Comprehensive Annual Financial Report

St. Vrain Valley School District RE-1J

Longmont, Colorado

Year Ended June 30, 2005

Grant Thornton

St. Vrain Valley
School District

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

City and County of Broomfield,
Boulder, Larimer, and Weld Counties

Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2005

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

TABLE OF CONTENTS

June 30, 2005

St. Vrain Valley School District RE-1J

TABLE OF CONTENTS (CONTINUED)

June 30, 2005

FINANCIAL SECTION (Continued) **Page**

Supplemental Information

St. Vrain Valley School District RE-1J

TABLE OF CONTENTS (CONTINUED)

June 30, 2005

FINANCIAL SECTION (Continued) **Page**

Supplemental Information (Continued)

STATISTICAL SECTION (Unaudited)

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INTRODUCTORY SECTION

St. Vrain Valley School District RE-1J

OUR VISION

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

OUR MISSION

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

St. Vrain Valley School District RE-1J

BOARD OF EDUCATION
2004-2005

Pictured from left to right:

Mr. John Caldwell, Mr. Robert Auman, President Sandra Searls,
Secretary Mike Rademacher, Vice President Kathy Hall,
Assistant Secretary/Treasurer Merrill Bohaning, and Treasurer Edwin Smith

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St. Vrain Valley
School District

October 12, 2005

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the St. Vrain Valley School District RE-1J (the District) for the year ended June 30, 2005 as mandated by both local policy and state statutes. These policies and statutes require that the District issue annually a report on its financial position and activity, and that the financial statements be audited by an independent firm of certified public accountants. The June 30, 2005, financial statements of the District were audited by Grant Thornton LLP. The CAFR was prepared by the Financial Services Department. Responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, rests with management of the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the District as measured by the financial activity of its various funds, and all disclosures necessary to enable the reader to gain an understanding of the District's financial activities for the year ended June 30, 2005 have been included.

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

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes the vision and mission statements of the District, this letter of transmittal, an organizational chart of the District, and a list of the District's elected and primary appointed officials. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements, Notes to Financial Statements, Combining Nonmajor Fund Financial Statements, and Supplementary Schedules, which include financial statements by fund type. The Basic Financial Statements, together with the Independent Auditors Report, Management's Discussion and Analysis and the Notes to Financial Statements are designed to provide a financial overview of the District; the Supplementary Schedules provide more detailed financial information on a fund-by-fund basis. The Statistical Section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The District 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.

THE DISTRICT AND ITS SERVICES

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

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

As required by accounting principles generally accepted in the United States of America, these financial statements present St. Vrain Valley School District RE-1J (the primary government) and its component units. As of June 30, 2005 there were 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.

As of June 30, 2005, the District Board of Education has approved four charter schools: Twin Peaks Charter Academy and Ute Creek Secondary Academy, both operational during the year ended June 30, 2005, and Flagstaff Academy, Inc. and Carbon Valley Academy, both under contracts effective July 1, 2005. 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; therefore, the Charter Schools financial information has been or will be presented as discrete component units.

ECONOMIC CONDITION AND OUTLOOK

State and Local Economy

Although the U.S. economy has shown modest growth in 2005, the Colorado economy continues to lag behind. Prior to hurricanes *Katrina* and *Rita,* there were signs of continuing recovery, including a rising small business index, an expanding services sector, and an expanding manufacturing sector. The outlook for jobs and unemployment in Colorado is positive, with expectations for both to continue improving through 2005 in spite of hurricanes *Katrina* and *Rita;* however, the ultimate impact on the U.S. economy is yet to be determined.

The District is about thirty miles north of Denver. Geographically diverse, the 411 square miles served by the District extends from the Continental Divide out into the agriculture plains. Parts of four counties (Boulder, Broomfield, Larimer and Weld) fall within the District's boundaries. The District also serves thirteen different communities: eastern Boulder, Broomfield, Dacono, Erie, Firestone, Frederick, Hygiene, Longmont, Lyons, Mead, Niwot, Peaceful Valley and Raymond. The District includes more than 126,000 residents. Serving over 22,000 students, it is the tenth largest of the 178 school districts in the state.

The largest community within the District is Longmont (the City), with approximately 81,000 residents. The City's economy continued showing signs of recovery during 2004. Indicators of the future local economy are mixed at the date of this letter. The area unemployment rate dropped from 5.8% in 2003 to 5.0% in 2004. Building permit activity showed positive signs in 2004, but there was a net loss of primary jobs by the end of 2004. During 2004, a total of 845 residential building permits were issued. In 2005, 398 permits for residential properties were issued through July. District-wide, 1,297 residential building permits have been issued through July.

The City is well-positioned to return to a favorable and stable economic environment due to its desirable location and a well-balanced, diversified stable economic base led by high-tech and manufacturing. Growth related goals set forth in the City's Comprehensive Plan support growth and development that allows Longmont to become a sustainable community over the long-term—one that balances economic, environmental and community needs. With a population of 81,000, the City has reached approximately 75% of residential build out, and 41% of its job capacity build out in commercial and industrial development.

<u>Continued Enrollment Growth</u>

District growth continues to be one of the fastest in the state. The fall of 2004 saw an increase of 554 students which is 2.7% more than the prior year. For the fall of 2005, an increase of 746 was budgeted, a continuing growth of nearly 3.5%. Current enrollment projections show an additional 186 students over the amended budget estimate. Over the last 10 years the enrollment growth has averaged more than 500 students per year, as shown in the chart on page 112. Maintaining and improving the quality of the educational services for our students is a continuing challenge as the District continues to grow. To meet this challenge, in the fall of 2004, the Board of Education adopted a five year strategic plan to serve as a guide for planning, decision-making, and resource allocation. More details regarding this plan will be provided later in this letter.

<u>School Financial Issues</u>

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes, specific ownership taxes from vehicle registration, and state equalization, is approximately 96% of the District's General Fund revenues for fiscal year 2004-2005.

The Colorado State Constitutional Amendment 23, passed by the voters in November 2000, requires an increase in per pupil funding of at least inflation, based upon the Denver-Boulder Consumer Price Index rate, plus 1% through the year 2010. For calendar year 2004, the inflation rate was 0.1%, which, together with adjustments in at-risk funding, results in an increase of 1.4% for the 2005-2006 fiscal year over 2004-2005.

Since the discovery of substantial financial shortfalls in the fall of 2002, the District has implemented significant budget reductions and cost containment measures. Efforts have been made to balance these efforts with the educational and facility needs generated by a continually growing student population. Due to limited financial operating resources, the District has delayed construction of 4 new schools approved in the capital construction bond issue approved in November 2002. For the fiscal year 2005-2006, the District's projections indicate operating stability with available funding. However, exorbitant increases in the cost of oil, exacerbated by the recent hurricanes in the Gulf coast, will have a dramatic effect on the utility and gasoline budgets for some time to come. The amended budget for fiscal year 2006, presented to the Board of Education on October 12, has been adjusted for the projected impact of these costs.

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

The assessed property value revisions required by the 1982 Gallagher Amendment have continued to limit increases in the residential assessed values used to levy taxes for the District, even though actual property values for most residential properties are higher. This amendment requires that the residential property share of the total assessed value in the state be stabilized at approximately 45% of the total. However, by fixing the residential percentage share of property tax collections, an increasing portion of the taxes levied continues to be shifted to the commercial and nonresidential property owners.

If assessed values of property decrease or increases are sufficiently restricted, and the mill levy rates restricted by TABOR cannot be increased, the education funding responsibility will continue to be shifted to the state. It is possible that the state may not have sufficient spendable revenue or spending ceiling to meet increased education funding needs each year in the future, due to the limitations imposed by TABOR.

MAJOR INITIATIVES

Navigating Our Course

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

Focus Area 1 – Student Achievement

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

Focus Area 2 – Well-Being

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

Focus Area 3 – Partnerships

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

Colorado Student Assessment Program Tests (CSAP)

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

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

Federal "No Child Left Behind" Act

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

The District met 96% of the targets for fiscal year 2005 and is committed to continue to increase student achievement with an emphasis on closing the achievement gap.

School Bonds and School Facilities

The continuing growth in student enrollment in the District requires ongoing construction to provide adequate District school facilities. Over the last ten years, enrollment has grown by nearly 30%, which is more than 4,900 students. Projections developed by the District Planning Department show that enrollment will continue to increase by approximately 750 students per year over the next four years, to more than 25,000 by 2009.

In November 2002, the voters approved a bond issue of $212.9 million to provide funding for 10 new schools as well as needed additions, remodeling, and updating of many existing buildings. At this time, all projects have been effectively completed with the exception of a new middle school scheduled to open in January 2006, and 4 additional schools yet to be started. According to the recommendations of the District's Long Range Planning Committee, which consists of both community members and District staff, the 2002 bonds will meet District needs until the year 2008.

Additional School Budget Taxes Requested

As discussed earlier, in December 2002, the District implemented substantial budget reductions and cost containment measures in order to provide financial stability. Even with the success of these actions, the District's projections for the fiscal year 2005-2006 do not reflect sufficient funds to open and operate the 4 remaining schools authorized by the bonds. In order to move forward on the construction and operations of these additional schools, as well as implement many of the educational opportunities and provisions of the Strategic Plan, the District asked voters in November 2004 to approve $15 million in tax overrides to provide necessary funding. This measure was narrowly defeated (126 votes, about 0.2%). The Board of Education has again placed this on the ballot for November 2005 with revisions recommended by a community committee modifying the intended use and resulting in a total request of $17.3 million.

FINANCIAL INFORMATION

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

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

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

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

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

Accounting Policies: Detailed descriptions of the District's accounting policies are contained in the Notes to Financial Statements on pages 30-37, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information.

CASH MANAGEMENT

Cash temporarily available during the year was invested primarily in money market accounts and money market investment pools. In making investment decisions, consideration is given to the legality, security, liquidity, and yield of the investment. The District's earnings on investments, government-wide, were $2.3 million for the fiscal year 2004-2005.

Funding sources consist primarily of state equalization aid, property taxes, bond proceeds, and utilization of other cash balances. During 2004-2005, the District borrowed $17,687,978 from the State of Colorado Interest-Free Loan Program to finance seasonal cash flow requirements. The amount borrowed was paid in full by May 13, 2005. The District issued $14 million of General Obligation Building Bonds in April 2005 to fund ongoing capital improvements approved by voters in November 2002, leaving $56.8 million un-issued bonds of the $212.9 million authorized. The District also issued $42.815 million of General Obligation Refunding Bonds in April 2005 to refund $44.010 million of Series 1997 debt at a lower interest rate.

RISK MANAGEMENT

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

OTHER INFORMATION

Independent Audit

Under the provisions of the Colorado statutes, an annual audit of the District's financial statements must be performed by an independent public accounting firm licensed to practice in Colorado. The independent public accounting firm of Grant Thornton LLP was selected by the District's Finance and Audit Committee to perform the audit for the fiscal year ended June 30, 2005. In addition to meeting the requirements of the Colorado statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. The Independent Auditor's Report on the basic financial statements, the combining and individual fund statements and schedules, and supplemental information included in the financial section is on pages 1-2 of the Financial Section.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement and a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report also satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

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

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the team of professionals in the Financial Services Department, as well as the independent auditors, and other administrative staff called upon to provide information and assistance. We would like to express our appreciation to all staff members who assisted and contributed to its preparation, with special thanks to District Accountant, Jane Schein, CPA, without whom we could not have met our very aggressive timeline. We would also like to thank the members of the Finance & Audit Committee and the Board of Education of the St. Vrain Valley School District RE-1J for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

Randy Zila

Dr. Randy Zila
Superintendent

Mark E. Pillmore

Mark E. Pillmore, CPA
Chief Financial Officer

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

INTERNATIONAL

This Certificate of Excellence in Financial Reporting is presented to

St. Vrain Valley School District RE-1J

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Vrain Valley

School District RE-1J,

Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

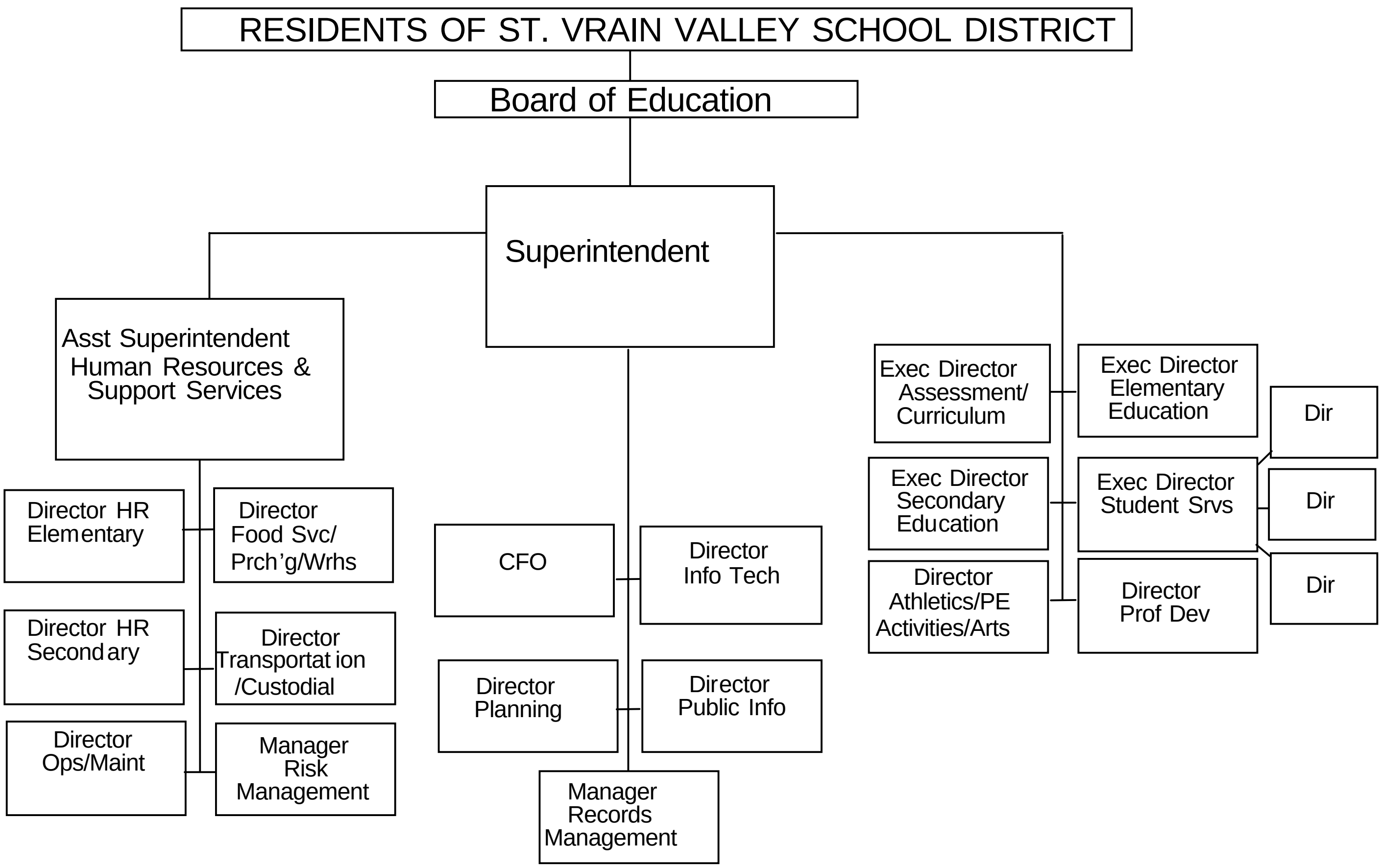
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

President

Executive Director

St. Vrain Valley School District RE-1J

ORGANIZATIONAL CHART



St. Vrain Valley School District RE-1J

Elected Officials

Board of Education as of June 2005

Board Member	Term of Office
Director District A	
Edwin Smith, Treasurer	11/03 - 11/07
Director District B	
Sandi Searls, President	11/01 - 11/05
Director District C	
Robert Auman, Member	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, Asst Secretary/Treasurer	11/03 - 11/07

Appointed Officials

District Leadership Team

Dr. Randy Zila..Superintendent

Thomas Garcia ....Asst Superintendent of Human Resources and Support Service

Sherri Stephens-Carter ....Executive Director of Assessment and Curriculum

Connie Syferd ....Executive Director of Elementary Education

Don Haddad ....Executive Director of Secondary Education

Mary Sires ....Executive Director of Student Services

Mark Pillmore..Chief Financial Officer

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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, 2005, 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 as established by the Auditing Standards Board of the American Institute of Certified Public Accountants 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, 2005, 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.

As described in note 15, the District adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, effective July 1, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2005, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Grant Thornton LLP
US Member of Grant Thornton International

The management's discussion and analysis on pages 4 through 14 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.

Grant Thornton LLP

Denver, Colorado
October 11, 2005

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As management of the St. Vrain Valley School District RE-1J, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal and the financial statements of the District.

Financial Highlights

- The assets of the District exceeded its liabilities at June 30, 2005 by $47.3 million (net assets).

- Business-type activities have unrestricted net assets of $1.2 million, which may be used to meet the District's ongoing obligations of the enterprise related activities - the Food Service Fund.

- Total net assets of the District (primary government) increased $10.4 million during the year ended June 30, 2005. The majority of this increase is attributable to the expansion of the District's capital assets base.

- Fund balance of the District's governmental funds decreased by $20.3 million resulting in an ending fund balance of $80.2 million. The decrease is the result of capital construction during the year.

- During the current year, the fund balance in the District's General Fund increased by $8.2 million leaving an ending fund balance of $4.0 million. This increase is primarily the result of $1.6 million in revenues above budget, combined with an under-expenditure of $5.0 million spread among all areas of the General Fund budget for the year ended June 30, 2005. As a result of the required restrictions of fund balance, the ending unreserved General Fund balance is $0.

- The District's total liabilities increased $12.7 million to $329.5 million primarily as a result of the issuance of additional bonds during the year.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 16-51 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 or past period.

The government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities), and other functions that are intended to recover all or most of their costs from user fees and charges (business-type activities). Governmental activities consolidate governmental funds including the General Fund, Bond Redemption Fund, Building Fund, and special revenue funds with the Risk Management Fund and the Minimum Medical Insurance Liability Fund, which are internal service funds. Business-type activities consist of the Food Service 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 on pages 16 to 18 of this report.

Fund Financial Statements

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

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

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, 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 Fund, and the Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled Other Governmental Funds. Individual fund information for the nonmajor funds is presented as other supplemental information elsewhere in this document.

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

The basic governmental fund financial statements can be found on pages 19-22 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 on pages 24-26 of this report.

The District is the fiduciary for assets that belong to student groups. The District is responsible for ensuring that the assets reported in this fund are used only for intended purposes and used by those to whom the assets belong. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The basic fiduciary fund financial statements are presented on pages 27-28 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 30-51 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 on pages 53-80 of this report.

Government-wide Financial Analysis

The assets of the District are composed of current assets and capital assets. Cash and investments, receivables, deposits, inventories and prepaid 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 2006. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2006.

The assets of the primary government's governmental activities exceed liabilities by $45.1 million with an unrestricted deficit balance of $10.0 million. Total net assets of the primary government do not include internal balances.

The amount "invested in capital assets, net of related debt" increased as a result of activity in the Building Fund. A net investment of $22.5 million in land, buildings, and equipment to provide the services to the District's 21,467 public school students represents 50% of the District's net assets. Colorado Revised Statute Article X, Section 20 (Taxpayer Bill of Rights (TABOR) requires the District to establish reserves.

The TABOR reserve was adjusted as of June 30, 2005 to the statutory balance and net assets restricted for TABOR increased to $3.9 million. Net assets restricted for debt service increased $4.5 million as a result of bonds issued in fiscal years 2004 and 2005 from the $212 million of bonds approved in November 2002.

As mentioned earlier, the increase in liabilities is primarily due to the issuance of additional bonds during the year for capital investment.

Table 1 provides a summary of the District's net assets as of June 30, 2005 compared to June 30, 2004:

Table 1
Comparative Summary of Net Assets
as of June 30, 2005 and 2004
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2005	2004	2005	2004	2005	2004	2004 - 2005
Assets							
Current assets	$ 117,468	$ 133,027	$ 1,432	$ 1,179	$ 118,900	$ 134,206	-11.40%
Capital assets	256,941	218,830	982	728	257,923	219,558	17.47%
Total Assets	374,409	351,857	2,414	1,907	376,823	353,764	6.52%
Liabilities							
Current liabilities	40,596	41,613	206	53	40,802	41,666	-2.07%
Long-term liabilities	288,713	275,159	-	-	288,713	275,159	4.93%
Total Liabilities	329,309	316,772	206	53	329,515	316,825	4.01%
Net Assets							
Invested in capital assets - net of related debt	22,550	21,649	982	728	23,532	22,377	5.16%
Restricted for							
TABOR	3,909	3,660	-	-	3,909	3,660	6.80%
Debt Service	28,637	24,180	-	-	28,637	24,180	18.43%
Unrestricted (deficit)	(9,996)	(14,404)	1,226	1,126	(8,770)	(13,278)	33.95%
Total Net Assets	$ 45,100	$ 35,085	$ 2,208	$ 1,854	$ 47,308	$ 36,939	28.07%

Government-wide Activities

Governmental activities increased the net assets of the District by $10.0 million accounting for the majority of the total growth in the net assets of the District. Table 2 provides a summary of the District's change in net assets for 2005 compared to 2004.

Table 2
Comparative Schedule of Changes in Net Assets
For the Years Ended June 30, 2005 and 2004
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2005	2004	2005	2004	2005	2004	2004 - 2005
Revenues							
Program Revenues							
Charges for services	$ 3,186	$ 2,101	$ 2,978	$ 2,821	$ 6,164	$ 4,922	25.23%
Operating grants & contributions	10,931	9,514	1,905	1,668	12,836	11,182	14.79%
Capital grants & contributions	1,041	1,403	-	-	1,041	1,403	-25.80%
General Revenues							
Property taxes	77,768	73,181	-	-	77,768	73,181	6.27%
State revenue	72,262	68,734	-	-	72,262	68,734	5.13%
Other	2,389	2,741	356	4	2,745	2,745	0.00%
Total Revenues	167,577	157,674	5,239	4,493	172,816	162,167	6.57%
Expenses							
Instruction	95,661	85,427	-	-	95,661	85,427	11.98%
Supporting services	49,653	49,859	4,885	4,411	54,538	54,270	0.49%
Interest expense	12,248	11,647	-	-	12,248	11,647	5.16%
Total Expenses	157,562	146,933	4,885	4,411	162,447	151,344	7.34%
Increase in net assets	$ 10,015	$ 10,741	$ 354	$ 82	$ 10,369	$ 10,823	-4.19%

Total assets of governmental activities increased by $22,552,089 attributed to the following elements:

Comparative Schedule of Assets of Governmental Activities
as of June 30, 2005 and 2004

	2005	2004	Increase (Decrease)
Cash and Investments	$ 112,584,379	$ 128,897,623	$ (16,313,244)
Accounts Receivable	1,804,040	1,360,552	443,488
Taxes Receivable	2,219,422	2,061,024	158,398
Deposits	78,000	78,000	-
Inventories	398,272	338,576	59,696
Prepaid Expenses	384,175	291,102	93,073
Capital Assets			
Not Depreciated	36,925,778	63,702,629	(26,776,851)
Net of Accum Deprec	220,015,250	155,127,721	64,887,529
Total Assets	$ 374,409,316	$ 351,857,227	$ 22,552,089

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, 2005 as compared to June 30, 2004. The increases in inventories and prepaid expenses represent money paid during the current year that will benefit the subsequent year. The decrease in capital assets not depreciated is the result of completion of building projects during the current year that are now subject to depreciation. The increase in capital assets net of accumulated depreciation is the result of current year investment in capital assets exceeding current year depreciation expense.

Total liabilities of governmental activities increased by $12,537,451 as follows:

Comparative Schedule of Liabilities of Governmental Activities
as of June 30, 2005 and 2004

	2005	2004	Increase (Decrease)
Accounts Payable	$ 11,086,641	$ 8,267,444	$ 2,819,197
Due to agency fund	-	639	(639)
Retainage Payable	1,391,467	2,318,906	(927,439)
Arbitrage Payable	161,357	161,357	-
Accrued Salaries & Benefits	13,968,449	11,579,987	2,388,462
Accrued Interest Payable	572,660	937,181	(364,521)
Claims Payable	436,691	248,296	188,395
Deferred Revenues	2,754,195	3,348,589	(594,394)
Deferred Bond Premium	10,224,501	6,649,600	3,574,901
Debt Due Within One Year	11,636,230	8,101,160	3,535,070
Debt Due in More Than One Year	277,077,438	275,159,019	1,918,419
Total Liabilities	$ 329,309,629	$ 316,772,178	$ 12,537,451

Accounts payable increased primarily due to the construction projects ongoing as of June 30, 2005. The decreases in retainage payable and accrued interest payable are also related to the construction projects and reflect the completion of significant projects during fiscal year 2005. The increase in accrued salaries and benefits is the result several factors, including pay increases effective September 2004, increase in number of teachers as a result of increased number of students during the current year, and increased health insurance premiums effective October 1, 2004. The increase in claims payable is the result of a change in estimate of the potential claims within the Internal Service Funds at June 30, 2005. Deferred revenues decreased as a result of income recognition for fiscal year 2005. Deferred bond premium, debt due within one year, and debt due in more than one year all increased as a result of bonds issued in April 2005.

Total assets of business-type activities increased by $507,503 as follows:

Comparative Schedule of Assets of Business-Type Activities
as of June 30, 2005 and 2004

	2005	2004	Increase (Decrease)
Cash and Investments	$ 1,060,381	$ 872,760	$ 187,621
Accounts Receivable	221,394	169,102	52,292
Inventories	150,949	137,446	13,503
Capital Assets, Net of Accumulated Depreciation	981,771	727,684	254,087
Total Assets	$ 2,414,495	$ 1,906,992	$ 507,503

Accounts receivable increased as the result of May's federal reimbursements being delayed until after year end. Net capital assets have increased primarily due to the $340,410 contribution of contributed capital from the Building Fund. Other changes in assets are due to the normal operations of the Food Service Fund.

Total liabilities for business-type activities increased by $153,703 to $206,810 primarily due to an increase in accounts payable and accrued salaries and benefits. The change in food service employees' contracts at the beginning of the current fiscal year contributed to the additional accrued salaries and benefits at year-end.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA the District received $5,957 per funded pupil. For the fiscal year ended June 30, 2005, the funded pupil count was 20,724.5. 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
Comparative Schedule of Governmental Activities
For the Years Ended June 30, 2005 and 2004
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2005	2004	2005	2004
Instruction	$ 95,661	$ 85,427	$ 84,966	$ 77,014
Supporting Services	49,653	49,859	45,190	45,254
Interest Expense	12,248	11,647	12,248	11,647
	$ 157,562	$ 146,933	$ 142,404	$ 133,915

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was $157.6 million compared to $146.9 million last year. The primary increase was almost entirely in expenditures for instruction.

- $3.2 million of the cost was financed by the users of the District's programs in the form of charges for services. The majority of charges occurred in the Community Education Fund.

- The federal and state governments subsidized certain programs with grants and contributions in the amount of $10.9 million.

- The majority of the District's net cost of services, $142.4 million, was financed by State and District taxpayers.

- General revenues accounted for $152.4 million in revenue which was 90.9% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for $15.2 million or 9.1% of total revenues of $167.6 million.

Business-type activities consist of the Food Services Fund. This program had revenues of $5.2 million and expenses of $4.9 million. Business-type activities receive no support from tax revenue.

Financial Analysis of the District's Governmental Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of $80.2 million, a decrease of $20.3 million in comparison with the prior year. As noted earlier, this decrease is due primarily to conversion of cash and investments to capital assets as a result of construction during the year.

Among major funds, the General Fund had $126.6 million in revenues and $118.3 million in expenditures. The General Fund's fund balance increased by $8.2 million to just under $4.0 million. The General Fund is the chief operating fund of the District. The increase is the result of various operating results, including receipt of $1.6 million of additional revenue from numerous sources and under-expenditure from all expense categories of nearly $5.0 million. The balance of the increase was the final amended budgeted surplus of $1.1 million. The full amount of General Fund balance is reserved, primarily for statutory requirements for instructional purposes.

The fund balance of the Bond Redemption Fund increased by $4.5 million, resulting in a balance of $28.6 million as of June 30, 2005. This was the net result of revenues of $25.4 million, current year payments of existing debt of $20.3 million, and net cost of bond refunding of $0.6 million. The Bond Redemption Debt Service Fund has adequate resources accumulated to make the December 2005 principal and interest payments. The mill levy to accumulate resources for the June 2006 interest payment will be certified in December 2005.

The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The Building Fund's fund balance decreased by $33.8 million due to the construction of school sites and other capital improvements during the year. The fund had total expenditures of $48.3 million, revenues of $0.1 million, and net proceeds of $14.4 from issuing additional voter approved bonds during the year.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2005 is $257.9 million (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, construction in progress, and equipment. The total increase in the District's investment in capital assets for the current fiscal year was $38.4 million, or a 17.5% increase.

Major capital events during the year include the following:

- Completed construction on 2 elementary schools opened fall 2004
- Effectively completed construction on 1 middle school and 1 high school
- Significant progress on construction of 1 new middle school
- Numerous addition, remodel, and improvement projects completed during the year

Table 4 shows fiscal 2005 capital assets compared to 2004.

Table 4
Comparative Schedule of Capital Assets
as of June 30, 2005 and 2004
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2005	2004	2005	2004	2005	2004	2004 - 2005
Land	$ 13,858	$ 13,102	$ -	$ -	$ 13,858	$ 13,102	5.77%
Water Rights	2,613	2,613	-	-	2,613	2,613	0.00%
Construction in Progress	20,455	47,988	-	-	20,455	47,988	-57.37%
Land Improvements	11,404	9,582	-	-	11,404	9,582	19.01%
Buildings	130,288	73,265	-	-	130,288	73,265	77.83%
Building Improvements	66,478	65,541	-	-	66,478	65,541	1.43%
Equipment	11,845	6,739	982	728	12,827	7,467	71.78%
Totals	$ 256,941	$ 218,830	$ 982	$ 728	$ 257,923	$ 219,558	17.47%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 41 of this report.

Debt Administration. During the year ended June 30, 2005, the District issued $14 million of General Obligation Building Bonds for the primary purpose of addition, remodel, and improvement projects to existing schools. The custodian and paying agent for all of the District's bond debt is Wells Fargo Bank located in Denver, Colorado. Total long-term debt outstanding as of June 30, 2005 as compared to June 30, 2004 is shown in Table 5.

The District was assigned underlying ratings of BBB from Standard & Poor's and an A3 rating from Moody's Investors Service for its general obligation bond issues in 2005.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was $861 million and the legal debt margin was $577 million.

Table 5
Comparative Schedule of Outstanding Debt
as of June 30, 2005 and 2004
(in Thousands)

	2005		2004		Increase (Decrease)	
General Obligation Bonds	$	283,890	$	273,935	$	9,955
Accrued Interest		-		4,380		(4,380)
Capital Leases		2,827		3,381		(554)
Benefits Payable		1,996		1,564		432
Total Debt	$	288,713	$	283,260	$	5,453

Additional information in the District's total bonded debt can be found in Note 8 beginning on page 43 of this report.

Factors Bearing on the District's Future

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

- For calendar year 2004, the inflation rate was 0.1%. The District will be receiving $6,042 per full time pupil (FTE) for the 2005-2006 school year, which is an increase of 1.4% over the 2004–2005 funding of $5,957 per pupil.

- The increased funding will provide an additional $1.8 million to the District in fiscal year 2005–2006 (FY06).

- The District continues to increase in enrollment each year, and the District's amended budget estimated an additional 720.5 FTE, for an additional $4.4 million for FY06. Current enrollment projections show an additional 186 student FTE over the original budget estimate, which would provide an additional $1.1 million in funding in FY06.

- The Board of Education authorized 2 additional charter schools which opened in August 2005. The original budget estimated that 368 pupil FTE included above will attend the charter schools. As a result, $2.2 million of the funding discussed above belongs to the charter schools. Current enrollment information shows that the actual impact of the new charter schools is 441 pupil FTE for a total of $2.7 million.

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

To provide necessary resources to focus on the Strategic Plan and other priority needs established by the Board of Education, the District increased class size district-wide by approximately 1.2 students. As a result, for the fiscal year 2006, the District was able to provide a 5.4% increase in compensation to all employees and absorb 15% of the 19% increase in health benefits effective October 1, 2005.

In order to provide adequate cash flow for operations during the year, the District will continue to participate in the State of Colorado Interest-Free Loan Program. As the District's General Fund fund balance continues to improve, so does its cash position. As a result, total cash flow borrowing for fiscal year ended June 30, 2005 was $17.7 million compared to $28.5 million for fiscal year ended June 30, 2004. All loans received during the current year were repaid in full on May 13 as compared to June 11 for the prior year. Projections for fiscal year 2006 show that initial borrowing will not occur before December with full repayment occurring mid-May 2006. Due to the unlikely expenditure of all appropriated fund balances as budgeted, the actual borrowings should be less than $17 million.

The District continues to carryover unbudgeted instructional supplies and materials and capital outlay of approximately $2.4 million from the years ended June 30, 2003 and 2004. The amended budget for FY06, adopted by the Board of Education on October 12, 2005, appropriates all of the available fund balance as of June 30, 2005 for purposes of the instructional supplies and materials and capital outlay requirements.

Although the District has eliminated its General Fund fund deficit as of June 30, 2005, 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 $17.323 million on the ballot for the November 1, 2005 election. The override would provide additional funding for five primary purposes: (1) reduce the student-teacher ratio at all grade levels at every school, (2) attract and retain the best teachers, (3) replace outdated textbooks, (4) offer additional academically challenging courses, and (5) provide operating funds to cover additional costs due to increased student enrollment.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

Statement of Net Assets
June 30, 2005

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Cash and investments	$ 60,258,530	$ 1,060,381	$ 61,318,911	$ 1,610,602
Accounts receivable	1,804,040	221,394	2,025,434	4,444
Taxes receivable	2,219,422	-	2,219,422	-
Deposits	78,000	-	78,000	-
Inventories	398,272	150,949	549,221	-
Prepaid expenses	384,175	-	384,175	50
Restricted assets -				
Cash and investments	52,325,849	-	52,325,849	-
Capital assets,				
Not depreciated	36,925,778	-	36,925,778	-
Net of accumulated depreciation	220,015,250	981,771	220,997,021	-
Total assets	374,409,316	2,414,495	376,823,811	1,615,096
Liabilities				
Accounts payable	11,086,641	28,560	11,115,201	90,458
Retainage payable	1,391,467	-	1,391,467	-
Arbitrage payable	161,357	-	161,357	-
Accrued salaries and benefits	13,968,449	137,042	14,105,491	290,485
Accrued interest payable	572,660	-	572,660	-
Claims payable	436,691	-	436,691	-
Deferred revenues	2,754,195	41,208	2,795,403	6,011
Deferred bond premium	10,224,501	-	10,224,501	-
Non-current liabilities				
Due within one year	11,636,230	-	11,636,230	-
Due in more than one year	277,077,438	-	277,077,438	-
Total liabilities	329,309,629	206,810	329,516,439	386,954
Net Assets				
Invested in capital assets,				
net of related debt	22,549,614	981,771	23,531,385	-
Restricted for				
TABOR	3,909,160	-	3,909,160	106,034
Debt service	28,636,780	-	28,636,780	-
Unrestricted (deficit)	(9,995,867)	1,225,914	(8,769,953)	1,122,108
Total net assets	$ 45,099,687	$ 2,207,685	$ 47,307,372	$ 1,228,142

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, 2005

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	$ 95,661,489	$ 3,123,713	$ 7,571,683	$ -
Supporting services	49,653,089	62,092	3,359,314	1,041,182
Interest expense	12,247,793	-	-	-
Total governmental activities	157,562,371	3,185,805	10,930,997	1,041,182
Business-type Activities				
Food services	4,885,656	2,978,095	1,905,055	-
Total business-type activities	4,885,656	2,978,095	1,905,055	-
Total primary government	$ 162,448,027	$ 6,163,900	$ 12,836,052	$ 1,041,182
COMPONENT UNITS				
Charter schools	$ 3,534,480	$ 85,386	$ 134,498	$ -

General Revenues
Property taxes
Specific ownership taxes
State equalization
Investment income
Other
Transfers

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
$ (84,966,093)	$ -	$ (84,966,093)	$ -
(45,190,501)	-	(45,190,501)	-
(12,247,793)	-	(12,247,793)	-
(142,404,387)	-	(142,404,387)	-
-	(2,506)	(2,506)	-
-	(2,506)	(2,506)	-
(142,404,387)	(2,506)	(142,406,893)	-
-	-	-	(3,314,596)
71,791,304	-	71,791,304	-
5,976,580	-	5,976,580	-
72,261,580	-	72,261,580	3,845,596
2,285,218	15,896	2,301,114	20,093
444,753	-	444,753	24,624
(340,410)	340,410	-	-
152,419,025	356,306	152,775,331	3,890,313
10,014,638	353,800	10,368,438	575,717
35,085,049	1,853,885	36,938,934	652,425
$ 45,099,687	$ 2,207,685	$ 47,307,372	$ 1,228,142

The accompanying notes are an integral part of this statement.

St. Vrain Valley School District RE-1J

Balance Sheet
Governmental Funds
June 30, 2005

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments - unrestricted	$ 17,908,531	$ 28,306,476	$ -	$ 7,702,017	$ 53,917,024
Cash and investments - restricted	-	-	52,325,849	-	52,325,849
Accounts receivable	265,234	-	-	1,525,086	1,790,320
Taxes receivable	1,441,085	778,337	-	-	2,219,422
Due from other funds	637,630	-	-	16,000	653,630
Prepaid expenses	-	-	-	9,919	9,919
Deposits	-	-	-	78,000	78,000
Inventories	398,272	-	-	-	398,272
Total assets	$ 20,650,752	$ 29,084,813	$ 52,325,849	$ 9,331,022	$ 111,392,436
Liabilities					
Accounts payable	$ 983,313	$ -	$ 9,574,500	$ 451,505	$ 11,009,318
Due to other funds	16,000	-	-	637,630	653,630
Retainage payable	-	-	1,391,467	-	1,391,467
Arbitrage payable	-	-	161,357	-	161,357
Accrued salaries and benefits	13,044,665	-	4,173	918,988	13,967,826
Deferred revenues	2,642,905	448,033	260,207	696,031	4,047,176
Total liabilities	16,686,883	448,033	11,391,704	2,704,154	31,230,774
Fund Balances					
Reserved for deposits, inventories, prepaids	398,272	-	-	87,919	486,191
Reserved for debt service	-	24,412,422	-	-	24,412,422
Reserved for capital projects	-	-	40,934,145	-	40,934,145
Reserved for contingencies	-	-	-	1,000,107	1,000,107
Reserved for statutory requirements	3,457,621	-	-	-	3,457,621
Reserved for encumbrances	107,976	-	-	-	107,976
Unreserved, designated for subsequent year expenditures reported in Special Revenue Funds	-	-	-	4,414,000	4,414,000
Unreserved, reported in					
Special Revenue Funds	-	-	-	1,124,842	1,124,842
Debt Service Fund	-	4,224,358	-	-	4,224,358
Total fund balances	3,963,869	28,636,780	40,934,145	6,626,868	80,161,662
Total liabilities and fund balances	$ 20,650,752	$ 29,084,813	$ 52,325,849	$ 9,331,022	

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.	256,941,028
Other long-term assets are not available to pay for current expenditures and, therefore, are deferred in the funds.	1,292,981
Premium received on issuance of bonds is recognized as other financing sources in the governmental funds, but is deferred revenue in the statement of net assets.	(10,224,501)
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.	(289,286,328)
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.	6,214,845
Net assets of governmental activities (page 16)	$ 45,099,687

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, 2005

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 45,910,179	$ 25,261,921	$ -	$ -	$ 71,172,100
Specific ownership taxes	5,976,580	-	-	-	5,976,580
Investment income	1,559,630	128,301	113,519	221,916	2,023,366
Charges for services	639,785	-	-	2,546,020	3,185,805
Miscellaneous	368,557	-	-	1,102,028	1,470,585
Local intergovernmental	-	-	-	8,350	8,350
State intergovernmental	71,872,587	-	-	4,075,188	75,947,775
Federal intergovernmental	251,816	-	-	6,992,986	7,244,802
Total revenues	126,579,134	25,390,222	113,519	14,946,488	167,029,363
Expenditures					
Current					
Instruction	80,195,876	-	3,907,291	6,924,532	91,027,699
Supporting services	37,992,714	-	5,745,311	2,746,856	46,484,881
Capital outlay	100,554	-	38,631,992	5,433,001	44,165,547
Debt service					
Principal	-	2,850,000	-	-	2,850,000
Accrued interest	-	4,380,000	-	-	4,380,000
Interest and fiscal charges	-	13,095,314	-	-	13,095,314
Total expenditures	118,289,144	20,325,314	48,284,594	15,104,389	202,003,441
Excess (deficiency) of revenues over (under) expenditures	8,289,990	5,064,908	(48,171,075)	(157,901)	(34,974,078)
Other Financing Sources (Uses)					
Bond proceeds	-	42,815,000	14,000,000	-	56,815,000
Premium received on issuance of bonds	-	3,546,660	511,241	-	4,057,901
Payment to bond escrow agent	-	(46,970,236)	(104,467)	-	(47,074,703)
Proceeds from sale of land	-	-	-	846,813	846,813
Transfers in	-	-	-	47,000	47,000
Transfers out	(47,000)	-	-	-	(47,000)
Total other financing sources (uses)	(47,000)	(608,576)	14,406,774	893,813	14,645,011
Net change in fund balances (deficit)	8,242,990	4,456,332	(33,764,301)	735,912	(20,329,067)
Fund balances (deficit), beginning	(4,279,121)	24,180,448	74,698,446	5,890,956	100,490,729
Fund balances, ending	$ 3,963,869	$ 28,636,780	$ 40,934,145	$ 6,626,868	$ 80,161,662

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, 2005

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

Net change in fund balances (deficit) of governmental funds (page 20)		$	(20,329,067)
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	$ (6,843,063)		
Capital Outlays	45,078,626		
Net Effect of Deleted Assets	(124,886)		38,110,677
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Current year amortization of premium on bond issue	483,000		
Change in deferred property tax accrual	619,204		1,102,204
In the statement of activities, certain accrued sick leave and vacation benefits are measured by the amounts earned during the year. However, in the governmental funds, expenditures for this item are measured by the amount actually paid. This year, the amount of accrued sick and vacation leave increased as follows:			
Accrued sick leave earned during the year	(618,010)		
Accrued vacation earned during the year	(373,130)		
Amount paid during the year	559,398		(431,742)
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	(56,815,000)		
Premium received on issuance of bonds	(4,057,901)		
Bond principal payments	46,860,000		
Payment of accrued interest on bonds	4,380,000		
Accrued interest expense on bonds	364,521		
Long-term lease payments	553,254		(8,715,126)
Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the statement of activities. The net revenue (expense) of the internal service funds is reported with governmental activities.			277,692
Change in net assets of governmental activities (page 18)		$	10,014,638

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

St. Vrain Valley School District RE-1J

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2005

	Original Budget	Final Amended Budget	Actual	Variance to Budget Positive (Negative)
Revenues				
Local				
Property taxes	$ 44,993,000	$ 44,999,000	$ 45,910,179	$ 911,179
Specific ownership taxes	5,491,000	5,596,000	5,976,580	380,580
Investment income	856,000	863,000	1,559,630	696,630
Charges for service	43,000	43,000	639,785	596,785
Miscellaneous	217,000	507,000	368,557	(138,443)
Total local revenues	51,600,000	52,008,000	54,454,731	2,446,731
State				
Equalization, net	66,708,000	69,123,000	68,288,757	(834,243)
Special Education	1,719,000	1,809,000	1,859,715	50,715
Vocational Education	771,000	714,000	661,880	(52,120)
Transportation	779,000	869,000	806,611	(62,389)
Gifted and Talented	129,000	147,000	147,084	84
English Language Proficiency Act	82,000	82,000	108,540	26,540
Total state revenues	70,188,000	72,744,000	71,872,587	(871,413)
Federal				
Adult Education	73,000	139,000	160,522	21,522
BOCES	-	51,000	91,294	40,294
Total federal revenues	73,000	190,000	251,816	61,816
Total revenues	121,861,000	124,942,000	126,579,134	1,637,134
Expenditures				
Current				
Salaries	84,593,000	86,640,000	85,199,993	1,440,007
Benefits	16,270,000	16,827,000	16,358,391	468,609
Purchased services	6,637,000	6,745,484	6,136,050	609,434
Supplies and materials	6,498,000	8,409,000	6,404,289	2,004,711
Other	572,000	571,000	157,965	413,035
Charter schools	3,793,000	3,817,000	3,931,902	(114,902)
Capital outlay	145,000	299,000	100,554	198,446
Prior year obligations	475,000	475,000	-	475,000
Total expenditures	118,983,000	123,783,484	118,289,144	5,494,340
Excess of revenues over expenditures before transfers	2,878,000	1,158,516	8,289,990	7,131,474
Other Financing Sources (Uses)				
Transfers in	150,000	-	-	-
Transfers out	(183,000)	(47,000)	(47,000)	-
Total other financing sources (uses)	(33,000)	(47,000)	(47,000)	-
Excess of revenues and other financing sources over expenditures and other financing uses	$ 2,845,000	$ 1,111,516	8,242,990	$ 7,131,474
Fund balance (deficit), beginning			(4,279,121)	
Fund balance, ending			$ 3,963,869	

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, 2005

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
Assets		
Current assets		
Cash and investments	$ 1,060,381	$ 6,341,506
Accounts receivable	221,394	13,720
Inventories	150,949	-
Prepaid expenses	-	374,256
Total current assets	1,432,724	6,729,482
Capital assets		
Machinery and equipment	1,953,185	-
Accumulated depreciation	(971,414)	-
Total capital assets, net	981,771	-
Total assets	2,414,495	6,729,482
Liabilities		
Current liabilities		
Accounts payable	28,560	77,323
Claims payable	-	436,691
Accrued salaries and benefits	137,042	623
Deferred revenues	41,208	-
Total liabilities	206,810	514,637
Net Assets		
Invested in capital assets, net of related debt	981,771	-
Restricted for TABOR	-	2,345,496
Restricted for contingencies	506,000	2,434,198
Unrestricted, designated for subsequent year expenditures	502,000	-
Unrestricted	217,914	1,435,151
Total net assets	$ 2,207,685	$ 6,214,845

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, 2005

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
Operating Revenues		
Charges for services	$ 2,948,390	$ 12,153,848
Miscellaneous	29,705	-
Total operating revenues	2,978,095	12,153,848
Operating Expenses		
Salaries and benefits	2,136,809	255,031
Purchased services	241,247	596,726
Supplies and materials	2,184,934	6,252
Repairs and maintenance	93,162	-
Other	100,045	3,828
Depreciation	129,459	-
Claims paid	-	11,283,171
Total operating expenses	4,885,656	12,145,008
Operating income (loss)	(1,907,561)	8,840
Nonoperating Revenues		
Investment income	15,896	261,852
State match	58,176	-
National School Lunch/Breakfast Program	1,646,696	-
Commodities	200,183	-
Contribution to contributed capital	340,410	-
Other	-	7,000
Total nonoperating revenues	2,261,361	268,852
Change in net assets	353,800	277,692
Net assets, beginning	1,853,885	5,937,153
Net assets, ending	$ 2,207,685	$ 6,214,845

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, 2005

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
Cash Flows from Operating Activities		
Cash received from customers	$ 2,919,469	$ 12,603,887
Cash paid to suppliers	(2,404,103)	(11,852,906)
Cash paid to employees	(2,005,332)	(254,408)
Cash received from other sources	-	7,000
Net cash provided (used) by operating activities	(1,489,966)	503,573
Cash Flows from Noncapital Financing Activities		
Cash received from State of Colorado	58,176	-
Cash received from Federal government	1,646,696	-
Net cash provided by noncapital financing activities	1,704,872	-
Cash Flows from Capital and Related Financing Activities		
Purchases of equipment	(43,181)	-
Net cash used by capital financing activities	(43,181)	-
Cash Flows from Investing Activities		
Investment income	15,896	261,852
Increase in cash and cash equivalents	187,621	765,425
Cash and cash equivalents, beginning of the year	872,760	5,576,081
Cash and cash equivalents, end of the year	$ 1,060,381	$ 6,341,506
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$ (1,907,561)	$ 8,840
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities		
Depreciation	129,459	-
Loss on disposal of assets	45	-
Commodities	200,183	-
Other sources of revenue	-	7,000
Changes in Assets and Liabilities		
Accounts receivable	(52,292)	450,039
Prepaid expenses	-	(83,154)
Inventories	(13,503)	-
Accounts payable	28,560	(68,170)
Accrued salaries and benefits	131,477	623
Claims payable	-	188,395
Deferred revenues	(6,334)	-
Net cash provided (used) by operating activities	$ (1,489,966)	$ 503,573
Non-Cash Transactions		
Commodities received	$ 200,183	$ -
Contribution to contributed capital	$ 340,410	$ -

St. Vrain Valley School District RE-1J

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust - Student Scholarship		Agency - Student Activity	
Assets				
Cash and investments	$	200,456	$	2,537,319
Accounts receivable		10,000		5,883
Total assets		210,456	$	2,543,202
Liabilities				
Accounts payable		500	$	149,494
Accrued salaries and benefits		-		3,849
Deferred revenues		10,000		-
Undistributed to outside organizations		-		2,389,859
Total liabilities		10,500	$	2,543,202
Net Assets				
Held in trust	$	199,956		

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, 2005

	Private Purpose Trust - Student Scholarship
Additions	
Investment income	$ 1,988
Contributions	81,822
Total additions	83,810
Deductions	
Scholarships	60,150
Total deductions	60,150
Change in net assets	23,660
Net assets, beginning	176,296
Net assets, ending	$ 199,956

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, 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Vrain Valley School District RE-1J (the "District") in the Counties of Boulder, Larimer, and Weld, and City and County of Broomfield, have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental units. The more significant of the District's accounting policies are described below.

Reporting Entity

St. Vrain Valley School District RE-1J is a political subdivision and corporate body of the State of Colorado. The District operates under a seven-member publicly elected board of education. Geographically diverse, the 411 square miles served by the District extends from the Continental Divide out into the agriculture plains. Parts of four counties (Boulder, Broomfield, Larimer and Weld) fall within the District's boundaries. The District also serves thirteen different communities: eastern Boulder, Broomfield, Dacono, Erie, Firestone, Frederick, Hygiene, Longmont, Lyons, Mead, Niwot, Peaceful Valley and Raymond.

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

Discretely Presented Component Units – Charter Schools

The Colorado State Legislature enacted the Charter School Act – Colorado Revised Statutes (C.R.S.) Section 22-30.5-10 in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "charter schools". Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the District's Board of Education must approve all charter school applications and budgets.

The District 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 discretely presented component units because of the significance of their financial relationship with the District and are considered nonmajor.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), 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. The *Colorado Preschool Program Fund* is reported as a sub-fund of the General Fund. Moneys allocated to this fund from the General Fund are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District's preschool program pursuant to C.R.S. 22-28-102.

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.

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.*

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

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.

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. *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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

Assets, Liabilities and Equity

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

Investments – All investments are recorded at fair market 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (Continued)

Capital Assets – Capital assets, which include property and equipment, are reported in applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or greater, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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
Building Improvements	7-50 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.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (Continued)

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

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

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

Property Taxes

Under Colorado law, all property taxes become due and payable in the calendar year following that in which they are levied. The District's property tax calendar for 2005 is as follows:

Tax Year

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

Collection Year

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

Property taxes are recorded initially at the budgeted collection rate as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected. The District has deferred revenue from property tax collection at June 30, 2005 in the amount of $1,292,981. Property taxes are remitted to the District by the County Treasurers by the tenth of the month following collections by the respective counties, except for the months of March, May, and June in which the District receives an additional remittance from each county for collections through the twentieth of those months.

A fee of .25% on General Fund collections is retained by each County on their respective collections as compensation for collecting the taxes and are reflected as an expenditure in the General Fund.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with US GAAP for all funds, rather than the budget basis. Budget basis is similar to cash basis, in that revenues are recognized when cash is received, and expenditures are recorded when payments are made. However, the primary differences in budgeting on a US GAAP basis include accruals for compensation earned but not paid as of fiscal year end, and recognition of deferred revenues. The budget for the Food Service Fund includes capital expenditures as expenditures, the related revenues and expenses of commodities, and depreciation. All annual appropriations lapse at fiscal year end.

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

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.

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

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Accountability

At June 30, 2005, the District complied with the statutory requirement to budget $165 per pupil for instructional capital outlay, instructional supplies and materials, and instructional field trips, upon amending the General Fund budget to appropriate additional revenues as a result of increased student count. However, statute also requires that any unexpended instructional dollars are to be included in the subsequent year's budget. The required carryovers from fiscal years 2003, 2004, and 2005 are $1,332,881, $1,433,787, and $1,287,014, respectively. Of the $3,963,869 reserved fund balance, $3,298,116 is applied toward the carryover. If additional revenues are available during the subsequent year, consideration will be given to applying them to the instructional statutory requirement for the prior years' carryover.

For the year ended June 30, 2005 a combined minimum of $268 per pupil must be appropriated to the Capital Reserve Fund and Risk Management Fund. Expenditures from those funds must be for the purposes prescribed by state statute. State equalization amounts are divided by funded October 2004 enrollment figures to determine the per pupil appropriation amount. The following summarizes district compliance with the requirement.

	Primary Government			
	Capital Reserve Fund	Risk Management Fund	Component Units	Total
State equalization	$ 3,931,330	$ 1,451,852	$ 166,428	$ 5,549,610
Funded enrollment Oct 2004 (unaudited)	20,105	20,105	620	20,724.5
Per pupil expenditure	$ 196	$ 72	$ 268	$ 268

NOTE 3: DEPOSITS AND INVESTMENTS

At June 30, 2005, the District and component units had cash and investments with the following carrying balances:

	District	Component Units
Cash on hand	$ 22,092	$ 50
Cash with County Treasurer	744,370	-
Deposits	5,152,543	372,022
Investments	107,725,755	1,238,530
	$ 113,644,760	$ 1,610,602

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy regarding custodial credit risk. As of June 30, 2005, the District had deposits with a carrying balance of $5,152,543 and a bank balance of $7,919,592 of which $7,819,592 was exposed to custodial credit risk because the deposits were uninsured and collateralized with securities held by the pledging financial institution or agent, but not in the District's or component units' name. The District has limited this risk by spreading deposits among four different banks. Likewise, the component units' had deposits with a carrying balance of $372,022 and a bank balance of $393,367 of which $293,367 was exposed to custodial credit risk.

NOTE 3: <u>DEPOSITS AND INVESTMENTS</u> (Continued)

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The full amount of securities is exposed to custodial credit risk because they are uninsured, unregistered and held by the District's brokerage firm which is also the counterparty. As of June 30, 2005, less than 3.7% of total investments was subject to this risk.

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

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

At June 30, 2005, the District and its component units 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.

The District had the following investments as of June 30, 2005:

		Investment Maturities (in years)	
Investment Type	Fair Value	Less Than 1	1-5
U.S. Agency Securities	$ 4,024,487	$ 1,815,247	$ 2,209,240
Certificates of Deposit	23,472,903	23,472,903	-
Money Market Funds	57,392,363	57,392,363	-
Money Market Investment Pools	22,836,002	22,836,002	-
Total Cash & Cash Equivalents	103,701,268	103,701,268	-
Total Investments	$ 107,725,755	$ 105,516,515	$ 2,209,240

The component units had the following investments as of June 30, 2005:

		Investment Maturities (in years)	
Investment Type	Fair Value	Less Than 1	1-5
Money Market Funds	$ 125,314	$ 125,314	$ -
Money Market Investment Pools	1,113,216	1,113,216	-
Total Investments	$ 1,238,530	$ 1,238,530	$ -

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

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

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Given the small amount available for investment in securities, and the relative low risk of U.S. agency securities, the District has not established policy limiting the amount of investment in this type of security and deems it unnecessary at this time.

NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Amounts owed to one fund or business-type activity by another which are due within one year are reported as due to other funds or business-type activities. These balances arise during the normal course of business and the District's use of pooled cash. Due to/from other funds as of June 30, 2005 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Reserve	$ 70,091
General Fund	Grants Fund	567,539
Community Education Fund	General Fund	16,000
Total		$ 653,630

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers during fiscal year 2005 were as follows:

	Transfer in Vance Brand Civic Auditorium Fund
Transfer out:	
General Fund	$ 47,000

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)
June 30, 2005

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2005:

	Balance 7/1/04	Additions	Deletions	Transfers and Adjustments	Balance 6/30/05
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	$ 13,101,777	$ 756,176	$ -	$ -	$ 13,857,953
Construction in Progress	47,988,336	43,441,631	-	(70,974,658)	20,455,309
Water Rights	2,612,516	-	-	-	2,612,516
Total Capital Assets, Not Being Depreciated	63,702,629	44,197,807	-	(70,974,658)	36,925,778
Capital Assets, Being Depreciated					
Land Improvements	13,803,835	450,074	-	2,108,525	16,362,434
Buildings	104,563,622	-	-	59,087,110	163,650,732
Building Improvements	83,590,019	83,958	-	3,535,934	87,209,911
Equipment	17,487,102	1,120,546	(894,849)	5,469,331	23,182,130
Total Capital Assets, Being Depreciated	219,444,578	1,654,578	(894,849)	70,200,900	290,405,207
Less Accumulated Depreciation for					
Land Improvements	4,222,100	735,867	-	-	4,957,967
Buildings	31,298,614	2,064,780	-	-	33,363,394
Building Improvements	18,049,170	2,682,547	-	-	20,731,717
Equipment	10,746,973	1,359,869	(769,963)	-	11,336,879
Total Accumulated Depreciation	64,316,857	6,843,063	(769,963)	-	70,389,957
Total Capital Assets, Being Depreciated, Net	155,127,721	(5,188,485)	(124,886)	70,200,900	220,015,250
Governmental Activities Capital Assets, Net	**$ 218,830,350**	**$ 39,009,322**	**$ (124,886)**	**$ (773,758)**	**$ 256,941,028**

	Balance 7/1/04	Additions	Deletions	Transfers and Adjustments	Balance 6/30/05
Business-type Activities					
Capital Assets, Being Depreciated					
Equipment	$ 1,576,109	$ 43,181	$ (6,514)	$ 340,410	$ 1,953,186
Less Accumulated Depreciation for					
Equipment	848,425	129,459	(6,469)	-	971,415
Business-type Activities Capital Assets, Net	**$ 727,684**	**$ (86,278)**	**$ (45)**	**$ 340,410**	**$ 981,771**

NOTE 5: CAPITAL ASSETS (Continued)

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

Governmental Activities	
Instruction	$ 5,995,810
Supporting Services	847,253
Total	**$ 6,843,063**
Business-Type Activities	
Food Service	**$ 129,459**

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, 2005 are estimated to be as follows:

General Fund	$ 13,044,665
Other Funds	923,161
Total Governmental Funds	13,967,826
Proprietary Funds	137,665
Total Primary Government	**$ 14,105,491**
Component Units	**$ 290,485**

NOTE 7: 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 matured at such times as 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.

NOTE 7: DEFERRED REVENUES (Continued)

Investment Agreements (Continued)

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, 2005, $483,277 of the deferred amount has been recognized. Income recognition was $330,859 by the General Fund, $48,184 by the Building Fund, $5,601 by the Capital Reserve Fund, and $98,633 by the Fair Contributions Fund. The remaining balances of $1,786,707, $260,207, $30,247, and $532,634 respectively, are deferred revenues as of June 30, 2005,

NOTE 8: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2005.

	Balance 7/1/2004	Additions	Payments	Balance 6/30/2005	Due within One Year
General Obligation Bonds	$ 273,935,000	$ 56,815,000	$ (46,860,000)	$ 283,890,000	$ 10,680,000
Accrued Interest	4,380,000	-	(4,380,000)	-	-
Capital Leases	3,380,517	-	(553,254)	2,827,263	583,100
Vacation Payable	317,906	373,130	(317,906)	373,130	373,130
Sick Leave Payable	1,246,757	618,010	(241,492)	1,623,275	-
Totals	$ 283,260,180	$ 57,806,140	$ (52,352,652)	$ 288,713,668	$ 11,636,230

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, 2005, the outstanding balance was $1,235,000.

NOTE 8: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

$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. On April 20, 2005, $44,010,000 of the bonds, with original maturity dates between December 15, 2010 and December 15, 2017, were refunded under an advance refunding, leaving an outstanding balance of $47,935,000 as of June 30, 2005. The $44,010,000 is considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets.

$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, 2005, the outstanding balance was $38,495,000.

$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, 2005, the outstanding balance was $89,310,000.

$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, 2005, the outstanding balance was $50,100,000.

On April 20, 2005, $42,815,000 General Obligation Refunding Bonds were issued to provide resources to purchase United States Treasury Securities – State and Local Government Series that were placed in an irrevocable escrow account for the purpose of generating resources for all future debt service payments of $44,010,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeds the net carrying amount of the old debt by $440,100. This amount is being netted with, and amortized over the life of, the new debt. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by $2,117,052 and resulted in an economic gain of $1,600,843. Interest on the new debt accrues at 5.0% and is payable each June 15th and December 15th. Principal is due annually on December 15 beginning in 2010. The premium of $3,546,660 that was received upon the issuance of the bonds is being amortized based upon maturity of the redeemed bonds.

NOTE 8: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

$14,000,000 General Obligation Building Bonds were issued in April 2005. Interest accrues at rates ranging from 3.0% to 5.0% and is payable each June 15th and December 15th. Principal is due annually on December 15 through 2022. The premium of $511,241 that was received upon the issuance of the bonds is being amortized based upon maturity of the bonds.

Bond payments to maturity are as follows:

Year ending	GO Bonds		
June 30	Principal	Interest	Total
2006	$ 10,680,000	$ 13,732,422	$ 24,412,422
2007	10,950,000	13,249,585	24,199,585
2008	10,685,000	12,769,242	23,454,242
2009	11,175,000	12,270,585	23,445,585
2010	11,685,000	11,730,026	23,415,026
	55,175,000	63,751,860	118,926,860
2011	12,335,000	11,153,109	23,488,109
2012	12,715,000	10,536,663	23,251,663
2013	13,355,000	9,874,663	23,229,663
2014	14,035,000	9,177,150	23,212,150
2015	14,745,000	8,449,356	23,194,356
	67,185,000	49,190,941	116,375,941
2016	15,485,000	7,689,375	23,174,375
2017	16,260,000	6,895,750	23,155,750
2018	17,075,000	6,062,375	23,137,375
2019	18,130,000	5,182,250	23,312,250
2020	19,035,000	4,253,125	23,288,125
	85,985,000	30,082,875	116,067,875
2021	19,990,000	3,277,500	23,267,500
2022	20,985,000	2,253,125	23,238,125
2023	22,040,000	1,177,500	23,217,500
2024	6,110,000	473,750	6,583,750
2025	6,420,000	160,500	6,580,500
	75,545,000	7,342,375	82,887,375
	$ 283,890,000	$ 150,368,051	$ 434,258,051

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.

NOTE 8: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

Debt service requirements for the leases are as follows:

Year ending June 30,	Principal	Interest	Total
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	102,500	2,501	105,001
Totals	$ 2,827,263	$ 412,503	$ 3,239,766

Compensated Absences

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

Unused sick leave is accumulated and carried over from year to year. When an eligible employee retires, qualified sick leave up to a maximum of 150 days is paid at a pre-determined rate depending on the classification of the employee. The amount payable as of June 30, 2005 includes qualified sick leave for all eligible employees as of June 30, 2005.

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

NOTE 9: SHORT-TERM DEBT

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

Short-term debt activity relating to this program for the year ended June 30, 2005, was as follows:

Beginning Balance	Draws	Payments	Ending Balance
$ -	$ 17,687,978	$(17,687,978)	$ -

NOTE 10: RISK FINANCING

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

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.

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

Since July 1, 2002, the District has been a member of the Colorado School Districts Self Insurance Pool for property and liability insurance. During the fiscal year ended June 30, 2005, the District had insurance deductibles of $50,000 (property), $150,000 (general liability), and $25,000 (vehicle liability) per claim. At June 30, 2005, the District's property and liability claims payable was $94,735.

Prior to July 1, 2002, the District purchased its property and liability insurance from the Northern Colorado School Districts Property Self Insurance Pool, and the Northern Colorado School Districts Liability Self Insurance Pool, respectively. These two pools have since been dissolved. The remaining assets from the two pools are now held in a joint account with the other former members (Park School District and Thompson School District) to meet the run-off obligations as described in the dissolution plans. The remaining assets are sufficient to meet these run-off obligations, according to the actuarial reports dated June 11, 2003, and July 12, 2004.

Since July 1, 1985, the District has been a member of the Northern Colorado School Districts Workers' Compensation Self Insurance Pool. The other current pool members are Park School District (Estes Park) and Windsor School District. The workers' compensation pool discontinued insurance operations effective July 1, 1998, and resumed insurance operations on July 1, 2003. During the intervening years, insurance coverage was obtained outside the pool. The District's deductible was $50,000 per claim for the year ended June 30, 2005. At June 30, 2005, the District's workers' compensation claims payable was $341,956.

NOTE 10: RISK FINANCING (Continued)

Claims Liability – Claims expenditures and liabilities are reported when it is probably that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate for claims that have been incurred by not reported. Changes in the reported liability for the years ended June 30, 2004 and 2005, were as follows:

	2004	2005
Beginning fiscal year liability	$ -	$ 248,296
Current year claims and adjustments	788,225	814,384
Claims paid	(539,929)	(625,989)
Ending fiscal year liability	$ 248,296	$ 436,691

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.

NOTE 11: DEFINED BENEFITS PENSION PLAN

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

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, 9.13% is allocated to CSSDTF, and 1.02% to the Health Care Trust Fund (see Note 12). Beginning with payroll periods ending after July 1, 2002, the employer contributions paid to the CSSDTF were reduced by an employer match on members' voluntary contributions to approved defined contribution plans.

NOTE 11: DEFINED BENEFITS PENSION PLAN (Continued)

Funding Policy (Continued) – 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, 2005, 2004, and 2003 were $7,884,999, $7,470,331, and $7,386,311, respectively, equal to the required contributions for each year.

NOTE 12: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy – The 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, 2005, 2004 and 2003 were $880,909, $907,996, and $1,442,098, respectively.

NOTE 13: JOINTLY GOVERNED ORGANIZATION

Centennial Board of Cooperative Educational Services

The District, in conjunction with other surrounding districts, created the Centennial Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational and computer services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The District paid BOCES $959,566 for services provided during the year ended June 30, 2005. The BOCES financial statements can be obtained at their administrative office located at 830 S. Lincoln Street, Longmont, Colorado 80501.

NOTE 14: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2005, significant amounts of grant expenditures have not been audited by granting agencies, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

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

Construction Contracts

The District has entered into a number of separate construction projects as of June 30, 2005. Contract commitments at June 30, 2005, as a result of these projects, totaled approximately $12,850,000.

Operating Lease Agreements

The District has entered into an operating lease agreement for administrative facilities. The lease runs through March 2006 with the future minimum lease payments totaling $91,056. At this time, the District does not intend to renew the lease beyond March 2006.

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, 2005, the District has complied with the requirements to include emergency reserves in its net assets and fund balance.

Contingency Reserve

District policy requires that the budget adopted by the Board of Education include an additional appropriated reserve equal to 2% of operating fund expenditures. As of June 30, 2005, the District has complied with this policy.

NOTE 14: COMMITMENTS AND CONTINGENCIES (Continued)

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, 2005, the run-off obligations are estimated to be $1,334,198 which has been reserved in the Minimum Medical Insurance Liability Fund's fund balance.

NOTE 15: ACCOUNTING CHANGE

Effective July 1, 2004, the District adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures.* GASB 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial risk and concentrations of credit risk), interest rate risk, and foreign currency risk. Adoption of GASB 40 had no effect on beginning net assets as of July 1, 2004, or change in net assets for the year ended June 30, 2005.

NOTE 16: SUBSEQUENT EVENTS

New Charter Schools

The District Board of Education approved two new charter school applications, the Carbon Valley Academy, grades K-6, and the Flagstaff Academy, grades K-8, effective July 1, 2005. The charter schools received the following sources of revenues through the Colorado Department of Education prior to June 30, 2005:

Carbon Valley Academy	$ 85,205
Flagstaff Academy	173,500
Total	$ 258,705

COMBINING NONMAJOR FUND FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2005

	Special Revenue Funds					
	Capital Reserve	Community Education	Fair Contributions	Grants	Vance Brand Civic Auditorium	Total Nonmajor Governmental Funds
Assets						
Cash and investments	$ 1,948,992	$ 1,445,329	$ 4,215,134	$ -	$ 92,562	$ 7,702,017
Accounts receivable	-	2,571	-	1,514,107	8,408	1,525,086
Due from other funds	-	16,000	-	-	-	16,000
Prepaid expenses	9,919	-	-	-		9,919
Deposits	28,000	-	50,000	-	-	78,000
Total assets	$ 1,986,911	$ 1,463,900	$ 4,265,134	$ 1,514,107	$ 100,970	$ 9,331,022
Liabilities						
Accounts payable	$ 61,883	$ 14,593	$ 278,731	$ 95,252	$ 1,046	$ 451,505
Due to other funds	70,091	-	-	567,539	-	637,630
Accrued salaries and benefits	-	184,884	-	718,166	15,938	918,988
Deferred revenues	30,247	-	532,634	133,150	-	696,031
Total liabilities	162,221	199,477	811,365	1,514,107	16,984	2,704,154
Fund Balances						
Reserved for deposits, prepaids	37,919	-	50,000	-	-	87,919
Reserved for contingencies	-	1,000,107	-	-	-	1,000,107
Unreserved, designated for subsequent year expenditures	1,614,000	-	2,800,000	-	-	4,414,000
Unreserved	172,771	264,316	603,769	-	83,986	1,124,842
Total fund balances	1,824,690	1,264,423	3,453,769	-	83,986	6,626,868
Total liabilities and fund balances	$ 1,986,911	$ 1,463,900	$ 4,265,134	$ 1,514,107	$ 100,970	$ 9,331,022

St. Vrain Valley School District RE-1J

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2005

	Special Revenue Funds					
	Capital Reserve	Community Education	Fair Contributions	Grants	Vance Brand Civic Auditorium	Total Nomajor Governmental Funds
Revenues						
Intergovernmental	$ 3,972,823	$ -	$ -	$ 7,103,701	$ -	$ 11,076,524
Investment income	26,174	19,492	174,954	-	1,296	221,916
Charges for services	-	2,483,928	-	-	62,092	2,546,020
Miscellaneous	6,846	-	1,041,182	-	54,000	1,102,028
Total revenues	4,005,843	2,503,420	1,216,136	7,103,701	117,388	14,946,488
Expenditures						
Instruction	-	2,499,954	-	4,424,578	-	6,924,532
Supporting services	-	-	47,769	2,552,703	146,384	2,746,856
Capital outlay	3,884,359	-	1,404,068	126,420	18,154	5,433,001
Total expenditures	3,884,359	2,499,954	1,451,837	7,103,701	164,538	15,104,389
Excess (deficiency) of revenues over (under) expenditures	121,484	3,466	(235,701)	-	(47,150)	(157,901)
Other Financing Sources						
Proceeds from sale of land	846,813	-	-	-	-	846,813
Transfers in	-	-	-	-	47,000	47,000
Total other financing sources	846,813	-	-	-	47,000	893,813
Net change in fund balances	968,297	3,466	(235,701)	-	(150)	735,912
Fund balances, beginning	856,393	1,260,957	3,689,470	-	84,136	5,890,956
Fund balances, ending	$ 1,824,690	$ 1,264,423	$ 3,453,769	$ -	$ 83,986	$ 6,626,868

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SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

St. Vrain Valley School District RE-1J

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund and Colorado Preschool Fund
For the Year Ended June 30, 2005

	General Fund			
	Original Budget	Final Amended Budget	Actual Amounts - Budget Basis	Variance to Budget Positive (Negative)
Revenues				
Local				
Property taxes	$ 44,993,000	$ 44,999,000	$ 45,910,179	$ 911,179
Specific ownership taxes	5,491,000	5,596,000	5,976,580	380,580
Investment income	856,000	863,000	1,559,630	696,630
Charges for service	43,000	43,000	639,785	596,785
Miscellaneous	217,000	507,000	368,557	(138,443)
Total local revenues	51,600,000	52,008,000	54,454,731	2,446,731
State				
Equalization, net	66,492,000	68,907,000	68,069,745	(837,255)
Special Education	1,719,000	1,809,000	1,859,715	50,715
Vocational Education	771,000	714,000	661,880	(52,120)
Transportation	779,000	869,000	806,611	(62,389)
Gifted and Talented	129,000	147,000	147,084	84
English Language Proficiency Act	82,000	82,000	108,540	26,540
Total state revenues	69,972,000	72,528,000	71,653,575	(874,425)
Federal				
Adult Education	73,000	139,000	160,522	21,522
BOCES	-	51,000	91,294	40,294
Total federal revenues	73,000	190,000	251,816	61,816
Total revenues	121,645,000	124,726,000	126,360,122	1,634,122
Expenditures				
Current				
Salaries	84,562,000	86,600,000	85,157,246	1,442,754
Benefits	16,263,000	16,818,000	16,349,391	468,609
Purchased services	6,474,000	6,552,000	5,961,336	590,664
Supplies and materials	6,490,000	8,400,000	6,398,248	2,001,752
Other	572,000	571,000	157,965	413,035
Charter schools	3,793,000	3,817,000	3,931,902	(114,902)
Capital outlay	145,000	299,000	100,554	198,446
Prior year obligations	475,000	475,000	-	475,000
Total expenditures	118,774,000	123,532,000	118,056,642	5,475,358
Excess (deficiency) of revenues over (under) expenditures before transfers	2,871,000	1,194,000	8,303,480	7,109,480
Other Financing Sources (Uses)				
Transfers in	150,000	-	-	-
Transfers out	(183,000)	(47,000)	(47,000)	-
Total other financing sources (uses)	(33,000)	(47,000)	(47,000)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 2,838,000	$ 1,147,000	8,256,480	$ 7,109,480
Fund balance (deficit), beginning			(4,314,605)	
Fund balance, ending			$ 3,941,875	

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)
$ -	$ -	$ -	$ -	$ 44,993,000	$ 44,999,000	$ 45,910,179	$ 911,179
-	-	-	-	5,491,000	5,596,000	5,976,580	380,580
-	-	-	-	856,000	863,000	1,559,630	696,630
-	-	-	-	43,000	43,000	639,785	596,785
-	-	-	-	217,000	507,000	368,557	(138,443)
-	-	-	-	51,600,000	52,008,000	54,454,731	2,446,731
216,000	216,000	219,012	3,012	66,708,000	69,123,000	68,288,757	(834,243)
-	-	-	-	1,719,000	1,809,000	1,859,715	50,715
-	-	-	-	771,000	714,000	661,880	(52,120)
-	-	-	-	779,000	869,000	806,611	(62,389)
-	-	-	-	129,000	147,000	147,084	84
-	-	-	-	82,000	82,000	108,540	26,540
216,000	216,000	219,012	3,012	70,188,000	72,744,000	71,872,587	(871,413)
-	-	-	-	73,000	139,000	160,522	21,522
-	-	-	-	-	51,000	91,294	40,294
-	-	-	-	73,000	190,000	251,816	61,816
216,000	216,000	219,012	3,012	121,861,000	124,942,000	126,579,134	1,637,134
31,000	40,000	42,747	(2,747)	84,593,000	86,640,000	85,199,993	1,440,007
7,000	9,000	9,000	-	16,270,000	16,827,000	16,358,391	468,609
163,000	193,484	174,714	18,770	6,637,000	6,745,484	6,136,050	609,434
8,000	9,000	6,041	2,959	6,498,000	8,409,000	6,404,289	2,004,711
-	-	-	-	572,000	571,000	157,965	413,035
-	-	-	-	3,793,000	3,817,000	3,931,902	(114,902)
-	-	-	-	145,000	299,000	100,554	198,446
-	-	-	-	475,000	475,000	-	475,000
209,000	251,484	232,502	18,982	118,983,000	123,783,484	118,289,144	5,494,340
7,000	(35,484)	(13,490)	21,994	2,878,000	1,158,516	8,289,990	7,131,474
-	-	-	-	150,000	-	-	-
-	-	-	-	(183,000)	(47,000)	(47,000)	-
-	-	-	-	(33,000)	(47,000)	(47,000)	-
$ 7,000	$ (35,484)	(13,490)	$ 21,994	$ 2,845,000	$ 1,111,516	8,242,990	$ 7,131,474
		35,484				(4,279,121)	
		$ 21,994				$ 3,963,869	

St. Vrain Valley School District RE-1J

Capital Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Equalization	$ 3,848,000	$ 3,920,000	$ 3,972,823	$ 52,823
Investment income	9,000	12,000	26,174	14,174
Miscellaneous	-	-	6,846	6,846
Total revenues	3,857,000	3,932,000	4,005,843	73,843
Expenditures				
Capital outlay	5,021,000	5,169,393	3,411,105	1,758,288
Total expenditures	5,021,000	5,169,393	3,411,105	1,758,288
Excess (deficiency) of revenues over (under) expenditures	(1,164,000)	(1,237,393)	594,738	1,832,131
Other Financing Sources (Uses)				
Proceeds from sale of land	940,000	855,000	846,813	(8,187)
General Fund capital lease obligations	(474,000)	(474,000)	(473,254)	746
Total other financing sources (uses)	466,000	381,000	373,559	(7,441)
Net change in fund balance	$ (698,000)	$ (856,393)	968,297	$ 1,824,690
Fund balance, beginning			856,393	
Fund balance, ending			$ 1,824,690	

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, 2005

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ -	$ 17,000	$ 19,492	$ 2,492
Charges for services	1,790,000	2,483,000	2,483,928	928
Total revenues	1,790,000	2,500,000	2,503,420	3,420
Expenditures				
Instruction	1,960,000	2,500,000	2,499,954	46
Total expenditures	1,960,000	2,500,000	2,499,954	46
Excess (deficiency) of revenues over (under) expenditures	$ (170,000)	$ -	3,466	$ 3,466
Fund balance, beginning			1,260,957	
Fund balance, ending			$ 1,264,423	

St. Vrain Valley School District RE-1J

Fair Contributions Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 27,000	$ 143,000	$ 174,954	$ 31,954
Cash in lieu	1,435,000	1,403,000	1,041,182	(361,818)
Total revenues	1,462,000	1,546,000	1,216,136	(329,864)
Expenditures				
Purchased services	25,000	10,000	47,769	(37,769)
Capital outlay	4,983,000	5,225,470	1,404,068	3,821,402
Total expenditures	5,008,000	5,235,470	1,451,837	3,783,633
Excess (deficiency) of revenues over (under) expenditures	$ (3,546,000)	$ (3,689,470)	(235,701)	$ 3,453,769
Fund balance, beginning			3,689,470	
Fund balance, ending			$ 3,453,769	

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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Local grants	$ 83,000	$ 83,000	$ 8,350	$ (74,650)
State grants	251,000	251,000	102,365	(148,635)
Federal grants	5,650,000	6,769,701	6,992,986	223,285
Total revenues	5,984,000	7,103,701	7,103,701	-
Expenditures				
Salaries	3,284,000	4,932,522	4,932,522	-
Benefits	657,000	916,241	916,241	-
Purchased services	1,839,000	539,994	539,994	-
Supplies and materials	310,000	424,156	424,156	-
Capital outlay	70,000	126,420	126,420	-
Other	120,000	164,368	164,368	-
Total expenditures	6,280,000	7,103,701	7,103,701	-
Excess (deficiency) of revenues over (under) expenditures	$ (296,000)	$ -	-	$ -
Fund balance, beginning			-	
Fund balance, ending			$ -	

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, 2005

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 200	$ 200	$ 1,296	$ 1,096
Charges for services	44,100	62,000	62,092	92
Contributions	54,000	54,000	54,000	-
Total revenues	98,300	116,200	117,388	1,188
Expenditures				
Salaries	93,600	108,852	108,852	-
Benefits	20,600	20,544	20,544	-
Purchased services	2,100	1,937	1,937	-
Supplies and materials	15,700	15,051	15,051	-
Capital outlay	15,000	18,154	18,154	-
Total expenditures	147,000	164,538	164,538	-
Excess (deficiency) of revenues over (under) expenditures	(48,700)	(48,338)	(47,150)	1,188
Other Financing Sources				
Transfers in	47,000	47,000	47,000	-
Net change in fund balance	$ (1,700)	$ (1,338)	(150)	$ 1,188
Fund balance, beginning			84,136	
Fund balance, ending			$ 83,986	

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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 25,011,000	$ 24,877,000	$ 25,261,921	$ 384,921
Investment income	-	72,000	128,301	56,301
Total revenues	25,011,000	24,949,000	25,390,222	441,222
Expenditures				
Debt principal	7,230,000	2,850,000	2,850,000	-
Debt accrued interest	-	4,380,000	4,380,000	-
Interest and fiscal charges	-	13,793,000	13,095,314	697,686
Debt interest	13,783,000	-	-	-
Fiscal charges	10,000	-	-	-
Total expenditures	21,023,000	21,023,000	20,325,314	697,686
Excess of revenues over expenditures	3,988,000	3,926,000	5,064,908	1,138,908
Other Financing Sources (Uses)				
Refunding bond proceeds	-	42,815,000	42,815,000	-
Premium on bonds issued	-	3,125,000	3,546,660	421,660
Payment to refunded bond escrow agent	-	(46,549,000)	(46,970,236)	(421,236)
Total other financing sources (uses)	-	(609,000)	(608,576)	424
Net change in fund balance	$ 3,988,000	$ 3,317,000	4,456,332	$ 1,139,332
Fund balance, beginning			24,180,448	
Fund balance, ending			$ 28,636,780	

St. Vrain Valley School District RE-1J

Building Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 6,000	$ 43,000	$ 113,519	$ 70,519
Total revenues	6,000	43,000	113,519	70,519
Expenditures				
Salaries	504,000	470,000	373,927	96,073
Benefits	90,000	94,000	69,405	24,595
Construction projects	83,204,000	74,177,446	47,841,262	26,336,184
Total expenditures	83,798,000	74,741,446	48,284,594	26,456,852
Excess (deficiency) of revenues over (under) expenditures	(83,792,000)	(74,698,446)	(48,171,075)	26,527,371
Other Financing Sources (Uses)				
Proceeds of bonds	-	-	14,000,000	14,000,000
Premium received on issuance of bonds	-	-	511,241	511,241
Bond issuance costs	-	-	(104,467)	(104,467)
Total other financing sources (uses)	-	-	14,406,774	14,406,774
Net change in fund balance	$ (83,792,000)	$ (74,698,446)	(33,764,301)	$ 40,934,145
Fund balance, beginning			74,698,446	
Fund balance, ending			$ 40,934,145	

SUPPLEMENTARY SCHEDULES – PROPRIETARY FUNDS

St. Vrain Valley School District RE-1J

Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual
Food Service Fund
For the Year Ended June 30, 2005

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 5,700	$ 6,000	$ 15,896	$ 9,896
Charges for service	2,908,000	2,948,000	2,948,390	390
Miscellaneous	10,000	10,000	29,705	19,705
State match	52,000	52,000	58,176	6,176
National School Lunch/Breakfast Program	1,360,000	1,360,000	1,646,696	286,696
Total revenues	4,335,700	4,376,000	4,698,863	322,863
Expenses				
Salaries	1,729,000	1,774,000	1,750,170	23,830
Benefits	382,000	392,000	386,639	5,361
Purchased services	250,000	250,000	241,247	8,753
Supplies and materials	1,963,000	1,963,000	1,985,141	(22,141)
Repairs and maintenance	80,000	140,000	136,343	3,657
Other	100,000	100,000	100,000	-
Total expenses	4,504,000	4,619,000	4,599,540	19,460
Net income (loss), cash basis	(168,300)	(243,000)	99,323	342,323
Non-cash revenues and expenses				
Depreciation	(100,000)	(110,000)	(129,459)	(19,459)
Capital outlay - capitalized	18,000	40,000	43,181	3,181
Loss on disposal of equipment	-	-	(45)	(45)
Contribution to contributed capital	-	-	340,410	340,410
Commodities received	200,000	200,000	200,183	183
Commodities used	(200,000)	(200,000)	(199,793)	207
Change in net assets	$ (250,300)	$ (313,000)	353,800	$ 666,800
Net assets, beginning			1,853,885	
Net assets, ending			$ 2,207,685	

St. Vrain Valley School District RE-1J

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2005

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
Assets			
Cash and investments	$ 4,433,875	$ 1,907,631	$ 6,341,506
Accounts receivable	2,458	11,262	13,720
Prepaid expenses	-	374,256	374,256
Total assets	4,436,333	2,293,149	6,729,482
Liabilities			
Accounts payable	77,323	-	77,323
Accrued salaries and benefits	623	-	623
Claims payable	436,691	-	436,691
Total liabilities	514,637	-	514,637
Net Assets			
Restricted for TABOR	2,345,496	-	2,345,496
Restricted for contingencies	1,100,000	1,334,198	2,434,198
Unrestricted	476,200	958,951	1,435,151
Total net assets	$ 3,921,696	$ 2,293,149	$ 6,214,845

St. Vrain Valley School District RE-1J

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2005

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	$ 1,496,666	$ 10,657,182	$ 12,153,848
Total revenues	1,496,666	10,657,182	12,153,848
Operating Expenses			
Salaries	140,334	76,648	216,982
Benefits	24,223	13,826	38,049
Purchased services	596,726	-	596,726
Supplies and materials	6,252	-	6,252
Capital Outlay	-	-	-
Other	3,828	-	3,828
Claims paid	625,989	10,657,182	11,283,171
Total operating expenses	1,397,352	10,747,656	12,145,008
Operating income (loss)	99,314	(90,474)	8,840
Nonoperating Revenues			
Investment income	243,503	18,349	261,852
Miscellaneous	7,000	-	7,000
Total nonoperating revenues	250,503	18,349	268,852
Net income (loss)	349,817	(72,125)	277,692
Net assets, beginning	3,571,879	2,365,274	5,937,153
Net assets, ending	$ 3,921,696	$ 2,293,149	$ 6,214,845

St. Vrain Valley School District RE-1J

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2005

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash received from customers	$ 1,497,380	$ 11,106,507	$ 12,603,887
Cash paid to suppliers	(1,010,794)	(10,842,112)	(11,852,906)
Cash paid to employees	(163,934)	(90,474)	(254,408)
Cash received from other sources	7,000	-	7,000
Net cash provided by operating activities	329,652	173,921	503,573
Cash Flows from Investing Activities			
Investment income	243,503	18,349	261,852
Increase in cash and cash equivalents	573,155	192,270	765,425
Cash and cash equivalents, beginning of year	3,860,720	1,715,361	5,576,081
Cash and cash equivalents, end of year	$ 4,433,875	$ 1,907,631	$ 6,341,506
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	$ 99,314	$ (90,474)	$ 8,840
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities			
Other sources of revenues	7,000	-	7,000
Accounts receivable	714	449,325	450,039
Prepaid expenses	-	(83,154)	(83,154)
Accounts payable	33,606	(101,776)	(68,170)
Accrued salaries	623	-	623
Claims payable	188,395	-	188,395
Net cash provided by operating activities	$ 329,652	$ 173,921	$ 503,573

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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 81,000	$ 81,000	$ 243,503	$ 162,503
Charges for service	1,467,000	1,392,000	1,496,666	104,666
Miscellaneous	300	-	7,000	7,000
Total revenues	1,548,300	1,473,000	1,747,169	274,169
Expenses				
Salaries	143,000	147,000	140,334	6,666
Benefits	29,000	29,000	24,223	4,777
Purchased services	882,000	616,000	596,726	19,274
Claims paid	444,000	631,000	625,989	5,011
Supplies and materials	45,000	45,000	6,252	38,748
Capital Outlay	5,000	5,000	-	5,000
Other	-	-	3,828	(3,828)
Total expenses	1,548,000	1,473,000	1,397,352	75,648
Change in net assets	$ 300	$ -	349,817	$ 349,817
Net assets, beginning			3,571,879	
Net assets, ending			$ 3,921,696	

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
For the Year Ended June 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 12,000	$ 12,000	$ 18,349	$ 6,349
Charges for service	10,480,000	10,863,000	10,657,182	(205,818)
Total revenues	10,492,000	10,875,000	10,675,531	(199,469)
Expenses				
Salaries	85,000	88,000	76,648	11,352
Benefits	18,000	18,000	13,826	4,174
Supplies and materials	1,000	1,000	-	1,000
Claims paid	10,388,000	13,133,274	10,657,182	2,476,092
Total expenses	10,492,000	13,240,274	10,747,656	2,492,618
Change in net assets	$ -	$ (2,365,274)	(72,125)	$ 2,293,149
Net assets, beginning			2,365,274	
Net assets, ending			$ 2,293,149	

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SUPPLEMENTARY SCHEDULES – FIDUCIARY FUNDS

St. Vrain Valley School District RE-1J

Schedule of Additions, Deductions and Changes in Net Assets - Budget and Actual
Student Scholarship Fund
For the Year Ended June 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Additions				
Investment income	$ 500	$ 1,000	$ 1,988	$ 988
Contributions	117,000	72,000	81,822	9,822
Total additions	117,500	73,000	83,810	10,810
Deductions				
Scholarships	117,500	171,000	60,150	110,850
Total deductions	117,500	171,000	60,150	110,850
Change in net assets	$ -	$ (98,000)	23,660	$ 121,660
Net assets, beginning			176,296	
Net assets, ending			$ 199,956	

St. Vrain Valley School District RE-1J

Schedule of Additions, Deductions and Changes in Undistributed Monies - Budget and Actual
Student Activity Fund
For the Year Ended June 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Additions				
Investment income	$ 11,000	$ 30,000	$ 46,062	$ 16,062
Student activity sources from schools	3,820,000	3,824,000	3,814,089	(9,911)
Athletic/Activity participation fees	422,000	428,000	507,505	79,505
General Fund support	141,100	-	-	-
Total additions	4,394,100	4,282,000	4,367,656	85,656
Deductions				
Student activities	6,196,000	6,115,307	3,807,189	2,308,118
Athletics/Activity programs	414,000	337,000	340,915	(3,915)
Total deductions	6,610,000	6,452,307	4,148,104	2,304,203
Change in undistributed monies	$ (2,215,900)	$ (2,170,307)	219,552	$ 2,389,859
Undistributed monies, beginning			2,170,307	
Undistributed monies, ending			$ 2,389,859	

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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

Combining Balance Sheet
Component Units
Charter Schools
June 30, 2005

	Twin Peaks Charter Academy	Ute Creek Charter Academy	Totals
Assets			
Cash and investments	$ 1,406,629	$ 203,973	$ 1,610,602
Accounts receivable	4,439	5	4,444
Prepaid expenses	50	-	50
Total assets	$ 1,411,118	$ 203,978	$ 1,615,096
Liabilities			
Accounts payable	$ 45,683	$ 44,775	$ 90,458
Accrued salaries and benefits	181,371	109,114	290,485
Deferred revenues	6,011	-	6,011
Total liabilities	233,065	153,889	386,954
Fund Balances			
Reserved for TABOR	71,484	34,550	106,034
Unreserved	1,106,569	15,539	1,122,108
Total fund balances	1,178,053	50,089	1,228,142
Total liabilities and fund balances	$ 1,411,118	$ 203,978	$ 1,615,096

St. Vrain Valley School District RE-1J

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Component Units
Charter Schools
For the Year Ended June 30, 2005

	Twin Peaks Charter Academy	Ute Creek Charter Academy	Total
Revenues			
Intergovernmental	$ 2,592,347	$ 1,253,249	$ 3,845,596
Investment income	19,779	314	20,093
Charges for services	85,386	-	85,386
Miscellaneous	5,287	19,337	24,624
State revenues	34,981	36,093	71,074
Federal grants	63,424	-	63,424
Total revenues	2,801,204	1,308,993	4,110,197
Expenditures			
Current			
Instruction	1,606,006	605,437	2,211,443
Supporting services	558,260	542,643	1,100,903
Capital outlay	218,534	3,600	222,134
Total expenditures	2,382,800	1,151,680	3,534,480
Excess of revenues over expenditures	418,404	157,313	575,717
Fund balances (deficit), beginning	759,649	(107,224)	652,425
Fund balances, ending	$ 1,178,053	$ 50,089	$ 1,228,142

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STATISTICAL SECTION
(UNAUDITED)

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

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

Contents **Pages**

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

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St. Vrain Valley School District RE-1J

Net Assets by Component

Accrual Basis of Accounting

(Unaudited)

Last Four Fiscal Years

	2002	2003	2004	2005
Governmental activities				
Invested in capital assets, net of related debt	$ 9,591,783	$ 18,202,783	$ 21,648,995	$ 22,549,614
Restricted	15,637,082	23,339,644	27,840,057	32,545,940
Unrestricted	(6,229,946)	(17,198,783)	(14,404,003)	(9,995,867)
Total governmental net assets	18,998,919	24,343,644	35,085,049	45,099,687
Business-type activities				
Invested in capital assets, net of related debt	861,216	821,843	727,684	981,771
Restricted	-	138,799	-	-
Unrestricted	1,060,020	810,767	1,126,201	1,225,914
Total business-type activities net assets	1,921,236	1,771,409	1,853,885	2,207,685
Primary government				
Invested in capital assets, net of related debt	10,452,999	19,024,626	22,376,679	23,531,385
Restricted	15,637,082	23,478,443	27,840,057	32,545,940
Unrestricted	(5,169,926)	(16,388,016)	(13,277,802)	(8,769,953)
Total primary government net assets	$ 20,920,155	$ 26,115,053	$ 36,938,934	$ 47,307,372

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

Last Four Fiscal Years

	2002	2003	2004	2005
Expenses				
Governmental activities:				
Instruction	$ 86,474,269	$ 93,572,030	$ 85,427,185	$ 95,661,489
Supporting services	43,277,026	42,042,464	49,858,273	49,653,089
Interest	7,266,870	9,599,755	11,647,151	12,247,793
Total governmental activities expenses	137,018,165	145,214,249	146,932,609	157,562,371
Business-type activities:				
Food services	4,221,985	4,254,543	4,410,830	4,885,656
Total primary government expenses	$ 141,240,150	$ 149,468,792	$ 151,343,439	$ 162,448,027
Program Revenues				
Governmental activities:				
Charges for services	$ 1,923,489	$ 2,121,666	$ 2,101,479	$ 3,185,805
Operating grants and contributions	8,240,959	8,069,583	9,513,660	10,930,997
Capital grants and contributions	978,337	1,650,635	1,402,614	1,041,182
Total governmental activities program revenues	11,142,785	11,841,884	13,017,753	15,157,984
Business-type activities:				
Charges for services	2,819,921	2,734,550	2,820,846	2,978,095
Operating grants and contributions	1,420,269	1,504,411	1,667,815	1,905,055
Capital grants and contributions	186,412	-	-	-
Total business-type activities program revenues	4,426,602	4,238,961	4,488,661	4,883,150
Total primary government program revenues	$ 15,569,387	$ 16,080,845	$ 17,506,414	$ 20,041,134
Net (expense) / revenue				
Governmental activities	$ (125,875,380)	$ (133,372,365)	$ (133,914,856)	$ (142,404,387)
Business-type activities	204,617	(15,582)	77,831	(2,506)
Total primary government net expense	$ (125,670,763)	$ (133,387,947)	$ (133,837,025)	$ (142,406,893)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	$ 54,336,202	$ 64,849,791	$ 67,200,837	$ 71,791,304
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580
State equalization	57,635,616	64,987,668	68,733,866	72,261,580
Investment income	727,029	451,322	1,374,794	2,285,218
Other	1,571,116	4,534,822	1,366,652	444,753
Transfers	140,000	26,446	-	(340,410)
Total governmental activities	119,625,805	140,287,702	144,656,261	152,419,025
Business-type activities:				
Investment income	14,274	5,755	4,645	15,896
Transfers	(140,000)	(140,000)	-	340,410
Total business-type activities	(125,726)	(134,245)	4,645	356,306
Total primary government	$ 119,500,079	$ 140,153,457	$ 144,660,906	$ 152,775,331
Change in Net Assets				
Governmental activities	$ (6,249,575)	$ 6,915,337	$ 10,741,405	$ 10,014,638
Business-type activities	78,891	(149,827)	82,476	353,800
Total primary government	$ (6,170,684)	$ 6,765,510	$ 10,823,881	$ 10,368,438

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

Last Four Fiscal Years

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

(1) Governmental activities revenues are a combination of program revenues and general revenues as shown on page 87.

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

Last Ten Fiscal Years

	1996	1997	1998	1999
General Fund				
Reserved	$ 2,863,126	$ 2,980,667	$ 3,554,184	$ 3,188,781
Unreserved	(3,128,146)	(3,633,257)	(1,149,746)	2,436,434
Total General Fund	$ (265,020)	$ (652,590)	$ 2,404,438	$ 5,625,215
All Other Governmental Funds				
Reserved	$ 6,748,360	$ 7,302,450	$ 10,024,006	$ 10,777,318
Unreserved:				
Designated, reported in:				
Capital projects fund	131,170	-	96,837,945	73,546,677
Special revenue funds	3,030,231	2,699,530	2,618,915	3,079,065
Undesignated, reported in:				
Capital projects fund	20,666	-	-	-
Debt service fund	-	-	-	-
Special revenue funds	128,918	142,188	350,786	1,606,658
Total all other governmental funds	$ 10,059,345	$ 10,144,168	$ 109,831,652	$ 89,009,718

2000	2001	2002	2003	2004	2005
$ 3,525,586	$ 334,443	$ 409,975	$ 366,855	$ 338,576	$ 3,963,869
1,556,556	334,979	(10,754,933)	(14,295,533)	(4,617,697)	-
$ 5,082,142	$ 669,422	$ (10,344,958)	$ (13,928,678)	$ (4,279,121)	$ 3,963,869
$ 11,307,320	$ 11,195,114	$ 78,000	$ 37,823,604	$ 98,956,894	$ 66,434,593
33,182,386	-	-	60,077,668	-	-
3,178,870	-	-	618,111	4,415,700	4,414,000
-	7,932,700	668,302	-	-	-
-	-	11,415,777	9,452,454	-	4,224,358
1,975,787	5,115,345	4,498,278	4,034,598	1,397,256	1,124,842
$ 49,644,363	$ 24,243,159	$ 16,660,357	$ 112,006,435	$ 104,769,850	$ 76,197,793

St. Vrain Valley School District RE-1J

Changes in Fund Balances of Governmental Funds

Modified Accrual Basis of Accounting

(Unaudited)

Last Ten Fiscal Years

	1996	1997	1998	1999
Revenues				
Property taxes	$ 35,426,942	$ 36,851,082	$ 42,586,147	$ 45,575,578
Specific ownership taxes	2,875,745	3,125,703	3,544,255	4,117,446
Investment income	795,339	864,832	3,835,250	6,569,857
Charges for service	977,597	967,317	1,115,788	1,484,935
Student activities (1)	2,019,068	2,220,985	1,762,686	2,258,914
Miscellaneous	482,516	580,393	835,287	1,147,820
Local intergovernmental	-	-	-	-
State intergovernmental	40,766,647	43,192,915	45,007,542	48,322,335
Federal intergovernmental	2,309,277	2,241,464	2,451,591	2,658,431
Total revenues	$ 85,653,131	$ 90,044,691	$ 101,138,546	$ 112,135,316
Expenditures				
Instruction	$ 47,744,131	$ 49,884,985	$ 51,871,099	$ 52,898,379
Supporting services	26,832,761	27,498,217	29,628,753	35,869,892
Student activities (1)	2,160,405	2,347,566	1,742,398	2,256,810
Capital outlay	2,482,594	2,573,939	7,188,758	26,472,845
Debt service				
Principal	6,625,000	5,647,810	4,740,000	4,982,937
Accrued interest	-	-	-	-
Interest and fiscal charges	2,730,184	2,561,785	4,973,134	7,435,805
Toal expenditures	$ 88,575,075	$ 90,514,302	$ 100,144,142	$ 129,916,668
Excess of revenues over (under) expenditures	(2,921,944)	(469,611)	994,404	(17,781,352)
Other financing sources (uses)				
Bond proceeds	$ -	$ -	$ 98,679,466	$ -
Premium received on issuance of bonds	-	-	-	-
Paid to bond agent	-	-	-	-
Proceeds from sale of land	-	-	-	-
Lease proceeds	-	-	2,891,507	-
Contributions	27,565	26,864	114,098	10,195
Transfers in (2)	2,405,175	2,576,521	316,490	420,242
Transfers out (2)	(2,311,325)	(2,436,521)	(176,490)	(250,242)
Total other financing sources (uses)	$ 121,415	$ 166,864	$ 101,825,071	$ 180,195
Net change in fund balances	$ (2,800,529)	$ (302,747)	$ 102,819,475	$ (17,601,157)

(1) Student Activities was a governmental fund (special revenue fund) until fiscal year 2002 when it was determined to be more appropriately represented as a fiduciary fund

(2) The state equalization allocation to the Capital Reserve Fund, as required by statute, was shown as a transfer out of the General Fund and in to the Capital Reserve Fund for fiscal years 1996 and 1997.

2000	2001	2002	2003	2004	2005
$ 47,332,883	$ 49,728,660	$ 53,893,252	$ 64,702,443	$ 68,547,345	$ 71,172,100
4,518,589	4,840,145	5,215,842	5,437,653	5,980,112	5,976,580
4,408,488	2,705,613	706,332	693,051	1,328,350	2,023,366
1,490,324	1,734,421	1,923,489	2,121,666	2,101,479	3,185,805
2,992,825	3,494,052	-	-	-	-
1,293,154	2,100,650	1,622,459	2,387,357	2,696,524	1,470,585
-	36,054	117,222	68,884	72,397	8,350
50,275,984	55,304,813	62,022,703	68,712,530	72,329,913	75,947,775
3,118,694	3,341,144	4,037,615	4,344,721	5,917,613	7,244,802
$ 115,430,941	$ 123,285,552	$ 129,538,914	$ 148,468,305	$ 158,973,733	$ 167,029,363
$ 59,514,383	$ 68,155,625	$ 82,668,776	$ 82,695,300	$ 81,655,292	$ 91,027,699
37,073,648	37,931,163	39,687,187	40,270,867	48,298,522	46,484,881
3,070,241	3,421,869	-	-	-	-
43,036,219	31,480,196	13,216,858	14,994,818	58,421,911	44,165,547
5,530,653	5,869,000	6,377,460	2,123,000	4,200,000	2,850,000
-	-	-	-	4,380,000	4,380,000
7,422,112	7,355,904	7,266,870	12,764,301	11,132,546	13,095,314
$ 155,647,256	$ 154,213,757	$ 149,217,151	$ 152,848,286	$ 208,088,271	$ 202,003,441
(40,216,315)	(30,928,205)	(19,678,237)	(4,379,981)	(49,114,538)	(34,974,078)
$ -	$ -	$ -	$ 131,090,000	$ 50,100,000	$ 56,815,000
-	-	-	5,813,003	1,427,510	4,057,901
-	-	-	(40,300,000)	-	(47,074,703)
-	-	-	-	-	846,813
452,352	974,281	2,461,606	-	-	-
-	-	-	-	-	-
429,242	780,513	491,871	529,710	46,614	47,000
(289,242)	(640,513)	(351,871)	(503,264)	(46,614)	(47,000)
$ 592,352	$ 1,114,281	$ 2,601,606	$ 96,629,449	$ 51,527,510	$ 14,645,011
$ (39,623,963)	$ (29,813,924)	$ (17,076,631)	$ 92,249,468	$ 2,412,972	$ (20,329,067)

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

Last Ten Fiscal Years

	1996	1997	1998	1999
Governmental activities:				
Property taxes	$ 35,426,942	$ 36,851,082	$ 42,586,147	$ 45,575,578
Specific ownership taxes	2,875,745	3,125,703	3,544,255	4,117,446
State equalization	40,087,969	42,524,076	41,779,634	45,127,475
Total finance act revenues	$ 78,390,656	$ 82,500,861	$ 87,910,036	$ 94,820,499
Total revenues (1)	$ 85,653,131	$ 90,044,691	$ 101,138,546	$ 112,135,316
Public School Finance Act revenues as percentage of total governmental funds revenues	91.5%	91.6%	86.9%	84.6%

(1) As shown on the Changes in Fund Balances of Governmental Funds schedule, pages 91-92.

2000	2001	2002	2003	2004	2005
$ 47,332,883	$ 49,728,660	$ 53,893,252	$ 64,702,443	$ 68,547,345	$ 71,172,100
4,518,589	4,840,145	5,215,842	5,437,653	5,980,112	5,976,580
47,208,976	51,470,640	57,635,616	64,987,668	68,733,866	72,261,580
$ 99,060,448	$ 106,039,445	$ 116,744,710	$ 135,127,764	$ 143,261,323	$ 149,410,260
$ 115,430,941	$ 123,285,552	$ 129,538,914	$ 148,468,305	$ 158,973,733	$ 167,029,363
85.8%	86.0%	90.1%	91.0%	90.1%	89.5%

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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
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
2004	2005	1,358,724,395	415,486,720	9,513,330	1,702,340	1,785,426,785

Assessment Information:

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 years 2003-04, 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 City and County of Broomfield

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
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
2003	2004	40.089	21.267	19.957	22.517	28.968	92.709	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 the Boulder/Longmont Area

(Unaudited)

Name	2004 Assessed Valuation	Percent of Assessed Valuation (1)
Amgen Inc.	$ 44,755,070	2.51%
Pratt Land Limited Liability Co.	35,358,980	1.98%
Kerr-McGee Rocky Mountain Corp.	28,588,730	1.60%
Seagate Technology LLC	20,635,440	1.16%
Encana Oil & Gas (USA) Inc.	18,278,270	1.02%
Xilinx Inc.	9,955,320	0.56%
Qwest Corporation	9,938,330	0.56%
Patina Oil & Gas Corporation	9,872,260	0.55%
Maxtor Corporation	9,093,990	0.51%
Twin Peaks Mall Associated Ltd.	8,229,210	0.46%
Total	$ 194,705,600	10.91%

(1) Based on a 2004 certified assessed valuation of $1,785,426,785

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
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)	
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)
2004	2005	71,575,974	69,356,553	96.90%	1,621,778	70,978,331	99.17%	2,219,422	(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
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	Total	Percentage of Average Personal Income	Per Capita
1996	$ 57,220,000	$ -	$ 57,220,000	1.1%	$ 646
1997	52,516,190	234,487	52,750,677	0.9%	567
1998	150,577,855	2,891,507	153,469,362	2.4%	1,563
1999	147,338,917	2,891,635	150,230,552	2.1%	1,411
2000	143,606,264	2,634,882	146,241,146	1.8%	1,256
2001	141,309,000	3,771,041	145,080,041	1.7%	1,177
2002	139,368,000	5,601,382	144,969,382	2.2%	1,139
2003	228,035,000	4,156,709	232,191,709	3.5%	1,768
2004	273,935,000	3,380,517	277,315,517	(1)	2,026
2005	283,890,000	2,827,263	286,717,263	(1)	2,043

(1) Personal Income data for 2004 and 2005 not available

Note: Personal Income and Per Capita data from the Demographics section on pages 105-106.

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

Name of Overlapping Entity	2004 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	$ 131,966,978	$ 1,910,000	8.84%	$ 168,844
City & County of Broomfield	843,146,852	3,685,000	0.20%	7,370
Carbon Valley Recreation District	176,731,520	7,000,000	94.38%	6,606,600
Central Colorado Water Conservancy - Groundwater Management	664,133,850	20,000,000	0.05%	10,000
Town of Erie	119,100,655	3,745,000	70.60%	2,643,970
Town of Firestone	69,416,870	500,000	98.23%	491,150
Town of Frederick	87,318,320	842,000	100.00%	842,000
Frederick - Firestone Fire Protection Dist.	129,178,050	3,950,000	100.00%	3,950,000
Gunbarrel Estates Metro Park & Rec.	9,154,490	100,645	100.00%	100,645
Left Hand Water & Sanitation District	5,039,790	312,292	100.00%	312,292
City of Longmont	963,317,110	8,410,000	100.00%	8,410,000
Lyons Fire Protection District	46,201,005	195,000	99.64%	194,298
Mountain View Fire District	801,520,845	755,000	94.58%	714,079
No. Colorado Water Cons. District	10,825,170,708	4,672,740	15.30%	714,929
St. Vrain Sanitation District	148,338,440	2,805,000	96.50%	2,706,825
Vista Ridge Metropolitan District	11,678,980	32,615,000	100.00%	32,615,000
Total				$ 60,488,002

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2004, 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

Legal Debt Margin

(Unaudited)

Last Ten Fiscal Years

	1996	1997	1998	1999
Debt Limit	$ 147,035,526	$ 155,071,772	$ 173,552,596	$ 185,996,297
Total net debt applicable to limit	57,220,000	52,516,190	150,577,855	147,338,917
Legal debt margin	$ 89,815,526	$ 102,555,582	$ 22,974,741	$ 38,657,380
Total net debt applicable to the limit as a percentage of debt limit	38.9%	33.9%	86.8%	79.2%

Fiscal Year 2005 Calculation

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

	Assessed Value		Actual Value
Assessed or Estimated Actual Value	$ 1,794,593,695	(1)	$ 14,349,936,878
Debt Limit Percentage	25.00%		6.00%
Legal debt limit	448,648,424		860,996,213
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2005			283,890,000
Legal debt margin			$ 577,106,213

(1) The assessed valuation shown here includes $9,408,280 of assessed valuation attributable to the tax increment financing district (Longmont Downtown Development Authority) located within the District. An additional slight difference is due to adjustment to the various County Assessors' compilations of the above information.

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

2000	2001	2002	2003	2004	2005
$ 215,746,374	$ 236,869,804	$ 299,759,366	$ 397,395,385	$ 826,522,526	$ 860,996,213
143,606,264	141,309,000	139,368,000	232,693,967	278,315,000	283,890,000
$ 72,140,110	$ 95,560,804	$ 160,391,366	$ 164,701,418	$ 548,207,526	$ 577,106,213
66.6%	59.7%	46.5%	58.6%	33.7%	33.0%

St. Vrain Valley School District RE-1J
Demographical Statistics
(Unaudited)

Last Ten Fiscal Years (as available)

Population District-wide

	1996	1997	1998	1999
	88,617	93,006	98,176	106,488

Source: Estimates compiled by District Planning Office using data from the Colorado Department of Local Affairs, Denver Regional Countil of Governments, US Census Bureau, and various local governments. Data for 1996 not available.

Personal Income (expressed in thousands) by County

	1996	1997	1998	1999
Boulder	$ 7,846,215	$ 8,536,223	$ 9,346,188	$ 10,304,130
Broomfield (1)	n/a	n/a	n/a	n/a
Larimer	5,334,117	5,811,981	6,282,235	6,756,866
Weld	3,131,716	3,369,289	3,752,251	4,167,443
Average	$ 5,437,349	$ 5,905,831	$ 6,460,225	$ 7,076,146

Source: United States Department of Commerce, Bureau of Economic Analysis Data for 2004 and beyond not available.

Annual Per Capita Personal Income by County

	1996	1997	1998	1999
Boulder	$ 29,650	$ 31,529	$ 33,672	$ 36,041
Broomfield (1)	n/a	n/a	n/a	n/a
Larimer	23,359	24,865	26,093	27,369
Weld	20,057	20,859	22,530	23,904
Average	$ 24,355	$ 25,751	$ 27,432	$ 29,105

Source: United States Department of Commerce, Bureau of Economic Analysis Data for 2004 and beyond not available.

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

2000	2001	2002	2003	2004	2005
116,414	123,295	127,223	131,310	136,910	140,363

2000	2001	2002	2003
$ 11,825,466	$ 12,085,925	$ 11,295,248	$ 11,406,648
n/a	n/a	1,359,569	1,410,324
7,657,065	8,164,809	8,387,267	8,541,462
4,586,448	4,950,093	5,021,256	5,144,211
$ 8,022,993	$ 8,400,276	$ 6,515,835	$ 6,625,661

2000	2001	2002	2003
$ 40,360	$ 40,435	$ 40,590	$ 41,110
n/a	n/a	33,293	33,376
30,274	31,449	31,793	32,037
25,038	25,575	24,571	24,279
$ 31,891	$ 32,486	$ 32,562	$ 32,701

St. Vrain Valley School District RE-1J
Demographical Statistics
(Unaudited)

Last Ten Fiscal Years

Median Age by County

	1996	1997	1998	1999	2000
Boulder	32.8	33.0	33.2	33.5	33.6
Larimer	32.4	32.7	33.0	33.3	33.3
Weld	30.8	30.8	30.9	30.9	31.0

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

Annual Unemployment Rate by County (1)

		1996	1997	1998	1999	2000
Boulder	(2)	4.1%	3.8%	2.8%	3.3%	2.6%
Broomfield	(3)	n/a	n/a	n/a	n/a	n/a
Larimer	(4)	3.9%	3.8%	3.2%	3.8%	3.1%
Weld	(5)	4.7%	4.7%	3.9%	4.5%	3.6%

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

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

2001	2002	2003	2004	2005
33.8	34.1	34.4	34.8	35.1
33.5	33.8	34.0	34.4	34.6
31.0	31.1	31.3	31.4	31.5

2001	2002	2003	2004	2005 (6)
2.3%	3.5%	5.9%	5.8%	4.7%
2.3%	3.7%	5.8%	6.2%	4.9%
2.4%	3.1%	4.8%	5.3%	4.4%
2.6%	3.2%	5.2%	5.9%	5.1%

St. Vrain Valley School District RE-1J
Principal Employers
Boulder County and the City and County of Broomfield Combined (1)
(Unaudited)

Name of Employer	Product of Service	Estimated Number of Employees
IBM Corp.	Computer software and equipment	4,700
Sun Microsystems Inc.	Computer hardware, software and services	3,100
Ball Corp.	Packaging products for beverages/food	2,600
Level 3 Communications Inc.	Communication/information services	2,200
Storage Technology Corp.	Data storage products	1,800
Seagate Technology	Computer hard disc drives	1,200
Safeway Inc. (2)	Food and drug retail	1,049
Hunter Douglas Inc., Window Fashions	Window louvers	968
ConAgra Foods	Food (turkey) products	950
Valleylab, division of Tyco International	Surgical soluction products	900

(1) Figures are as of mid-year 2004 and are not restricted to full-time employees only.
(2) Figure reflects employees in both Boulder County and the City and County of Broomfield in which Safeway operates 11 full service supermarkets.

Source: The Daily Camera, "Top 50 Boulder and Broomfield County Employers," June 7, 2004.

St. Vrain Valley School District RE-1J
Full-Time Equivalent District Employees by Function
(Unaudited)

Function	Description	2005 Full-time Equivalent (FTE)
Direct Instruction	Classroom teachers, special education and English as a Second Language teachers, teachers' aides	1,302
Classroom Support	Librarians, counselors, school principals and assistant principals, support staff including speech services, attendance, and extra-curricular activities	608
Building Support	Student transportation, utilities, maintenance, custodial services, printing, purchasing, technology services, etc.	274
Central Support/Administration	Human resources, finance, payroll, budgeting, legal, clerical support, supervision of instruction, public information, superintendent's office, etc.	77
Total		2,261

Source: The District's Human Resouces Department

Note: The numbers above are from the Employee Management System for the General Fund as of June 30, 2005 and do not take into account staffing fluctuations during the year or vacancies at year-end. Due to the change in compiling and reporting FTE data, the FTE by function is not available prior to the current fiscal year.

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

Fiscal Year	Student Membership/ Enrollment (1)	Student Full-Time Equivalency (FTE) As of October 1 (2)	
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	
2005	21,467.00	20,724.50	(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 2005 are pending CDE's annual audit

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

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

Last Ten Fiscal Years

	1996	1997	1998	1999	2000
General Fixed Assets Group / Governmental Activities					
Land/Sites	$ 5,315,701	$ 5,466,501	$ 6,808,260	$ 7,039,672	$ 7,646,977
Construction in progress	-	-	-	-	-
Water rights	-	-	450,306	450,306	450,306
Capital assets not depreciated	5,315,701	5,466,501	7,258,566	7,489,978	8,097,283
Land Improvements	-	-	-	-	-
Buildings	96,380,614	96,448,260	96,580,875	110,817,439	131,730,048
Building Improvements	-	-	-	-	-
Improvements	6,464,945	6,465,442	6,584,967	8,255,187	8,597,633
Equipment	26,357,800	27,753,353	29,823,557	32,362,710	33,485,689
Capital assets depreciated	129,203,359	130,667,055	132,989,399	151,435,336	173,813,370
Less: accumulated depreciation					
Land Improvements	-	-	-	-	-
Buildings	-	-	-	-	-
Building Improvements	-	-	-	-	-
Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Total accumulated depreciation	-	-	-	-	-
Capital assets depreciated, net	129,203,359	130,667,055	132,989,399	151,435,336	173,813,370
Total capital assets, General Fixed Assets Group / Governmental Activities	$ 134,519,060	$ 136,133,556	$ 140,247,965	$ 158,925,314	$ 181,910,653
Enterprise Fund / Business-type Activities					
Equipment	$ 1,427,239	$ 1,499,265	$ 1,553,937	$ 1,649,268	$ 1,914,638
Less: accumulated depreciation	912,916	982,556	1,048,838	1,127,620	1,161,272
Total	$ 514,323	$ 516,709	$ 505,099	$ 521,648	$ 753,366

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

2001	2002		2003	2004	2005
$ 7,970,477	$ 10,963,016		$ 11,700,106	$ 13,101,777	$ 13,857,953
-	-		3,701,002	47,988,336	20,455,309
473,306	2,612,516		2,612,516	2,612,516	2,612,516
8,443,783	13,575,532		18,013,624	63,702,629	36,925,778
-	11,205,967		11,643,568	13,803,835	16,362,434
152,318,422	103,752,158		104,563,622	104,563,622	163,650,732
-	75,795,663		76,042,521	83,590,019	87,209,911
10,785,673	-		-	-	-
34,912,821	14,839,302		15,397,086	17,487,102	23,182,130
198,016,916	205,593,090		207,646,797	219,444,578	290,405,207
-	3,050,927		3,566,526	4,222,100	4,957,967
-	27,592,543		29,444,832	31,298,614	33,363,394
-	13,700,056		15,746,468	18,049,170	20,731,717
-	-		-	-	-
-	8,507,722		9,731,386	10,746,973	11,336,879
-	52,851,248	(1)	58,489,212	64,316,857	70,389,957
198,016,916	152,741,842		149,157,585	155,127,721	220,015,250
$ 206,460,699	$ 166,317,374		$ 167,171,209	$ 218,830,350	$ 256,941,028
$ 1,283,304	$ 1,477,203		$ 1,559,536	$ 1,576,109	$ 1,953,186
510,089	615,987		737,693	848,425	971,415
$ 773,215	$ 861,216		$ 821,843	$ 727,684	$ 981,771

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