income
Other

Total general revenues

Change in net assets

Net assets, beginning

Net assets, ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Charter Schools
\$ (77,014,151)	\$ -	\$ (77,014,151)	\$ -
(45,253,554)	-	(45,253,554)	-
(11,647,151)	-	(11,647,151)	-
(133,914,856)	-	(133,914,856)	-
-	77,831	77,831	-
-	77,831	77,831	-
(133,914,856)	77,831	(133,837,025)	-
-	-	-	(3,332,663)
67,200,837	-	67,200,837	-
5,980,112	-	5,980,112	-
68,733,866	-	68,733,866	3,534,148
1,374,794	4,645	1,379,439	6,527
1,366,652	-	1,366,652	24,800
144,656,261	4,645	144,660,906	3,565,475
10,741,405	82,476	10,823,881	232,812
24,343,644	1,771,409	26,115,053	419,613
\$ 35,085,049	\$ 1,853,885	\$ 36,938,934	\$ 652,425

The accompanying notes are an integral part of this statement.

St. Vrain Valley School District RE-1J

Balance Sheet Governmental Funds June 30, 2004

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments - unrestricted	\$ 8,232,493	\$ 23,688,273	\$ -	\$ 6,886,615	\$ 38,807,381
Cash and investments - restricted	-	-	84,514,161	-	84,514,161
Accounts receivable	184,164	-	-	712,629	896,793
Taxes receivable	1,339,330	721,694	-	-	2,061,024
Due from other funds	118,447	-	-	203,348	321,795
Deposits	-	-	-	78,000	78,000
Inventories	338,576	-	-	-	338,576
Total assets	\$ 10,213,010	\$ 24,409,967	\$ 84,514,161	\$ 7,880,592	\$ 127,017,730
Liabilities					
Accounts payable	\$ 705,940	\$ -	\$ 6,901,534	\$ 514,477	\$ 8,121,951
Due to other funds	203,987	-	118,447	-	322,434
Retainage payable	-	-	2,318,906	-	2,318,906
Arbitrage payable	-	-	161,357	-	161,357
Accrued salaries and benefits	11,020,379	-	7,080	552,528	11,579,987
Deferred revenues	2,561,825	229,519	308,391	922,631	4,022,366
Total liabilities	14,492,131	229,519	9,815,715	1,989,636	26,527,001
Fund Balances					
Reserved for deposits and inventories	338,576	-	-	78,000	416,576
Reserved for debt service	-	24,180,448	-	-	24,180,448
Reserved for capital projects	-	-	74,698,446	-	74,698,446
Unreserved, designated for subsequent year expenditures reported in Special Revenue Funds	-	-	-	4,415,700	4,415,700
Unreserved, reported in General Fund	(4,617,697)	-	-	-	(4,617,697)
Special Revenue Funds	-	-	-	1,397,256	1,397,256
Total fund balances (deficit)	(4,279,121)	24,180,448	74,698,446	5,890,956	100,490,729
Total liabilities and fund balances	\$ 10,213,010	\$ 24,409,967	\$ 84,514,161	\$ 7,880,592	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	218,830,350
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred in the funds.	673,777
Premium received on the issuance of bonds is recognized as income in the governmental funds, but it is deferred revenue in the statement of net assets.	(6,649,600)
Long-term liabilities, including bonds payable and related accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	(284,197,360)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,937,153
Net assets of governmental activities (page 16)	\$ 35,085,049

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, 2004

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 44,394,617	\$ 24,152,728	\$ -	\$ -	\$ 68,547,345
Specific ownership taxes	5,980,112	-	-	-	5,980,112
Investment income	814,367	115,178	173,834	224,971	1,328,350
Charges for services	33,389	-	-	2,068,090	2,101,479
Miscellaneous	605,380	-	581,842	1,509,302	2,696,524
Local intergovernmental	-	-	-	72,397	72,397
State intergovernmental	67,726,715	-	-	4,603,198	72,329,913
Federal intergovernmental	190,164	-	-	5,727,449	5,917,613
Total revenues	119,744,744	24,267,906	755,676	14,205,407	158,973,733
Expenditures					
Current					
Instruction	74,855,281	-	1,081,968	5,718,043	81,655,292
Supporting services	35,029,108	-	10,917,899	2,351,515	48,298,522
Capital outlay	164,184	-	53,158,403	5,099,324	58,421,911
Debt service					
Principal	-	4,200,000	-	-	4,200,000
Accrued interest	-	4,380,000	-	-	4,380,000
Interest and fiscal charges	-	11,132,546	-	-	11,132,546
Total expenditures	110,048,573	19,712,546	65,158,270	13,168,882	208,088,271
Excess (deficiency) of revenues over (under) expenditures	9,696,171	4,555,360	(64,402,594)	1,036,525	(49,114,538)
Other Financing Sources (Uses)					
Bond proceeds	-	-	50,100,000	-	50,100,000
Premium received on issuance of bonds	-	-	1,427,510	-	1,427,510
Transfers in	-	-	-	46,614	46,614
Transfers out	(46,614)	-	-	-	(46,614)
Total other financing sources (uses)	(46,614)	-	51,527,510	46,614	51,527,510
Net change in fund balances (deficit)	9,649,557	4,555,360	(12,875,084)	1,083,139	2,412,972
Fund balances (deficit), beginning	(13,928,678)	19,625,088	87,573,530	4,807,817	98,077,757
Fund balances (deficit), ending	\$ (4,279,121)	\$ 24,180,448	\$ 74,698,446	\$ 5,890,956	\$ 100,490,729

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, 2004

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

Net change in fund balances of governmental funds (page 20) \$ 2,412,972

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	\$	(5,954,756)	
Capital Outlays		57,862,748	
Net Effect of Deleted Assets		(248,851)	51,659,141

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

Change in accounts receivable on 1997 Building Program	(615,187)		
Current year amortization of premium on bond issue	422,576		
Change in deferred property tax accrual	(1,346,508)		(1,539,119)

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 leave increased as follows:

Accrued sick leave earned during the year	(276,433)		
Accrued vacation earned during the year	(70,663)		
Amount paid during the year	344,522		(2,574)

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

Bonds proceeds	(50,100,000)		
Premium Received on Issuance of Bonds	(1,427,510)		
Bond principal payments	4,200,000		
Payment of accrued interest on bonds	4,380,000		
Accrued interest expense on bonds	(937,181)		
Long-term lease payments	776,192		(43,108,499)

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 income of the internal service funds is reported with governmental activities.

		1,319,484	
Change in net assets of governmental activities (page 18)	\$	10,741,405	

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

St. Vrain Valley School District RE-1J

**General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-US GAAP Basis)
For the Year Ended June 30, 2004**

	Original Budget	Final Amended Budget	Actual	Variance to Budget Positive (Negative)
Revenues				
Local				
Property taxes	\$ 44,784,760	\$ 44,784,760	\$ 44,394,617	\$ (390,143)
Specific ownership taxes	5,635,701	5,635,701	5,980,112	344,411
Investment income	287,500	287,500	209,900	(77,600)
Charges for service	37,000	37,000	33,389	(3,611)
Miscellaneous	246,000	246,000	605,380	359,380
Total local revenues	<u>50,990,961</u>	<u>50,990,961</u>	<u>51,223,398</u>	<u>232,437</u>
State				
Equalization, net	65,015,389	65,015,389	64,338,584	(676,805)
Special Education	1,729,000	1,729,000	1,808,991	79,991
Vocational Education	771,000	771,000	409,673	(361,327)
Transportation	775,000	775,000	927,653	152,653
Gifted and Talented	147,604	147,604	147,263	(341)
English Language Proficiency Act	91,000	91,000	94,551	3,551
Total state revenues	<u>68,528,993</u>	<u>68,528,993</u>	<u>67,726,715</u>	<u>(802,278)</u>
Federal				
Adult Education	72,800	72,800	139,217	66,417
BOCES	40,000	40,000	50,947	10,947
Total federal revenues	<u>112,800</u>	<u>112,800</u>	<u>190,164</u>	<u>77,364</u>
Total revenues	<u>119,632,754</u>	<u>119,632,754</u>	<u>119,140,277</u>	<u>(492,477)</u>
Expenditures				
Current				
Salaries	82,353,011	82,368,011	80,838,864	1,529,147
Benefits	16,028,359	16,029,809	15,579,115	450,694
Purchased services	5,108,245	5,100,245	6,114,180	(1,013,935)
Supplies and materials	6,127,963	6,130,963	5,160,736	970,227
Other	5,690,078	5,690,078	5,012,972	677,106
Charter schools	3,697,068	3,697,068	3,614,485	82,583
Capital outlay	614,984	614,984	164,184	450,800
Total expenditures	<u>119,619,708</u>	<u>119,631,158</u>	<u>116,484,536</u>	<u>3,146,622</u>
Excess of revenues over expenditures before transfers	<u>13,046</u>	<u>1,596</u>	<u>2,655,741</u>	<u>2,654,145</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>(46,614)</u>	<u>(46,614)</u>	<u>(46,614)</u>	<u>-</u>
Total other financing sources (uses)	<u>(46,614)</u>	<u>(46,614)</u>	<u>(46,614)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (33,568)</u>	<u>\$ (45,018)</u>	<u>2,609,127</u>	<u>\$ 2,654,145</u>
Fund (deficit), budget basis, beginning			<u>(13,928,678)</u>	
Fund (deficit), budget basis, ending			(11,319,551)	
Reconciliation to US GAAP basis of accounting				
Deferred revenue recognition of investment income			604,467	
Salary and benefit accrual adjustment			1,635,963	
Short term lease payment			<u>4,800,000</u>	
Fund (deficit), US GAAP basis, ending			<u>\$ (4,279,121)</u>	

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

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St. Vrain Valley School District RE-1J

Statement of Net Assets Proprietary Funds June 30, 2004

	<u>Business-type Activities</u>	<u>Governmental Activities</u>	
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>	<u>Total</u>
Assets			
Current assets			
Cash and investments	\$ 872,760	\$ 5,576,081	\$ 6,448,841
Accounts receivable	169,102	463,759	632,861
Inventories	137,446	-	137,446
Prepaid expenses	-	291,102	291,102
Total current assets	<u>1,179,308</u>	<u>6,330,942</u>	<u>7,510,250</u>
Capital assets			
Machinery and equipment	1,576,109	-	1,576,109
Accumulated depreciation	<u>(848,425)</u>	<u>-</u>	<u>(848,425)</u>
Total capital assets, net	<u>727,684</u>	<u>-</u>	<u>727,684</u>
 Total assets	 <u>1,906,992</u>	 <u>6,330,942</u>	 <u>8,237,934</u>
Liabilities			
Current liabilities			
Accounts payable	5,565	145,493	151,058
Claims payable	-	248,296	248,296
Deferred revenues	<u>47,542</u>	<u>-</u>	<u>47,542</u>
 Total liabilities	 <u>53,107</u>	 <u>393,789</u>	 <u>446,896</u>
Net Assets			
Invested in capital assets, net of related debt	727,684	-	727,684
Reserved for TABOR	-	2,189,315	2,189,315
Reserved for contingencies	-	1,527,662	1,527,662
Unreserved, designated for subsequent year expenditures	250,300	-	250,300
Unrestricted	<u>875,901</u>	<u>2,220,176</u>	<u>3,096,077</u>
 Total net assets	 <u>\$ 1,853,885</u>	 <u>\$ 5,937,153</u>	 <u>\$ 7,791,038</u>

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

St. Vrain Valley School District RE-1J

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2004**

	Business-type Activities	Governmental Activities	
	Enterprise Fund	Internal Service Funds	Total
Operating Revenues			
Charges for services	\$ 2,800,091	\$ 11,048,281	\$ 13,848,372
Miscellaneous	20,755	-	20,755
Total operating revenues	<u>2,820,846</u>	<u>11,048,281</u>	<u>13,869,127</u>
Operating Expenses			
Salaries and benefits	1,920,679	262,527	2,183,206
Purchased services	228,247	771,055	999,302
Supplies and materials	1,992,633	26,642	2,019,275
Capital outlay	45,799	7,953	53,752
Other	108,763	1,067	109,830
Depreciation	114,709	-	114,709
Claims paid	-	8,706,342	8,706,342
Total operating expenses	<u>4,410,830</u>	<u>9,775,586</u>	<u>14,186,416</u>
Operating income (loss)	<u>(1,589,984)</u>	<u>1,272,695</u>	<u>(317,289)</u>
Nonoperating Revenues			
Investment income	4,645	46,444	51,089
State match	52,274	-	52,274
National School Lunch Program	1,445,212	-	1,445,212
Commodities	170,329	-	170,329
Other	-	345	345
Total nonoperating revenues	<u>1,672,460</u>	<u>46,789</u>	<u>1,719,249</u>
Net income	82,476	1,319,484	1,401,960
Net assets, beginning	<u>1,771,409</u>	<u>4,617,669</u>	<u>6,389,078</u>
Net assets, ending	<u>\$ 1,853,885</u>	<u>\$ 5,937,153</u>	<u>\$ 7,791,038</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, 2004**

	Business-type Activities	Governmental Activities	
	Enterprise Fund	Internal Service Funds	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 2,666,768	\$ 10,610,077	\$ 13,276,845
Cash paid to suppliers	(2,160,298)	(11,415,168)	(13,575,466)
Cash paid to employees	(1,918,029)	(262,527)	(2,180,556)
Net cash used by operating activities	<u>(1,411,559)</u>	<u>(1,067,618)</u>	<u>(2,479,177)</u>
Cash Flows from Noncapital Financing Activities			
Cash received from State of Colorado	52,274	-	52,274
Cash received from Federal government	1,445,212	-	1,445,212
Cash received from other sources	-	345	345
Net cash provided by noncapital financing activities	<u>1,497,486</u>	<u>345</u>	<u>1,497,831</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of equipment	<u>(29,314)</u>	-	<u>(29,314)</u>
Cash Flows from Investing Activities			
Investment income	<u>4,645</u>	<u>46,444</u>	<u>51,089</u>
Increase (decrease) in cash and cash equivalents	61,258	(1,020,829)	(959,571)
Cash and cash equivalents, beginning of the year	<u>811,502</u>	<u>6,596,910</u>	<u>7,408,412</u>
Cash and cash equivalents, end of the year	<u><u>\$ 872,760</u></u>	<u><u>\$ 5,576,081</u></u>	<u><u>\$ 6,448,841</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities			
Operating income (loss)	\$ (1,589,984)	\$ 1,272,695	\$ (317,289)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities			
Depreciation	114,709	-	114,709
Loss on sale of assets	8,763	-	8,763
Commodities	170,329	-	170,329
Changes in Assets and Liabilities			
Accounts receivable	(133,558)	(438,204)	(571,762)
Inventories	36,052	-	36,052
Prepaid expenses	-	(291,102)	(291,102)
Accounts payable	-	51,659	51,659
Accrued salaries and benefits	2,650	-	2,650
Claims payable	-	(1,662,666)	(1,662,666)
Deferred revenues	<u>(20,520)</u>	<u>-</u>	<u>(20,520)</u>
Net cash used by operating activities	<u><u>\$ (1,411,559)</u></u>	<u><u>\$ (1,067,618)</u></u>	<u><u>\$ (2,479,177)</u></u>
Non-Cash Transactions			
Commodities received	<u>\$ 170,329</u>	<u>\$ -</u>	<u>\$ 170,329</u>
Change in insurance liability estimate	<u>\$ -</u>	<u>\$ 1,910,962</u>	<u>\$ 1,910,962</u>

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

St. Vrain Valley School District RE-1J

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
Assets		
Cash and investments	\$ 179,546	\$ 2,249,527
Accounts receivable	10,000	4,365
Due from general fund	-	639
Total assets	<u>189,546</u>	<u>\$ 2,254,531</u>
Liabilities		
Accounts payable	3,250	\$ 84,224
Deferred revenues	10,000	-
Undistributed to outside organizations	-	2,170,307
Total liabilities	<u>13,250</u>	<u>\$ 2,254,531</u>
Net Assets		
Held in trust	<u>\$ 176,296</u>	

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

St. Vrain Valley School District RE-1J

**Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2004**

	Private Purpose Trust - Student Scholarship
Additions	
Investment income	\$ 514
Student activity sources from schools	-
Athletic/Activity participation fees	-
Contributions	<u>121,344</u>
Total additions	<u>121,858</u>
Deductions	
Scholarships	78,350
Student activities	-
Athletic/Activity programs	<u>-</u>
Total deductions	<u>78,350</u>
Change in net assets	43,508
Net assets, beginning	<u>132,788</u>
Net assets, ending	<u><u>\$ 176,296</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, 2004

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, Broomfield, Larimer, and Weld 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

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

The District Board of Education has approved two charter school applications, the Twin Peaks Charter Academy, grades K-8, and the Ute Creek Charter Academy, grades 9-12. The respective members of the Charter School Governing Boards are appointed separately from the District 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 charters in the form of per pupil operating revenue. The charter schools are presented discretely and are considered nonmajor.

Fund Accounting

The District uses funds to report its financial position and results of operations. 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), and the servicing of long-term debt (debt service funds). The following are the District's major governmental funds:

General Fund – The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

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, extracurricular athletic and other pupil activities, and insurance transactions.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

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

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

The other governmental funds of the District are Special Revenue Funds – These funds account for revenues derived from earmarked revenue sources, including transfers from the General Fund, charges for supporting educational services, and tuition. Special Revenue Funds consist of *Capital Reserve Fund*, *Community Education Fund*, *Fair Contributions Fund*, *Government Designated-Purpose Grants Fund*, and *Vance Brand Civic Auditorium Fund*.

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

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

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

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

Risk Management Fund – This 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.

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

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

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial 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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. 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 of the end of the current fiscal period.

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

Under Colorado law, all property taxes become due and payable on January 1 in the year following that in which they are levied. Property taxes are levied on December 15 based on the assessed value of the property as certified by the county assessor. Payments are due in full on April 30, or in two installments on February 28 and June 15. When taxes become delinquent, the property is sold at the tax sale on September 30.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity

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

Investments – Investments are recorded at fair value.

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

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 revenues when expended.

Capital Assets – Capital assets, which include property and equipment, are reported in applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or greater, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest accrued during construction is not capitalized in governmental funds.

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
Equipment	12 years

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (Continued)

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

Deferred Revenues – Deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenues is removed and revenue is recognized. Deferred revenues include grants that have been collected, but corresponding expenditures have not been incurred. Property taxes earned but not available are also recorded as deferred revenue in the fund financial statements.

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

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

Net Assets/Fund Equity – In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Generally, annual budgets are adopted on a basis consistent with US GAAP for all funds. However, for the fiscal year ended June 30, 2004, the General Fund, Building Fund, Capital Reserve Fund, and Fair Contributions Fund recognized transactions on a US GAAP basis that were not included in the respective budgets. Therefore, those funds have been reconciled from a budget basis to a US GAAP basis in order to reflect those transactions. Budget basis is similar to cash basis, in that revenues are recognized when cash is received, and expenditures are recorded when payments are made. The budget for the Food Service Fund includes capital expenditures as expenditures, and the related revenues and expenses of commodities are not budgeted, nor is 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.

Expenditures may not legally exceed appropriations at the fund level. 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.

Accountability

At June 30, 2004, the General Fund had a negative fund balance of \$4,279,121. The District plans to eliminate this negative balance by budgeting for a net change in fund balance of approximately \$1 million per year. If additional revenues are available during the year, consideration will be given to applying them to the fund balance. In addition, the Ute Creek Charter School had a negative fund balance of \$107,224. The charter school has stabilized its financial operations as reflected by the change in fund balance of \$20,797 for the year, and their intention to continue budgeting for a positive net change for future years.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 3: CASH AND INVESTMENTS

At June 30, 2004, the District and its component units had the following cash and investments:

	<u>District</u>	<u>Component Units</u>
Cash on Hand	\$ 22,086	\$ 50
Cash with County Treasurers	791,971	-
Deposits	770,159	432,267
Investments	<u>130,615,240</u>	<u>595,077</u>
Total	<u>\$ 132,199,456</u>	<u>\$ 1,027,394</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. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the District or by its agent in the District's name, (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name, including those collateralized in accordance with PDPA, (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name.

At June 30, 2004, the District's deposits had a carrying balance of \$770,159 and a corresponding bank balance as follows:

	<u>Bank Balance</u>
Insured (Category 1)	\$ 100,000
PDPA (Category 2)	<u>2,763,715</u>
Total	<u>\$ 2,863,715</u>

At June 30, 2004, component unit deposits had a carrying balance of \$432,267 and a corresponding bank balance as follows:

	<u>Bank Balance</u>
Insured (Category 1)	\$ 100,000
PDPA (Category 2)	<u>354,822</u>
Total	<u>\$ 454,822</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments

Colorado statutes specify instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. Agency securities.
- Certain international agency securities.
- Bankers' acceptances of certain banks.
- Commercial paper of a certain grade.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

The District's investments are categorized below to give an indication of the level of credit risk assumed by the District at year-end. Category (1) includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category (2) includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category (3) includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the District's name. Investments in local government investment pools or in money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

The District and component units had the following investments as of June 30, 2004:

	Carrying Amount	Component Units
U.S. Agency Securities (Category 2)	\$ 50,763,183	\$ -
U.S. Agency Securities (Category 3)	56,562,246	-
Local Government Investment Pools (not requiring categorization)	23,289,811	595,077
Total Investments	<u>\$ 130,615,240</u>	<u>\$ 595,077</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2004, the District had invested in the Colorado Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles 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.

NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2004, is as follows:

Due to/from other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Building Fund	\$ 118,447
Other Governmental Funds	General Fund	203,348
Agency Fund	General Fund	639
Total		<u>\$ 322,434</u>

Interfund Transfers:

	<u>Transfer in</u>
	<u>Other</u>
	<u>Governmental</u>
	<u>Funds</u>
Transfer out:	
General Fund	<u>\$ 46,614</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2004:

	Balance 7/1/03	Additions	Deletions and Adjustments	Balance 6/30/04
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 11,700,106	\$ 1,401,671	\$ -	\$ 13,101,777
Construction in Progress	3,701,002	44,287,334	-	47,988,336
Water Rights	2,612,516	-	-	2,612,516
Total Capital Assets, Not Being Depreciated	<u>18,013,624</u>	<u>45,689,005</u>	<u>-</u>	<u>63,702,629</u>
Capital Assets, Being Depreciated				
Land Improvements	11,643,568	2,160,267	-	13,803,835
Buildings	104,563,622	-	-	104,563,622
Building Improvements	76,042,521	7,547,498	-	83,590,019
Equipment	15,397,086	2,465,978	(375,962)	17,487,102
Total Capital Assets, Being Depreciated	<u>207,646,797</u>	<u>12,173,743</u>	<u>(375,962)</u>	<u>219,444,578</u>
Less Accumulated Depreciation for				
Land Improvements	3,566,526	665,733	(10,159)	4,222,100
Buildings	29,444,832	1,858,781	(4,999)	31,298,614
Building Improvements	15,746,468	2,306,476	(3,774)	18,049,170
Equipment	9,731,386	1,123,766	(108,179)	10,746,973
Total Accumulated Depreciation	58,489,212	5,954,756	(127,111)	64,316,857
Total Capital Assets, Being Depreciated, Net	<u>149,157,585</u>	<u>6,218,987</u>	<u>(248,851)</u>	<u>155,127,721</u>
Governmental Activities Capital Assets, Net	<u>\$ 167,171,209</u>	<u>\$ 51,907,992</u>	<u>\$ (248,851)</u>	<u>\$ 218,830,350</u>
	Balance 7/1/03	Additions	Deletions	Balance 6/30/04
Business-type Activities				
Capital Assets, Being Depreciated				
Equipment	\$ 1,559,536	\$ 29,314	\$ (12,741)	\$ 1,576,109
Less Accumulated Depreciation for Equipment	<u>737,694</u>	<u>114,709</u>	<u>(3,978)</u>	<u>\$ 848,425</u>
Business-type Activities Capital Assets, Net	<u>\$ 821,842</u>	<u>\$ (85,395)</u>	<u>\$ (8,763)</u>	<u>\$ 727,684</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 5: CAPITAL ASSETS (Continued)

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

Governmental Activities

Instruction	\$ 5,017,857
Supporting Services	<u>936,899</u>
Total	<u>\$ 5,954,756</u>

Business-Type Activities

Food Service	<u>\$ 114,709</u>
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NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2004 are estimated to be as follows:

General Fund	\$ 11,020,379
Other Funds	<u>559,608</u>
Total Governmental Funds	11,579,987
Component Units	<u>271,130</u>
Total	<u>\$ 11,851,117</u>

NOTE 7: SHORT-TERM CAPITAL LEASE PAYABLE

Sale and Lease Purchase of School Property

During fiscal year 2002-2003, the District obtained certain loans from the State of Colorado that are administered by the State Treasurer under the Colorado Interest Free Loan Program. The District determined that it would not be able to fully repay such loans within the same fiscal year. Amendments to Section 22-54-110, C.R.S., authorized the District to sell, and the State Treasurer to purchase, real estate owned by the District provided that the State Treasurer contemporaneously leases back such real estate to the District.

On June 27, 2003, the District entered into a sale and lease purchase agreement with the Treasurer of the State of Colorado for the property known as the Educational Support Center located at 2929 Clover Basin Drive, Longmont, CO 80501 in the amount of \$4,800,000. The District made monthly lease payments of \$423,419 with a final payment of \$142,391 before June 30, 2004. As of June 30, 2004, ownership of the property was transferred back to the District.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 8: DEFERRED REVENUES

Investment Agreements

In June 2003, the District's General Fund received a net payment of \$950,000 pursuant to a forward supply agreement. In exchange for this amount, the District agreed to purchase qualified securities provided by Wachovia Bank, N.A., the investor. The securities mature at such times as are required for meeting the District's building construction needs, through June 15, 2005. Should the District terminate the agreement for any reason, it would be obligated to repay a portion of the \$950,000 received and other possible financial damages sustained by the investor as a result of the default.

Also in June 2003, the District's General Fund received a net payment of \$3,026,000 from Citigroup Financial Products, Inc. for 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 each agreement is being amortized over the term of the agreement for US GAAP purposes, rather than being recognized in full, when received, for budgetary purposes. For fiscal year ended June 30, 2004, \$882,928 of the \$3,976,000 has been recognized as revenue for US GAAP purposes among four funds. Income recognition was \$604,467 by the General Fund, \$88,031 by the Building Fund, \$10,232 by the Capital Reserve Fund, and \$180,198 by the Fair Contributions Fund. The remaining balances of \$2,117,566, \$308,391, \$35,848, and \$631,267 respectively, are deferred revenues as of June 30, 2004,

NOTE 9: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2004.

	Balance 7/1/2003	Additions	Payments	Balance 6/30/04	Due Within One Year
General Obligation Bonds	\$ 228,035,000	\$ 50,100,000	\$ (4,200,000)	\$ 273,935,000	\$ 2,850,000
Accrued Interest	8,760,000	-	(4,380,000)	4,380,000	4,380,000
Capital Leases	4,156,709	-	(776,192)	3,380,517	553,254
Vacation Payable	247,243	70,663	-	317,906	317,906
Sick Leave Payable	1,314,845	276,433	(344,522)	1,246,756	-
Totals	<u>\$ 242,513,797</u>	<u>\$ 50,447,096</u>	<u>\$ (9,700,714)</u>	<u>\$ 283,260,179</u>	<u>\$ 8,101,160</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 9: LONG-TERM DEBT (Continued)

General Obligation Bonds

\$55,731,000 General Obligation Refunding and Improvement Bonds were issued on February 15, 1990. Interest accrues at 7% and is payable each June 15th and December 15th. Principal is due on December 15th of each year through 2005. Deferred Interest Bonds with face values totaling \$16,438,000 and compounded interest at rates ranging from 6.7% to 7.2% are payable semi-annual on December 15th, through 2005. As of June 30, 2004, the outstanding balance was \$1,235,000 and the accrued interest deferral recorded as principal was \$1,095,000.

\$98,675,000 General Obligation Building Bonds were issued on December 17, 1997. Interest accrues at rates ranging from 4.0% to 5.15% and is payable each June 15th and December 15th. Principal is due annually on December 15th through 2022. As of June 30, 2004, the outstanding balance was \$92,745,000.

\$39,090,000 General Obligation Refunding Bonds were issued on December 6, 2002. Interest accrues at rates ranging from 2.0% to 5.0% and is payable each June 15th and December 15th. Principal is due annually on December 15th through 2010. The premium of \$1,613,000 that was received upon the issuance of the bonds is being amortized over the term of the bonds. \$42,233,832 was required to retire the outstanding General Obligation Refunding Bonds issued on August 26, 1992. As of June 30, 2004, the outstanding balance was \$38,835,000.

\$92,000,000 General Obligation Building Bonds were issued in April 2003. Interest accrues at rates ranging from 2.0% to 5.25% and is payable each June 15th and December 15th. Principal is due annually on December 15th through 2022. The premium of \$4,200,003 that was received upon the issuance of the bonds is being amortized over the term of the bonds. As of June 30, 2004, the outstanding balance was \$89,925,000.

\$50,100,000 General Obligation Building Bonds were issued in May 2004. Interest accrues at rates ranging from 3.0% to 5.5% and is payable each June 15th and December 15th. Principal is due annually on December 15 through 2024. The premium of \$1,427,510 that was received upon the issuance of the bonds is being amortized over the term of the bonds. As of June 30, 2004, the outstanding balance was \$50,100,000.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 9: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Bond payments to maturity are as follows:

Year ending June 30	GO Bonds		Accrued		Total
	Principal	Interest	Principal	Interest	
2005	1,755,000	13,782,243	1,095,000	4,380,000	21,012,243
2006	9,280,000	13,237,777			22,517,777
2007	9,720,000	12,795,928			22,515,928
2008	10,165,000	12,344,022			22,509,022
2009	10,625,000	11,862,753			22,487,753
2010	11,130,000	11,340,844			22,470,844
2011	11,885,000	10,781,295			22,666,295
2012	12,250,000	10,184,336			22,434,336
2013	12,865,000	9,543,318			22,408,318
2014	13,530,000	8,864,355			22,394,355
2015	14,220,000	8,152,786			22,372,786
2016	14,950,000	7,409,900			22,359,900
2017	15,705,000	6,635,523			22,340,523
2018	16,500,000	5,825,500			22,325,500
2019	17,325,000	4,979,875			22,304,875
2020	18,190,000	4,092,000			22,282,000
2021	19,100,000	3,159,750			22,259,750
2022	20,055,000	2,180,875			22,235,875
2023	21,060,000	1,153,000			22,213,000
2024	6,110,000	473,750			6,583,750
2025	6,420,000	160,500			6,580,500
	<u>\$ 272,840,000</u>	<u>\$ 158,960,330</u>	<u>\$ 1,095,000</u>	<u>\$ 4,380,000</u>	<u>\$ 437,275,330</u>

Capital Lease Agreements

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 9: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Debt service requirements for the leases are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 553,254	\$ 170,228	\$ 723,482
2006	583,100	140,623	723,723
2007	616,688	104,719	721,407
2008	614,495	76,311	690,806
2009	389,712	46,079	435,791
2010	275,854	28,508	304,362
2011	244,914	13,762	258,676
2012	<u>102,500</u>	<u>2,501</u>	<u>105,001</u>
Totals	<u>\$ 3,380,517</u>	<u>\$ 582,731</u>	<u>\$ 3,963,248</u>

NOTE 10: SHORT-TERM DEBT

To meet short-term General Fund cash flow needs the District participates in the State of Colorado Interest-Free Loan Program.

Short-term debt activity relating to this program for the year ended June 30, 2004, was as follows:

<u>Balance</u>	<u>Draws</u>	<u>Payments</u>	<u>Ending Balance</u>
\$ -	\$ 28,452,713	\$(28,452,713)	\$ -

NOTE 11: 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.

Self Insurance Pool

The Risk Management 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 a transfer from the General Fund. Some of the risk is retained, and insurance is purchased to transfer part of the risk.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 11: RISK FINANCING (Continued)

Self Insurance Pool (Continued)

The District is a member of four 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 surplus deficit.

Effective July 1, 2002, two of the pools (the Northern Colorado School Districts Property Self Insurance Pool and the Northern Colorado School Districts Liability Self Insurance Pool) discontinued insurance operations, because the member districts (Park, Thompson, and St. Vrain) opted to purchase property and liability insurance from the Colorado School Districts Self-Insurance Pool. The two aforementioned pools have sufficient assets to meet the run-off obligations of the pools, according to the actuarial reports dated June 11, 2003, and July 12, 2004. In addition, these pools may be dissolved as early as January 1, 2005. During the fiscal year ended June 30, 2004, the District had insurance deductibles of \$50,000 (property), \$150,000 (general liability), and \$25,000 (vehicle liability) per claim.

The Northern Colorado School Districts Workers' Compensation Self Insurance 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 member districts are Park, Windsor, and St. Vrain. Each member selected a deductible. The District's deductible was \$5,000 per claim for the year ended June 30, 2004.

Employee Medical Insurance Plan

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

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

As of June 30, 2004, the District determined that amounts previously estimated for claims payable to CIGNA Healthcare should be reduced. The amount was adjusted to reflect the change in insurance liability estimate as of June 30, 2004.

NOTE 12: DEFINED BENEFITS PENSION PLAN

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 12: DEFINED BENEFITS PENSION PLAN (Continued)

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

Funding Policy – Plan members and the District are required to contribute at a rate set by statute. The contribution requirements of Plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. PERA requires contributions of covered salary at rates of 8.0% for members and 10.15% for the District. Of the District's 10.15% rate, 9.05% is allocated to CSSDTF, and 1.1% to the Health Care Trust Fund (see Note 13). Beginning with payroll periods ending after July 1, 2002, the employer contributions paid to the CSSDTF were reduced by an employer match on members' voluntary contributions to approved defined contribution plans. The match, set by the Board of Trustees of PERA, is 100% of a member's eligible tax-deferred retirement program contributions limited by a per payroll whole percentage of PERA includable salary limit (percentage set for 2003 was 2.0%, and for 2004 was 1.0% ending May 30, 2004). The District's contributions to CSSDTF for the years ended June 30, 2004, 2003, and 2002 were \$7,470,331, \$7,386,311, and \$6,535,428, respectively, equal to the required contributions for each year.

NOTE 13: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy – The District was required to contribute at a rate of 1.1% of covered salary from January 1, 2003 through June 30, 2004 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 CRS, as amended. The apportionment of the contributions of the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to HCTF for the years ended June 30, 2004, 2003 and 2002 were \$907,996, \$1,442,098, and \$1,288,878, respectively.

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 14: JOINTLY GOVERNED ORGANIZATION

Centennial Board of Cooperative Educational Services

The District, in conjunction with other surrounding districts, created the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational and computer services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The District paid BOCES \$960,190 for services provided during the year ended June 30, 2004. The BOCES financial statements can be obtained at their administrative office located at 830 S. Lincoln Street, Longmont, Colorado 80501.

NOTE 15: 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, 2004, significant amounts of grant expenditures have not been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

The District is involved in pending litigation. The District anticipates no potential claims resulting from these cases which would materially affect the financial statements.

Construction Contracts

The District has entered into a number of separate construction projects as of June 30, 2004. Contract commitments at June 30, 2004, as a result of these projects, totaled approximately \$19,700,000.

Operating Lease Agreements

The District has entered into an operating lease agreement for administrative facilities. Future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Payments</u>
2005	\$ 122,499
2006	93,837
Total	<u><u>\$ 216,336</u></u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2004

NOTE 15: COMMITMENTS AND CONTINGENCIES (Continued)

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. In November 1998, electors within the District authorized the District to collect, retain and/or expend all revenues lawfully received by the District from any source during fiscal year 1998-99 and each year thereafter without regard to the limitations and conditions under the TABOR Amendment of the Colorado Constitution or any other law. The Amendment is complex and subject to judicial interpretation.

The TABOR Amendment requires the District to establish a reserve for emergencies. At June 30, 2004, the District has complied with the requirements to include emergency reserves in its net assets and fund balance.

Minimum Medical Insurance Liability Fund

Under its agreement with CIGNA HealthCare, if the District were to terminate its contract with CIGNA HealthCare, the District would be responsible for run-off obligations. As of June 30, 2004, the run-off obligations are estimated to be \$1,527,622 which has been reserved in the Minimum Medical Insurance Liability Fund's fund balance. For the year ended June 30, 2004, the District recognized \$1,910,962 in revenue for a change in its estimate of the liability under this agreement.

COMBINING NONMAJOR FUND FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2004**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Capital Reserve	Community Education	Fair Contributions	Grants	Vance Brand Civic Auditorium	
Assets						
Cash and investments	\$ 1,164,465	\$ 1,347,293	\$ 4,270,879	\$ 19,065	\$ 84,913	\$ 6,886,615
Accounts receivable	-	2,593	-	701,642	8,394	712,629
Due from other funds	-	-	-	203,348	-	203,348
Deposits	28,000	-	50,000	-	-	78,000
Total assets	<u>\$ 1,192,465</u>	<u>\$ 1,349,886</u>	<u>\$ 4,320,879</u>	<u>\$ 924,055</u>	<u>\$ 93,307</u>	<u>\$ 7,880,592</u>
Liabilities						
Accounts payable	\$ 300,224	\$ 88,929	\$ 142	\$ 121,026	\$ 4,156	\$ 514,477
Accrued salaries and benefits	-	-	-	547,513	5,015	552,528
Deferred revenues	35,848	-	631,267	255,516	-	922,631
Total liabilities	<u>336,072</u>	<u>88,929</u>	<u>631,409</u>	<u>924,055</u>	<u>9,171</u>	<u>1,989,636</u>
Fund Balances						
Reserved for deposits	28,000	-	50,000	-	-	78,000
Unreserved, designated for subsequent year expenditures	698,000	170,000	3,546,000	-	1,700	4,415,700
Unreserved	130,393	1,090,957	93,470	-	82,436	1,397,256
Total fund balances	<u>856,393</u>	<u>1,260,957</u>	<u>3,689,470</u>	<u>-</u>	<u>84,136</u>	<u>5,890,956</u>
Total liabilities and fund balances	<u>\$ 1,192,465</u>	<u>\$ 1,349,886</u>	<u>\$ 4,320,879</u>	<u>\$ 924,055</u>	<u>\$ 93,307</u>	<u>\$ 7,880,592</u>

St. Vrain Valley School District RE-1J

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2004**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Capital Reserve	Community Education	Fair Contributions	Grants	Vance Brand Civic Auditorium	
Revenues						
Intergovernmental	\$ 4,395,282	\$ -	\$ -	\$ 6,007,762	\$ -	\$ 10,403,044
Investment income	14,123	-	210,591	-	257	224,971
Charges for services	-	2,002,664	-	-	65,426	2,068,090
Miscellaneous	52,688	-	1,402,614	-	54,000	1,509,302
Total revenues	4,462,093	2,002,664	1,613,205	6,007,762	119,683	14,205,407
Expenditures						
Instruction	-	1,919,307	-	3,798,736	-	5,718,043
Supporting services	-	-	7,542	2,209,026	134,947	2,351,515
Capital outlay	4,188,991	-	910,333	-	-	5,099,324
Total expenditures	4,188,991	1,919,307	917,875	6,007,762	134,947	13,168,882
Excess of revenues over (under) expenditures	273,102	83,357	695,330	-	(15,264)	1,036,525
Other Financing Sources						
Transfers in	-	-	-	-	46,614	46,614
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	46,614	46,614
Net change in fund balances	273,102	83,357	695,330	-	31,350	1,083,139
Fund balances, beginning	583,291	1,177,600	2,994,140	-	52,786	4,807,817
Fund balances, ending	\$ 856,393	\$ 1,260,957	\$ 3,689,470	\$ -	\$ 84,136	\$ 5,890,956

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SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

St. Vrain Valley School District RE-1J

**General Fund and Colorado Preschool Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-US GAAP Basis)
For the Year Ended June 30, 2004**

	General Fund		
	Original and Final Budget	Actual Amounts - Budget Basis	Variance to Budget Positive (Negative)
Revenues			
Local			
Property taxes	\$ 44,784,760	\$ 44,394,617	\$ (390,143)
Specific ownership taxes	5,635,701	5,980,112	344,411
Investment income	287,500	209,900	(77,600)
Charges for service	37,000	33,389	(3,611)
Miscellaneous	246,000	605,380	359,380
Total local revenues	50,990,961	51,223,398	232,437
State			
Equalization, net	64,802,004	64,124,660	(677,344)
Special Education	1,729,000	1,808,991	79,991
Vocational Education	771,000	409,673	(361,327)
Transportation	775,000	927,653	152,653
Gifted and Talented	147,604	147,263	(341)
English Language Proficiency Act	91,000	94,551	3,551
Total state revenues	68,315,608	67,512,791	(802,817)
Federal			
Adult Education	72,800	139,217	66,417
BOCES	40,000	50,947	10,947
Total federal revenues	112,800	190,164	77,364
Total revenues	119,419,369	118,926,353	(493,016)
Expenditures			
Current			
Salaries	82,330,950	80,801,045	1,529,905
Benefits	16,022,523	15,571,632	450,891
Purchased services	4,935,375	5,951,129	(1,015,754)
Supplies and materials	6,122,963	5,152,676	970,287
Other	5,690,078	5,012,972	677,106
Charter schools	3,697,068	3,614,485	82,583
Capital outlay	614,984	164,184	450,800
Total expenditures	119,413,941	116,268,123	3,145,818
Excess of revenues over (under) expenditures before transfers	5,428	2,658,230	2,652,802
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	(46,614)	(46,614)	-
Total other financing sources (uses)	(46,614)	(46,614)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ (41,186)	2,611,616	\$ 2,652,802
Fund balance (deficit), budget basis, beginning		(13,966,651)	
Fund balance (deficit), budget basis, ending		(11,355,035)	
Reconciliation to US GAAP basis of accounting			
Deferred revenue recognition of investment income		604,467	
Salary and benefit accrual adjustment		1,635,963	
Short term lease payment		4,800,000	
Fund balance (deficit), US GAAP basis, ending		\$ (4,314,605)	

Colorado Preschool Fund (A sub-fund of the General Fund)				Total			
Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)	Original Budget	Final Amended Budget	Actual	Variance to Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 44,784,760	\$ 44,784,760	\$ 44,394,617	\$ (390,143)
-	-	-	-	5,635,701	5,635,701	5,980,112	344,411
-	-	-	-	287,500	287,500	209,900	(77,600)
-	-	-	-	37,000	37,000	33,389	(3,611)
-	-	-	-	246,000	246,000	605,380	359,380
-	-	-	-	50,990,961	50,990,961	51,223,398	232,437
213,385	213,385	213,924	539	65,015,389	65,015,389	64,338,584	(676,805)
-	-	-	-	1,729,000	1,729,000	1,808,991	79,991
-	-	-	-	771,000	771,000	409,673	(361,327)
-	-	-	-	775,000	775,000	927,653	152,653
-	-	-	-	147,604	147,604	147,263	(341)
-	-	-	-	91,000	91,000	94,551	3,551
213,385	213,385	213,924	539	68,528,993	68,528,993	67,726,715	(802,278)
-	-	-	-	72,800	72,800	139,217	66,417
-	-	-	-	40,000	40,000	50,947	10,947
-	-	-	-	112,800	112,800	190,164	77,364
213,385	213,385	213,924	539	119,632,754	119,632,754	119,140,277	(492,477)
22,061	37,061	37,819	(758)	82,353,011	82,368,011	80,838,864	1,529,147
5,836	7,286	7,483	(197)	16,028,359	16,029,809	15,579,115	450,694
172,870	164,870	163,051	1,819	5,108,245	5,100,245	6,114,180	(1,013,935)
5,000	8,000	8,060	(60)	6,127,963	6,130,963	5,160,736	970,227
-	-	-	-	5,690,078	5,690,078	5,012,972	677,106
-	-	-	-	3,697,068	3,697,068	3,614,485	82,583
-	-	-	-	614,984	614,984	164,184	450,800
205,767	217,217	216,413	804	119,619,708	119,631,158	116,484,536	3,146,622
7,618	(3,832)	(2,489)	1,343	13,046	1,596	2,655,741	2,654,145
-	-	-	-	-	-	-	-
-	-	-	-	(46,614)	(46,614)	(46,614)	-
-	-	-	-	(46,614)	(46,614)	(46,614)	-
\$ 7,618	\$ (3,832)	(2,489)	\$ 1,343	\$ (33,568)	\$ (45,018)	2,609,127	\$ 2,654,145
		37,973				(13,928,678)	
		35,484				(11,319,551)	
		-				604,467	
		-				1,635,963	
		-				4,800,000	
		\$ 35,484				\$ (4,279,121)	

St. Vrain Valley School District RE-1J

**Capital Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-US GAAP Basis)
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Equalization	\$ 4,455,530	\$ 4,395,282	\$ (60,248)
Investment income	31,250	3,891	(27,359)
Miscellaneous	1,500	52,688	51,188
Total revenues	<u>4,488,280</u>	<u>4,451,861</u>	<u>(36,419)</u>
Expenditures			
Capital outlay	<u>4,705,605</u>	<u>4,188,991</u>	<u>516,614</u>
Total expenditures	<u>4,705,605</u>	<u>4,188,991</u>	<u>516,614</u>
Excess of revenues over (under) expenditures	(217,325)	262,870	480,195
Other Financing Sources			
Proceeds from sale of land	<u>1,150,000</u>	<u>-</u>	<u>(1,150,000)</u>
Net change in fund balance, budgetary basis	<u>\$ 932,675</u>	262,870	<u>\$ (669,805)</u>
Reconciliation to US GAAP basis of accounting			
Deferred revenue recognition of investment income		<u>10,232</u>	
Change in fund balance, US GAAP basis		273,102	
Fund balance, beginning		<u>583,291</u>	
Fund balance, ending		<u>\$ 856,393</u>	

St. Vrain Valley School District RE-1J

**Community Education Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	<u>\$ 1,501,617</u>	<u>\$ 2,002,664</u>	<u>\$ 501,047</u>
Total revenues	<u>1,501,617</u>	<u>2,002,664</u>	<u>501,047</u>
Expenditures			
Instruction	<u>2,119,728</u>	<u>1,919,307</u>	<u>200,421</u>
Total expenditures	<u>2,119,728</u>	<u>1,919,307</u>	<u>200,421</u>
Excess of revenues over (under) expenditures	<u><u>\$ (618,111)</u></u>	83,357	<u><u>\$ 701,468</u></u>
Fund balance, beginning		<u>1,177,600</u>	
Fund balance, ending		<u><u>\$ 1,260,957</u></u>	

St. Vrain Valley School District RE-1J

**Fair Contributions Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-US GAAP Basis)
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment income	\$ 35,825	\$ 30,393	\$ (5,432)
Cash in lieu	<u>1,187,051</u>	<u>1,402,614</u>	<u>215,563</u>
Total revenues	<u>1,222,876</u>	<u>1,433,007</u>	<u>210,131</u>
Expenditures			
Purchased services	25,000	7,542	17,458
Capital outlay	<u>1,000,000</u>	<u>910,333</u>	<u>89,667</u>
Total expenditures	<u>1,025,000</u>	<u>917,875</u>	<u>107,125</u>
Excess of revenues over expenditures, budgetary basis	<u><u>\$ 197,876</u></u>	515,132	<u><u>\$ 317,256</u></u>
Reconciliation to US GAAP basis of accounting			
Deferred revenue recognition of investment income		<u>180,198</u>	
Change in fund balance, US GAAP basis		695,330	
Fund balance, beginning		<u>2,994,140</u>	
Fund balance, ending		<u><u>\$ 3,689,470</u></u>	

St. Vrain Valley School District RE-1J

**Governmental Designated-Purpose Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Local grants	\$ 220,000	\$ 72,397	\$ (147,603)
State grants	117,000	207,916	90,916
Federal grants	<u>6,091,519</u>	<u>5,727,449</u>	<u>(364,070)</u>
Total revenues	<u>6,428,519</u>	<u>6,007,762</u>	<u>(420,757)</u>
Expenditures			
Salaries	4,444,800	4,153,881	290,919
Benefits	830,551	776,190	54,361
Purchased services	520,221	486,172	34,049
Supplies and materials	372,893	348,487	24,406
Capital outlay	74,540	69,661	4,879
Other	<u>185,513</u>	<u>173,371</u>	<u>12,142</u>
Total expenditures	<u>6,428,519</u>	<u>6,007,762</u>	<u>420,757</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

St. Vrain Valley School District RE-1J

**Vance Brand Civic Auditorium Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 400	\$ 400	\$ 257	\$ (143)
Charges for services	39,200	39,200	65,426	26,226
Contributions	54,000	54,000	54,000	-
Total revenues	93,600	93,600	119,683	26,083
Expenditures				
Salaries	91,744	97,744	97,504	240
Benefits	20,224	20,224	19,684	540
Purchased services	2,100	2,100	1,522	578
Supplies and materials	11,700	12,200	12,738	(538)
Capital outlay	3,000	3,000	3,499	(499)
Total expenditures	128,768	135,268	134,947	321
Excess of revenues under expenditures	(35,168)	(41,668)	(15,264)	26,404
Other Financing Sources				
Transfers in	46,614	46,614	46,614	-
Net change in fund balance	<u>\$ 11,446</u>	<u>\$ 4,946</u>	31,350	<u>\$ 26,404</u>
Fund balance, beginning			<u>52,786</u>	
Fund balance, ending			<u>\$ 84,136</u>	

St. Vrain Valley School District RE-1J

**Bond Redemption Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 23,458,859	\$ 24,152,728	\$ 693,869
Accrued interest	-	115,178	115,178
Total revenues	<u>23,458,859</u>	<u>24,267,906</u>	<u>809,047</u>
Expenditures			
Debt principal	4,200,000	4,200,000	-
Debt accrued interest	4,380,000	4,380,000	-
Debt interest	11,384,196	11,129,196	255,000
Fiscal charges	10,000	3,350	6,650
Total expenditures	<u>19,974,196</u>	<u>19,712,546</u>	<u>261,650</u>
Excess of revenues over expenditures	<u>\$ 3,484,663</u>	4,555,360	<u>\$ 1,070,697</u>
Fund balance, beginning		<u>19,625,088</u>	
Fund balance, ending		<u>\$ 24,180,448</u>	

St. Vrain Valley School District RE-1J

**Building Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Non-US GAAP Basis)
For the Year Ended June 30, 2004**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 10,000	\$ 10,000	\$ 85,803	\$ 75,803
Miscellaneous	-	-	581,842	581,842
Total revenues	10,000	10,000	667,645	657,645
Expenditures				
Salaries	309,777	309,777	520,120	(210,343)
Benefits	61,955	61,955	96,654	(34,699)
Purchased services	3,465,800	7,125,800	7,469,559	(343,759)
Supplies and materials	2,660,000	3,275,000	3,676,028	(401,028)
Capital outlay	53,315,136	139,075,136	53,158,403	85,916,733
Other	275,000	170,000	168,210	1,790
Interest expense	-	70,000	69,296	704
Total expenditures	60,087,668	150,087,668	65,158,270	84,929,398
Excess of revenues under expenditures	(60,077,668)	(150,077,668)	(64,490,625)	85,587,043
Other Financing Sources				
Proceeds of bonds	-	90,000,000	50,100,000	(39,900,000)
Premium received on issuance of bonds	-	-	1,427,510	1,427,510
Total other financing sources	-	90,000,000	51,527,510	(38,472,490)
Net change in fund balance, budgetary basis	<u>\$ (60,077,668)</u>	<u>\$ (60,077,668)</u>	(12,963,115)	<u>\$ 47,114,553</u>
Reconciliation to US GAAP basis				
Deferred revenue recognition of investment income			88,031	
Change in fund balance, US GAAP basis			(12,875,084)	
Fund balance, beginning			87,573,530	
Fund balance, ending			<u>\$ 74,698,446</u>	

SUPPLEMENTARY SCHEDULES – PROPRIETARY FUNDS

St. Vrain Valley School District RE-1J

**Food Service Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets - Budget and Actual
(Non-US GAAP Basis)
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment income	\$ 8,000	\$ 4,645	\$ (3,355)
Charges for service	2,911,000	2,800,091	(110,909)
Miscellaneous	30,000	20,755	(9,245)
State match	52,000	52,274	274
National School Lunch/Breakfast Program	1,300,600	1,445,212	144,612
Total revenues	4,301,600	4,322,977	21,377
Expenses			
Salaries	1,585,000	1,565,124	19,876
Benefits	336,625	355,555	(18,930)
Purchased services	205,000	228,247	(23,247)
Supplies and materials	2,100,000	1,822,245	277,755
Capital outlay	100,000	75,112	24,888
Other	100,000	100,000	-
Total expenses	4,426,625	4,146,283	280,342
Net income (loss), budgetary basis	(125,025)	176,694	301,719
Reconciliation to US GAAP basis			
Depreciation	-	(114,709)	(114,709)
Capital outlay - capitalized	-	29,313	29,313
Loss on disposal of equipment	-	(8,763)	(8,763)
Commodities received	-	170,329	170,329
Commodities used	-	(170,388)	(170,388)
Change in net assets, US GAAP basis	\$ (125,025)	82,476	\$ 207,501
Net assets, beginning		1,771,409	
Net assets, ending		\$ 1,853,885	

St. Vrain Valley School District RE-1J

**Internal Service Funds
Combining Statement of Fund Net Assets
June 30, 2004**

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
Assets			
Cash and investments	\$ 3,860,720	\$ 1,715,361	\$ 5,576,081
Accounts receivable	3,172	460,587	463,759
Prepaid expenses	<u>-</u>	<u>291,102</u>	<u>291,102</u>
Total assets	<u>3,863,892</u>	<u>2,467,050</u>	<u>6,330,942</u>
Liabilities			
Accounts payable	43,717	101,776	145,493
Claims payable	<u>248,296</u>	<u>-</u>	<u>248,296</u>
Total liabilities	<u>292,013</u>	<u>101,776</u>	<u>393,789</u>
Net Assets			
Reserved for TABOR	2,189,315	-	2,189,315
Reserved for contingencies	-	1,527,662	1,527,662
Unrestricted	<u>1,382,564</u>	<u>837,612</u>	<u>2,220,176</u>
Total net assets	<u><u>\$ 3,571,879</u></u>	<u><u>\$ 2,365,274</u></u>	<u><u>\$ 5,937,153</u></u>

St. Vrain Valley School District RE-1J

**Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2004**

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues			
Charges for service	\$ 970,906	\$ 10,077,375	\$ 11,048,281
	<u>970,906</u>	<u>10,077,375</u>	<u>11,048,281</u>
Operating Expenses			
Salaries	137,390	84,702	222,092
Benefits	23,285	17,150	40,435
Purchased services	771,055	-	771,055
Supplies and materials	26,603	39	26,642
Capital Outlay	7,953	-	7,953
Other	1,067	-	1,067
Claims paid	539,929	8,166,413	8,706,342
	<u>1,507,282</u>	<u>8,268,304</u>	<u>9,775,586</u>
Total operating expenses	<u>1,507,282</u>	<u>8,268,304</u>	<u>9,775,586</u>
Operating income (loss)	(536,376)	1,809,071	1,272,695
Non-Operating Revenues			
Investment income	34,103	12,341	46,444
Miscellaneous	345	-	345
	<u>34,448</u>	<u>12,341</u>	<u>46,789</u>
Total non-operating revenues	<u>34,448</u>	<u>12,341</u>	<u>46,789</u>
Net income (loss)	(501,928)	1,821,412	1,319,484
Net assets, beginning	4,073,807	543,862	4,617,669
Net assets, ending	<u>\$ 3,571,879</u>	<u>\$ 2,365,274</u>	<u>\$ 5,937,153</u>

St. Vrain Valley School District RE-1J

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2004**

	<u>Risk Management Fund</u>	<u>Minimum Medical Insurance Liability Fund</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash received from customers	\$ 993,289	\$ 9,616,788	\$ 10,610,077
Cash paid to suppliers	(1,057,682)	(10,357,486)	(11,415,168)
Cash paid to employees	<u>(160,675)</u>	<u>(101,852)</u>	<u>(262,527)</u>
Net cash used by operating activities	<u>(225,068)</u>	<u>(842,550)</u>	<u>(1,067,618)</u>
Cash Flows from Noncapital Financing Activities			
Cash received from other sources	345	-	345
Cash Flows from Investing Activities			
Investment income	<u>34,103</u>	<u>12,341</u>	<u>46,444</u>
Decrease in cash and cash equivalents	(190,620)	(830,209)	(1,020,829)
Cash and cash equivalents, beginning of year	<u>4,051,340</u>	<u>2,545,570</u>	<u>6,596,910</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,860,720</u></u>	<u><u>\$ 1,715,361</u></u>	<u><u>\$ 5,576,081</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities			
Operating income (loss)	\$ (536,376)	\$ 1,809,071	\$ 1,272,695
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities			
Accounts receivable	22,383	(460,587)	(438,204)
Prepaid expenses	-	(291,102)	(291,102)
Accounts payable	40,629	11,030	51,659
Claims payable	<u>248,296</u>	<u>(1,910,962)</u>	<u>(1,662,666)</u>
Net cash used by operating activities	<u><u>\$ (225,068)</u></u>	<u><u>\$ (842,550)</u></u>	<u><u>\$ (1,067,618)</u></u>
Non-Cash Transactions			
Change in insurance liability estimate	<u><u>\$ -</u></u>	<u><u>\$ 1,910,962</u></u>	<u><u>\$ 1,910,962</u></u>

St. Vrain Valley School District RE-1J

**Risk Management Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets - Budget and Actual
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment income	\$ 37,500	\$ 34,103	\$ (3,397)
Charges for service	979,663	970,906	(8,757)
Miscellaneous	300	345	45
Total revenues	<u>1,017,463</u>	<u>1,005,354</u>	<u>(12,109)</u>
Expenses			
Salaries	193,000	137,390	55,610
Benefits	38,600	23,285	15,315
Purchased services	1,117,750	771,055	346,695
Claims paid	444,000	539,929	(95,929)
Supplies and materials	45,000	26,603	18,397
Capital Outlay	5,000	7,953	(2,953)
Other	-	1,067	(1,067)
Total expenses	<u>1,843,350</u>	<u>1,507,282</u>	<u>336,068</u>
Change in net assets, budgetary basis	<u>\$ (825,887)</u>	(501,928)	<u>\$ 323,959</u>
Net assets, beginning		<u>4,073,807</u>	
Net assets, ending		<u>\$ 3,571,879</u>	

St. Vrain Valley School District RE-1J

**Minimum Medical Insurance Liability Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets - Budget and Actual
(Non-US GAAP Basis)
For the Year Ended June 30, 2004**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	\$ 6,500	\$ 6,500	\$ 12,341	\$ 5,841
Charges for service	<u>10,642,220</u>	<u>10,642,220</u>	<u>10,077,375</u>	<u>(564,845)</u>
Total revenues	<u>10,648,720</u>	<u>10,648,720</u>	<u>10,089,716</u>	<u>(559,004)</u>
Expenses				
Salaries	88,500	88,500	84,702	3,798
Benefits	17,500	17,500	17,150	350
Supplies and materials	4,000	4,000	39	3,961
Claims paid	<u>9,642,500</u>	<u>10,367,500</u>	<u>10,077,375</u>	<u>290,125</u>
Total expenses	<u>9,752,500</u>	<u>10,477,500</u>	<u>10,179,266</u>	<u>298,234</u>
Change in net assets, budgetary basis	<u>\$ 896,220</u>	<u>\$ 171,220</u>	(89,550)	<u>\$ (260,770)</u>
Reconciliation to US GAAP basis				
Change in insurance liability estimate			<u>1,910,962</u>	
Change in net assets, US GAAP basis			1,821,412	
Net assets, beginning			<u>543,862</u>	
Net assets, ending			<u>\$ 2,365,274</u>	

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SUPPLEMENTARY SCHEDULES – FIDUCIARY FUNDS

St. Vrain Valley School District RE-1J

Student Scholarship Fund
Schedule of Additions, Deductions, and Changes in Net Assets - Budget and Actual
For the Year Ended June 30, 2004

	Original and Final Budget	Actual	Variance Positive (Negative)
Additions			
Investment income	\$ 750	\$ 514	\$ (236)
Contributions	<u>65,000</u>	<u>121,344</u>	<u>56,344</u>
Total additions	<u>65,750</u>	<u>121,858</u>	<u>56,108</u>
Deductions			
Scholarships	<u>209,552</u>	<u>78,350</u>	<u>131,202</u>
Total deductions	<u>209,552</u>	<u>78,350</u>	<u>131,202</u>
Change in net assets, budgetary basis	<u>\$ (143,802)</u>	43,508	<u>\$ 187,310</u>
Net assets, beginning		<u>132,788</u>	
Net assets, ending		<u>\$ 176,296</u>	

St. Vrain Valley School District RE-1J

**Student Activity Fund
Schedule of Additions, Deductions, and Changes in Undistributed Monies - Budget and Actual
For the Year Ended June 30, 2004**

	Original and Final Budget	Actual	Variance Positive (Negative)
Additions			
Investment income	\$ 21,000	\$ 3,516	\$ (17,484)
Student activity sources from schools	3,000,000	3,823,668	823,668
Athletic/Activity participation fees	<u>414,000</u>	<u>427,292</u>	<u>13,292</u>
Total additions	<u>3,435,000</u>	<u>4,254,476</u>	<u>819,476</u>
Deductions			
Student activities	5,625,482	3,773,574	1,851,908
Athletics/Activity programs	<u>254,124</u>	<u>336,544</u>	<u>(82,420)</u>
Total deductions	<u>5,879,606</u>	<u>4,110,118</u>	<u>1,769,488</u>
Change in undistributed monies, budgetary basis	<u><u>\$ (2,444,606)</u></u>	144,358	<u><u>\$ 2,588,964</u></u>
Undistributed monies, beginning		<u>2,025,949</u>	
Undistributed monies, ending		<u><u>\$ 2,170,307</u></u>	

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COMPONENT UNITS

Charter Schools

Twin Peaks Charter Academy began operations in the fall of fiscal year 1998 to serve students in grades K through 8.

Ute Creek Charter Academy began operations in the fall of fiscal year 2001 to serve students in grades 9 through 12.

St. Vrain Valley School District RE-1J

**Component Units
Charter Schools
Combining Balance Sheet
June 30, 2004**

	<u>Twin Peaks Charter Academy</u>	<u>Ute Creek Charter Academy</u>	<u>Totals</u>
Assets			
Cash and investments	\$ 974,361	\$ 53,033	\$ 1,027,394
Accounts receivable	<u>74,132</u>	<u>5</u>	<u>74,137</u>
Total assets	<u><u>\$ 1,048,493</u></u>	<u><u>\$ 53,038</u></u>	<u><u>\$ 1,101,531</u></u>
Liabilities			
Accounts payable	\$ 134,684	\$ 43,292	\$ 177,976
Accrued salaries and benefits	<u>154,160</u>	<u>116,970</u>	<u>271,130</u>
Total liabilities	<u>288,844</u>	<u>160,262</u>	<u>449,106</u>
Fund Balances			
Reserved for TABOR	70,115	38,186	108,301
Unreserved	<u>689,534</u>	<u>(145,410)</u>	<u>544,124</u>
Total fund balances	<u>759,649</u>	<u>(107,224)</u>	<u>652,425</u>
Total liabilities and fund balances	<u><u>\$ 1,048,493</u></u>	<u><u>\$ 53,038</u></u>	<u><u>\$ 1,101,531</u></u>

St. Vrain Valley School District RE-1J

**Component Units
Charter Schools
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 2004**

	<u>Twin Peaks Charter Academy</u>	<u>Ute Creek Charter Academy</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ 2,302,012	\$ 1,232,136	\$ 3,534,148
Investment income	6,527	-	6,527
Charges for services	89,041	1,900	90,941
Miscellaneous	8,175	16,625	24,800
State revenues	74,971	42,998	117,969
Federal grants	<u>68,449</u>	<u>-</u>	<u>68,449</u>
Total revenues	<u>2,549,175</u>	<u>1,293,659</u>	<u>3,842,834</u>
Expenditures			
Current			
Instruction	1,736,810	704,714	2,441,524
Supporting services	<u>600,350</u>	<u>568,148</u>	<u>1,168,498</u>
Total expenditures	<u>2,337,160</u>	<u>1,272,862</u>	<u>3,610,022</u>
Excess of revenues over expenditures	212,015	20,797	232,812
Fund balances (deficit), beginning	<u>547,634</u>	<u>(128,021)</u>	<u>419,613</u>
Fund balances (deficit), ending	<u><u>\$ 759,649</u></u>	<u><u>\$ (107,224)</u></u>	<u><u>\$ 652,425</u></u>

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**STATISTICAL SECTION
(UNAUDITED)**

St. Vrain Valley School District RE-1J
Governmental Fund Type Expenditures by Function (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	General Administration Services	School Administration Services	Business Administration Services	Central Administration Services
1995	45,535,645	3,377,973	2,614,197	699,862	5,934,913	9,012,239	3,059,548
1996	47,744,131	4,134,436	3,578,911	936,350	6,013,499	9,391,440	2,618,872
1997	49,884,985	4,255,375	3,565,635	395,023	5,850,905	9,829,822	2,720,529
1998	51,871,099	4,414,383	5,041,713	1,960,666	6,162,093	10,369,327	1,400,476
1999	51,688,750	4,601,941	4,154,056	983,204	6,468,363	14,286,412	2,375,276
2000	58,871,181	4,394,382	5,179,405	818,683	7,238,179	12,387,831	3,091,529
2001	65,481,607	4,759,902	5,587,974	1,129,190	7,762,100	11,190,188	3,853,774
2002	76,361,541	5,482,330	6,349,810	1,250,865	8,890,343	14,260,329	4,642,996
2003	80,128,867	6,074,496	5,574,877	1,050,030	8,938,883	14,882,859	2,904,187
2004	78,773,774	5,868,972	4,806,277	1,139,992	8,892,382	15,624,380	2,645,406

St. Vrain Valley School District RE-1J
Governmental Fund Type Expenditures by Percent
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	General Administration Services	School Administration Services	Business Administration Services	Central Administration Services
1995	55.81%	4.14%	3.20%	0.86%	7.27%	11.05%	3.75%
1996	53.86%	4.66%	4.04%	1.06%	6.78%	10.60%	2.95%
1997	55.08%	4.70%	3.94%	0.44%	6.46%	10.85%	3.00%
1998	51.77%	4.41%	5.03%	1.96%	6.15%	10.35%	1.40%
1999	39.84%	3.55%	3.20%	0.76%	4.99%	11.01%	1.83%
2000	37.80%	2.82%	3.33%	0.53%	4.65%	7.95%	1.98%
2001	42.44%	3.09%	3.62%	0.73%	5.03%	7.25%	2.50%
2002	51.17%	3.67%	4.26%	0.84%	5.96%	9.56%	3.11%
2003	52.42%	3.97%	3.65%	0.69%	5.85%	9.74%	1.90%
2004	37.86%	2.82%	2.31%	0.55%	4.27%	7.51%	1.27%

(1) Includes the following funds: General, Bond Redemption, Building, Capital Reserve, Community Education, Fair Contributions, Governmental Designated-Purpose Grants, and Vance Brand Civic Auditorium

Source: St. Vrain Valley School District RE-1J Audited Financial Statements FY 1995 - FY 2004

Community Services	Other Supporting Services	Scholarships	Student Activities	Debt Service	Capital Projects	Transfer to Charter School	Total
32,315	716,620	-	1,973,806	5,279,720	3,356,537		81,593,375
61,208	98,045	62,764	2,160,405	9,355,184	2,482,594		88,637,839
54,395	826,533	54,498	2,347,566	8,209,595	2,573,939		90,568,800
-	280,095	52,908	1,742,398	9,713,134	7,188,758		100,197,050
-	2,328,483	54,156	2,256,810	12,418,742	26,472,845	1,666,402	129,755,440
335,043	821,290	100,955	3,070,276	12,801,726	44,918,052	1,719,679	155,748,211
312,596	3,335,439	62,449	3,421,869	13,224,904	31,480,196	2,674,018	154,276,206
427,551	5,179,031	-	-	14,474,104	8,520,264	3,377,987	149,217,151
501,217	911,815	-	-	16,092,981	12,403,164	3,384,910	152,848,286
489,368	982,517	-	-	20,752,341	64,498,383	3,614,485	208,088,277

Community Services	Other Supporting Services	Scholarships	Student Activities	Debt Service	Capital Projects	Transfer to Charter School	Total
0.04%	0.88%	0.00%	2.42%	6.47%	4.11%		100.00%
0.07%	0.11%	0.07%	2.44%	10.55%	2.80%		100.00%
0.06%	0.91%	0.06%	2.59%	9.06%	2.84%		100.00%
0.00%	0.28%	0.05%	1.74%	9.69%	7.17%		100.00%
0.00%	1.79%	0.04%	1.74%	9.57%	20.40%	1.28%	100.00%
0.22%	0.53%	0.06%	1.97%	8.22%	28.84%	1.10%	100.00%
0.20%	2.16%	0.04%	2.22%	8.57%	20.41%	1.73%	100.00%
0.29%	3.47%	0.00%	0.00%	9.70%	5.71%	2.26%	100.00%
0.33%	0.60%	0.00%	0.00%	10.53%	8.11%	2.21%	100.00%
0.24%	0.47%	0.00%	0.00%	9.97%	31.00%	1.74%	100.00%

St. Vrain Valley School District RE-1J
General Fund Type Expenditures by Function
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	General Administration Services	School Administration Services	Business Administration Services
1995	43,156,184	3,377,973	2,614,197	699,862	5,934,913	9,012,239
1996	45,470,011	3,830,390	3,348,574	932,585	5,826,291	9,342,088
1997	47,442,887	3,938,606	3,382,389	395,023	5,672,997	9,806,661
1998	(1) 49,186,846	3,641,236	5,041,713	1,960,666	6,162,093	7,562,569
1999	48,850,979	3,599,857	4,154,056	983,206	6,468,363	7,525,455
2000	54,611,008	4,127,227	4,492,403	816,427	6,918,215	8,961,468
2001	61,584,980	4,468,233	4,650,292	1,079,141	7,666,591	10,312,852
2002	72,596,090	5,091,947	5,416,404	1,223,129	8,817,167	11,722,332
2003	75,656,360	5,474,389	4,352,127	1,050,030	8,926,643	11,264,246
2004	71,255,147	5,346,574	3,259,311	1,128,130	8,686,265	11,281,892

(1) The amounts may not be comparable from 1998 due to the state mandated chart of account code system.

Source: St. Vrain Valley School District RE-1J Audited Financial Statements FY 1995 - FY 2004

Transportation Services	Central Administration Services	Community/ Other Services	Transfer to Charter School	Total	Percent Increase (Decrease) in Expenditures
	3,059,548	32,315		67,887,231	
	2,618,872	4,375		71,373,186	5.13%
	2,720,529	19,293		73,378,385	2.81%
1,960,666	1,400,476	280,095		77,196,360	5.20%
1,994,844	2,375,276	2,328,472	1,666,402	79,946,910	3.56%
2,078,012	2,855,917	880,833	1,719,679	87,461,189	9.40%
2,422,251	2,855,756	1,557,386	2,674,018	99,271,500	13.50%
2,476,072	3,227,679	701,987	3,377,987	114,650,794	15.49%
2,654,504	2,282,317	886,431	3,384,910	115,931,957	1.12%
2,630,181	1,936,902	909,686	3,614,485	110,048,573	-5.07%

St. Vrain Valley School District RE-1J
Governmental Fund Type Revenues by Source (1)
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Local Sources						State Sources		
	Property Tax	Specific Ownership Tax	Interest	Tuition	Miscell- aneous	Student Activities	Equalization	Special Education	Vocational Education
1995	33,215,868	2,652,887	739,653	939,785	735,264	1,864,938	36,982,492	1,340,879	528,853
1996	35,426,942	2,875,745	800,453	977,597	554,999	2,019,068	37,969,748	1,430,404	504,777
1997	36,851,082	3,125,703	869,275	967,317	664,772	2,220,985	40,140,659	1,388,376	690,317
1998	42,586,147	3,544,255	3,839,985	1,115,788	835,287	1,762,686	41,779,634	1,470,609	762,839
1999	45,575,578	4,117,446	6,576,589	1,484,935	1,147,820	2,258,914	45,127,475	1,460,390	760,758
2000	47,332,883	4,518,589	4,412,837	1,490,324	1,293,154	2,992,825	47,208,976	1,702,911	519,999
2001	49,709,527	4,840,145	2,709,536	1,734,421	2,251,449	3,494,052	51,470,640	1,940,781	903,243
2002	53,893,253	5,215,842	719,089	1,252,835	2,397,577	-	57,635,616	1,623,705	632,418
2003	64,702,443	5,437,653	701,050	1,693,973	2,832,468	-	65,031,135	1,719,087	672,151
2004	68,547,345	5,980,112	1,337,257	1,748,145	3,113,349	-	68,733,866	1,808,991	409,673

- (1) Includes the following funds: General, Bond Redemption, Building, Capital Reserve, Community Education, Fair Contributions, Governmental Designated-Purpose Grants, and Vance Brand Civic Auditorium

Source: St. Vrain Valley School District RE-1J Audited Financial Statements FY 1995 - FY 2004

State Sources, continued				Federal Sources				Total	Percent Increase in Revenues
Trans- portation	Special Entitle- ments	Miscell- aneous	State Grants	Public Law 84-874	Adult Education	Miscell- aneous	Federal Grants		
648,444	-	30,000	71,881	17,357	38,856	-	2,241,196	82,048,353	
729,742	-	-	131,976	20,132	50,025	-	2,239,120	85,730,728	4.49%
756,430		114,755	102,378	-	50,025	-	2,191,439	90,133,513	5.14%
717,898	-	6,500	270,062	-	102,538	-	2,349,053	101,143,281	12.21%
740,110	-	-	233,602	-	16,617	-	2,641,814	112,142,048	10.87%
734,149	-	-	109,949	-	126,237	-	2,992,457	115,435,290	2.94%
718,597	-	-	208,908	-	66,670	-	3,337,118	123,385,087	6.89%
741,747	-	-	1,389,217	-	88,480	-	3,949,135	129,538,914	4.99%
775,344	-	-	558,280	-	108,280	-	4,236,441	148,468,305	14.61%
927,652	-	-	449,730	-	139,217	50,947	5,727,449	158,973,733	7.08%

St. Vrain Valley School District RE-1J
General Fund Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Local Sources					State Sources		
	Property Tax	Specific Ownership Tax	Interest	Tuition	Misc- ellaneous	Equalization	Special Education	Vocational Education
1995	26,133,497	2,652,887	319,944	118,879	51,886	36,982,492	1,340,879	528,853
1996	27,575,746	2,875,745	278,802	116,459	61,009	37,969,748	1,430,404	504,777
1997	28,672,010	3,125,703	261,392	24,059	105,703	40,140,659	1,388,376	690,317
1998	30,666,358	3,544,255	437,064	96,221	86,065	39,207,055	1,470,609	762,839
1999	33,142,554	4,117,446	409,133	82,464	34,449	42,166,580	1,460,390	760,758
2000	34,441,183	4,518,589	374,039	113,759	208,446	47,208,976	1,465,817	519,999
2001	36,773,962	4,840,145	481,669	135,886	284,241	47,841,873	1,510,188	903,243
2002	40,028,259	5,215,842	173,428	37,011	268,568	53,751,103	1,623,705	632,418
2003	42,393,835	5,437,653	132,023	39,031	637,200	60,740,008	1,719,087	672,151
2004	44,394,617	5,980,112	814,367	33,389	605,380	64,338,584	1,808,991	409,673

Source: St. Vrain Valley School District RE-1J Audited Financial Statements FY 1995 - FY 2004

State Sources, continued			Federal Sources			Total	Percent Increase in Revenues
Trans- portation	Special Entitlements	Misc- ellaneous	Public Law 84-874	Adult Education	Misc- ellaneous		
648,444	-	30,000	17,357	38,856	-	68,863,974	
717,377	-	80,345	20,132	50,025	6,576	71,687,145	4.10%
756,430	-	184,238	-	50,025	-	75,398,912	5.18%
717,898	-	171,725	-	102,538	26,690	77,289,317	2.51%
740,110	-	183,544	-	16,617	-	83,114,045	7.54%
734,149	-	237,094	-	126,237	-	89,948,288	8.22%
718,597	-	208,908	-	66,670	-	93,765,382	4.24%
741,747	-	763,662	-	88,480	-	103,324,223	10.19%
775,344	-	219,260	-	108,280	-	112,873,872	9.24%
927,652	-	241,814	-	139,217	50,947	119,744,743	6.09%

St. Vrain Valley School District RE-1J
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)
1994	1995	33,194,577	32,511,372	97.94%	704,496	33,215,868	100.06%	1,189,726
1995	1996	35,606,123	35,391,053	99.40%	35,889	35,426,942	99.50%	794,035
1996	1997	37,521,941	36,321,003	96.80%	530,080	36,851,083	98.21%	1,162,878
1997	1998	43,407,240	42,112,871	97.02%	473,276	42,586,147	98.11%	1,294,368
1998	1999	46,159,628	44,625,780	96.68%	949,798	45,575,578	98.73%	1,517,561
1999	2000	47,567,770	46,182,829	97.09%	1,158,749	47,341,578	99.52%	939,033
2000	2001	49,947,551	48,541,456	97.18%	1,168,071	49,709,527	99.52%	753,125
2001	2002	54,340,378	53,818,169	99.04%	75,084	53,893,253	99.18%	522,209
2002	2003	65,212,583	63,192,297	96.90%	1,510,146	64,702,443	99.22%	2,020,286 (2)
2003	2004	68,894,334	66,833,309	97.01%	1,506,777	68,340,086	99.20%	2,061,024 (2)

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

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

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

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

Levy Year	Collection Year	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage (1)	Total County Millage	City of Longmont Millage
1993	1994	50.716	22.245	22.457	21.571		66.273	13.420
1994	1995	50.452	22.245	22.038	21.723		66.006	13.420
1995	1996	48.432	20.897	22.038	20.905		63.840	13.420
1996	1997	48.393	21.447	22.038	21.432		64.917	13.420
1997	1998	50.022	21.726	22.038	21.293		65.057	13.420
1998	1999	49.635	22.245	22.038	21.656		65.939	13.420
1999	2000	44.096	19.835	22.038	21.614		63.487	13.420
2000	2001	36.256	17.621	20.559	22.461	28.968	89.609	13.420
2001	2002	41.025	20.087	20.056	22.421	28.968	91.532	13.420
2002	2003	40.374	20.088	21.474	22.423	28.968	92.953	13.420

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

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

St. Vrain Valley School District RE-1J
Principal Taxpayers of
Boulder/Longmont Area
(Unaudited)

Name	2003 Assessed Valuation	Percent of Assessed Valuation (1)
Amgen Inc.	\$ 41,593,310	2.44%
Pratt Land Limited Liability Co.	29,134,360	1.71%
Seagate Technology LLC	19,854,620	1.16%
Kerr-McGee Rocky Mountain Corp.	16,734,480	0.98%
Qwest Corporation	12,167,500	0.71%
Xilinx, Inc.	9,955,320	0.58%
Maxtor Corporation	9,345,340	0.55%
Twin Peaks Mall Associated Ltd.	8,229,210	0.48%
Cemex, Inc.	7,983,350	0.47%
Public Service Company of Colorado	7,496,460	0.44%
Total	<u>\$ 162,493,950</u>	<u>9.52%</u>

(1) Based on a 2003 certified assessed valuation of \$1,706,403,453

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
Computation of Legal Debt Margin
June 30, 2004
(Unaudited)

2003 Total Actual Value	\$ 13,775,375,428
Debt Limit Percentage	<u>6.00%</u>
Legal debt limit	826,522,526
Amount of debt applicable to debt limit:	
Total bonded debt as of June 30, 2004	<u>278,315,000</u>
Legal debt margin	<u><u>\$ 548,207,526</u></u>

Source: Assessors' Offices of Boulder, Larimer, and Weld 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
Ratio of Net General Obligation Bonded Debt to
Assessed Value
Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	Assessed Value	Gross Bonded General Obligation Debt		Less Debt Service Funds	Net Bonded Debt	Bonded Debt to Assessed Value
1994	1995	657,943,730	63,843,000		7,878,256	55,964,744	8.51%
1995	1996	735,177,630	57,220,000		6,748,360	50,471,640	6.87%
1996	1997	775,358,859	52,516,190		7,302,450	45,213,740	5.83%
1997	1998	867,762,980	150,577,855	(1)	10,024,006	140,553,849	16.20%
1998	1999	929,981,486	147,338,917		10,777,318	136,561,599	14.68%
1999	2000	1,078,731,870	143,606,264		11,307,320	132,298,944	12.26%
2000	2001	1,184,349,020	141,309,000		11,195,114	130,113,886	10.99%
2001	2002	1,498,796,828	139,368,000		11,415,777	127,952,223	8.54%
2002	2003	1,589,581,541	228,035,000	(2), (3)	19,625,088	208,409,912	13.11%
2003	2004	1,706,403,453	278,315,000		24,180,448	254,134,552	14.89%

(1) As a result of a positive bond election on November 18, 1997, the District sold bonds in the amount of \$98,675,000 for the purpose of general construction and renovations.

(2) In December, 2002 an amount of \$40,703,000 of the 1992 general obligation/refunding bonds were advanced refunded.

(3) As a result of a positive bond election on November 5, 2002, the District sold bonds in the amount of \$92,000,000 for the purpose of general construction and renovations.

Source: St. Vrain Valley School District RE-1J

St. Vrain Valley School District RE-1J
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Fund Expenditures
Last Ten Years
(Unaudited)

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to Total General Fund Expenditures
1995	2,224,803	3,054,917	5,279,720	67,887,231	7.78%
1996	6,625,000	2,730,184	9,355,184	71,373,186	13.11%
1997	5,522,810	2,561,785	8,084,595	73,378,385	11.02%
1998	4,490,000	4,971,544	9,461,544	77,196,360	12.26%
1999	4,982,937	7,435,805	12,418,742	80,162,303	15.49%
2000	3,732,653	7,414,070	11,146,723	85,741,510	13.00%
2001	5,869,000	7,355,904	13,224,904	99,271,500	13.32%
2002	6,377,460	7,266,870	13,644,330	114,650,794	11.90%
2003	6,502,500	7,958,688	14,461,188	115,855,676	12.48%
2004	8,580,000	11,132,546	19,712,546	109,995,946	17.92%

Source: St. Vrain Valley School District RE-1J Audited Financial Statements FY 1995 - FY 2004

St. Vrain Valley School District RE-1J
Computation of Direct and Overlapping Debt
General Obligation Bonds
(Unaudited)

Name of Overlapping Entity	2003 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	\$ 136,587,280	\$ 1,990,000	6.89%	\$ 137,111
City & County of Broomfield	851,670,422	4,215,000	0.06%	2,529
Carbon Valley Recreation District	157,984,690	7,000,000	96.41%	6,748,700
Town of Erie	109,470,125	3,935,000	67.35%	2,650,222
Town of Firestone	54,688,970	540,000	99.58%	537,732
Town of Frederick	78,147,410	1,270,027	100.00%	1,270,027
Frederick - Firestone Fire Protection Dist.	111,565,970	4,010,000	100.00%	4,010,000
Gunbarrel Estates Metro Park & Rec.	9,282,130	110,500	100.00%	110,500
Johnstown Fire Protection District	84,584,560	188,473	0.35%	659
Left Hand Water & Sanitation District	5,036,130	337,013	100.00%	337,013
City of Longmont	940,330,671	9,335,000	100.00%	9,335,000
Lyons Fire Protection District	46,010,205	120,000	80.63%	96,756
Mountain View Fire District	985,151,744	980,000	91.66%	898,268
No. Colorado Water Cons. District	10,155,944,280	3,807,462	16.36%	622,900
St. Vrain Sanitation District	130,742,350	3,125,000	98.94%	3,091,875
Vista Ridge Metropolitan District	7,843,730	26,920,000	100.00%	26,920,000
Total				<u>\$ 56,769,292</u>

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2003, 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
Assessed Valuation for All Counties
Last Ten Fiscal Years
(Unaudited)

Levy Year	Collection Year	Boulder County	Weld County	Larimer County	Broomfield County (1)	Total
1994	1995	558,199,240	95,956,900	3,787,590		657,943,730
1995	1996	620,339,850	110,811,400	4,026,380		735,177,630
1996	1997	659,648,230	111,416,339	4,294,290		775,358,859
1997	1998	728,374,550	134,596,310	4,792,120		867,762,980
1998	1999	773,949,050	151,123,316	4,909,120		929,981,486
1999	2000	900,888,590	171,909,070	5,934,210		1,078,731,870
2000	2001	971,381,420	206,730,700	6,236,900		1,184,349,020
2001	2002	1,198,128,330	290,579,978	9,286,040	802,480	1,498,796,828
2002	2003	1,245,245,896	333,985,405	9,045,200	1,305,040	1,589,581,541
2003	2004	1,332,931,361	361,986,272	9,386,550	2,099,270	1,706,403,453

Assessment Information:

For levy years 1993-94, property was appraised at the 1992 actual value. The Colorado Legislature sets the assessment rate for residential property. The residential rate of 12.86 percent was finalized by the State Board of Equalization in the fall of 1993. All other property was assessed at 29 percent.

For levy years 1995-96, property was appraised at the 1994 actual value. The residential rate was 10.36 percent (per the State's Gallagher Amendment); all other property was assessed at 29 percent.

For levy years 1997-98, property was appraised at the 1994 actual value. The residential rate was 9.74 percent; all other property was assessed at 29 percent.

For levy years 1999-2000, property was appraised at the 1998 actual value. The residential rate was 9.74 percent; all other property was assessed at 29 percent.

For levy years 2001-02, property was appraised at the 2000 actual value. The residential rate was 9.15 percent; all other property was assessed at 29 percent.

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

For levy year 2003, property was appraised at the 2002 actual value. The residential rate was 7.96 percent; all other property was assessed at 29 percent.

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
Student Count
Last Ten Fiscal Years
(Unaudited)

Collection Year	Student Membership/ Enrollment (1)	Student Full-Time Equivalency (FTE) As of October 1 (2)	
1995	16,537.00	15,707.00	
1996	16,871.00	16,034.50	
1997	17,090.00	16,300.00	
1998	17,583.00	16,678.00	
1999	18,009.00	17,156.00	
2000	18,310.00	17,469.00	
2001	19,113.00	18,232.50	
2002	20,038.00	19,209.50	
2003	20,631.00	19,783.50	
2004	20,913.00	20,174.00	(3)

- (1) Student membership/enrollment represents the actual number of students attending St. Vrain Valley School District RE-1J.
- (2) Student full-time equivalency (FTE) represents the amount of time the students are actually attending classes.
- (3) Student counts for fiscal year 2004 are pending CDE's annual audit

Source: St. Vrain Valley School District RE-1J

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