



Student Achievement è Well-Being è Partnerships

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2006



395 South Pratt Parkway • Longmont CO • 80501-6499





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

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

Comprehensive Annual Financial Report  
For Fiscal Year Ended June 30, 2006

Dr. Randy Zila  
Superintendent of Schools

Prepared by: Financial Services Department

Mark E. Pillmore, CPA  
Chief Financial Officer

Jane Frederick Schein, CPA  
District Accountant

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St. Vrain Valley School District RE-1J

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## **INTRODUCTORY SECTION**

**St. Vrain Valley School District 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**  
**2005-2006**



Pictured from left to right:

*(standing)* Mr. Edwin Smith, Secretary Merrill Bohaning, Treasurer Robert Auman,  
Assistant Secretary/Treasurer Rod Schmidt, Vice President John Caldwell,  
*(sitting)* President Sandra Searls, and Ms. Dori Van Lone

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October 11, 2006

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, 2006 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, 2006, financial statements of the District were audited by BKD, 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, 2006 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 Independent Accountants' Report.

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 Accountants' 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 Accountants' 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 Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit,

including a schedule of expenditures of federal awards, the Independent Accountants' 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, 2006 there were four 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, 2006, the District's Board of Education has approved four charter schools: Carbon Valley Academy, Flagstaff Academy, Twin Peaks Charter Academy, and Ute Creek Secondary Academy. The respective members of the Charter Schools' Governing Boards are appointed separately from the District's Board of Education. The Charter Schools are deemed to be fiscally dependent upon the District since the District provides the majority of support to the Charter Schools in the form of per pupil operating revenue; therefore, the Charter Schools' financial information has been presented as discretely presented component units.

In August 2006, the District received two additional charter school applications with proposed start dates for fall 2007. The District initiated the statutory review process in September 2006 and the Board must rule on these applications in November 2006.

## **ECONOMIC CONDITION AND OUTLOOK**

### National Economy

The U.S. economy continued to expand in the first half of 2006. Domestic output increased at an above average pace, employment rose to accommodate the natural increase in job seekers, and manufacturing activity and capacity utilization expanded. Furthermore, imports and nondefense federal spending are showing signs of improvement and the Federal Reserve appears satisfied that recent interest rate hikes have had the desired effect of dampening inflationary pressures.

Most of the events likely to affect the current national economic forecast would result in a downward revision to the near-term strength of the economy. The threat of global terrorism and geopolitical concerns continue to pose significant downside risks, negatively impacting consumer and business confidence. Additionally, increased political tension in oil-producing nations could restrict expected output, thereby disrupting the economic recovery. Meanwhile, the current national deficit, made even larger with aid provided to the Gulf States in need of support in the wake of Hurricanes Katrina and Rita, might necessitate an even steeper decline in the dollar. This, in turn, would cause interest rates to rise and slow

the economic recovery. Also, household debt burdens, foreclosures, and defaults remain high and the possibility of declining house prices in overpriced markets increase the risk of falling household credit quality. Weakening household credit quality could undermine lenders' willingness to extend credit, thereby curtailing households' ability to spend and weakening economic growth.

### State Economy

According to the Economics Staff of the Colorado Legislative Council, following an expansionary 2005, the Colorado economy jumped out of the gates quickly in 2006. Employment increased by 15,000 in the first three months and retail trade increased by 7 percent over the first quarter of 2005. However, the most recent data suggests a less optimistic outlook for the rest of 2006. Employment has stagnated since March and the housing market appears to be the weakest in over a decade. Based on May 2005 to May 2006 growth, Colorado ranked 15th nationally in job growth.

Employment growth in Colorado is the key barometer of the state's economic health. Most recently, job growth has slowed both nationally and in Colorado. Personal income is forecast to increase 6.5 percent in 2006. Wage pressure appears to be taking hold and the tight job market could force employers to import workers from out-of-state. Growth in personal income should remain close to 6.5 percent through 2010.

Housing price appreciation continues to creep closer to zero. A record more than 30,000 homes were on the market in May, an increase of 21 percent over a year ago. Foreclosures also increased dramatically in 2005, and the trend has continued into 2006. In April, Colorado had the highest foreclosure rate in the nation for the second consecutive month. As a result of these factors, home price appreciation in Colorado was the sixth lowest among states in the first quarter of 2006. While a large inventory of homes for sale has stymied home price appreciation, builders have continued to pull permits for new housing. Permits remained relatively high in 2005, but are forecast to decline slightly in each of the next three years, as the market corrects. It is anticipated that the housing market will stabilize with small gains through 2010.

Inflation is projected to increase to 2.9 percent in 2006, following a 2.1 percent rate in 2005. After 2006, inflation is expected to remain slightly over 3 percent. Much of the increase will result from the housing component of the index, which is expected to turn positive this year after two years of deflation. A tight labor market will continue to increase migration to Colorado. Thus, population growth could range from 1.7 percent to 2.0 percent in the forecast period. These gains follow growth rates of 1.1 percent to 1.4 percent in the three previous years.

The risks to the state economic forecast are generally the same as they are for the nation. However, Colorado's housing market may be particularly susceptible to an economic slowdown due to the large number of nontraditional mortgage loans and relatively high housing prices. Though energy prices are a concern for most of the country, Colorado does manage to benefit from increased exploration, which serves to offset some of the insecurity that high energy prices can cause.

### Local Economy

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 141,000 residents. Serving over 23,000 students, it is the tenth largest of the 178 school districts in the state.

The largest community within the District is Longmont (the City). According to the City, with approximately 83,000 residents, Longmont has reached approximately 81% of residential build out, and 42% of its job capacity build out in commercial and industrial development. The City's economy continued to grow through 2005, with positive indicators for the future local economy continuing into 2006.

The area unemployment rate dropped from 5.0% in 2004 to 4.5% in 2005. Sales and use tax growth, as well as a net gain of primary jobs were other positive signs in 2005. The Longmont Area Economic Council's (LAEC) 2005 Annual Report shows a 4.9% net increase of primary jobs during 2005. Thirty-eight percent of the existing primary employers expanded in 2005 while 10 new primary employers located in the Longmont area.

The City has returned to a favorable 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. In June 2006, Longmont was proclaimed a winner of the 2006 All-America City Award by the National Civic League. This award recognizes communities that have made major progress in meeting their most important challenges.

There are mixed indicators locally in regards to a recovery. Residential foreclosures in Longmont are higher than in other cities in Boulder County. Any growth in primary jobs year to date is expected to be more than offset by pending layoffs and there are concerns about the relative pay scales for jobs added versus jobs lost. Sales and use tax is the largest source of revenue of the City's general fund and it is showing combined growth of only 3.0% after seven months despite the addition of several new retail establishments in 2006. Development revenues are not meeting budget projections for the second consecutive year. As growth occurs, keeping Longmont as a quality place to live requires proficiently allocating limited resources among multiple priorities.

#### Continued Enrollment Growth

District growth continues to be one of the fastest in the state. The fall of 2005 saw an increase of 1,015 students which is 4.7% more than the prior year. For the fall of 2006, an increase of 798 was budgeted, a continuing growth of nearly 3.2%. Over the last 10 years, the enrollment growth has averaged 600 students per year as shown in the chart on page 117. 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.

#### School Financial Issues

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes, specific ownership taxes from vehicle registration, and state equalization, is approximately 96% of the District's General Fund revenues for fiscal year 2005-2006.

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 2005, the inflation rate was 2.1% which, together with adjustments in at-risk funding, results in an increase of 3.25% for the 2006-2007 fiscal year over 2005-2006.

As a result of the projected student growth and increased funding for fiscal year 2006-2007 the District was able to provide employees with an average increase in compensation of nearly 5.6%. As of June 30, 2006, the District had a fund balance of \$7.7 million in the General Fund, of which \$2.1 million was beyond required reserves. The adopted budget for FY07 shows an operating surplus which should add an additional \$1 million to fund balance. The Board continues to be committed to building the fund balance of the General Fund to the level necessary to provide the TABOR and contingency reserves in the General Fund and thereby release those resources in other funds for the operating needs in other critical areas, especially capital reserves.



In January 2006, a General Fund budget projection through June 2011 was presented to the Board. The budget shows that if the inflation rate (CPI) remains at 2% per year, the District would incur an operating deficit of almost \$800,000 (½%) for the year ending in 2011. If the actual CPI exceeds the 2% growth included in the projection by as little as 0.15% per year, the deficit in 2011 would be eliminated. As a result, financial planning by the Board includes a continued focus on controlling expenses, especially the cost of health insurance, as well as seeking additional sources of revenue, such as instituting transportation fees and again seeking a mill levy override in 2007 or 2008. The District asked voters in November 2004 to approve \$15 million in tax overrides and again in November 2005 to approve \$17.3 million. Both measures were narrowly defeated.

Due to limited financial operating resources, the District has delayed construction of four new schools approved in the capital construction bond issue approved in November 2002. In September 2006, District staff studied the construction of the remaining schools and recommended to the Board to move forward with construction, beginning in the spring of 2007, by opening the three elementary schools in the fall of 2008 and the high school in the fall of 2009. Various economic forecasts project the CPI to average 3% for 2006 through 2009. Should this result, and other assumptions contained in the 5 year budget projections remain unchanged, the District would have sufficient revenues to operate the remaining four schools. The construction and successful opening of new schools will depend on the ability to increase revenues and control expenses as necessary based upon the economy and the resulting CPI.

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

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

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 95% of the targets for fiscal year 2006 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 33%, which is

nearly 5,600 students. Projections developed by the District Planning Department show that enrollment will continue to increase by an average of approximately 750 students per year over the next four years, to more than 25,000 by 2010.

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 the four additional schools yet to be started, as discussed earlier. 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.

## **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 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 31-38, 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 nearly \$2.6 million for the fiscal year 2005-2006.

Funding sources consist primarily of state equalization aid, property taxes, bond proceeds, and utilization of other cash balances. During 2005-2006, the District borrowed \$9,351,447 from the State of Colorado Interest-Free Loan Program to finance seasonal cash flow requirements. The amount borrowed was paid in full by March 15, 2006. The District issued \$43.455 million of General Obligation Refunding Bonds in April 2006 to refund \$43.895 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 BKD, LLP was selected by the District's Finance and Audit Committee to perform the audit for the fiscal year ended June 30, 2006. 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 Accountants' 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 2-3 of the Financial Section.

### Awards

For the second consecutive year, 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, 2005. 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. 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,

A handwritten signature in black ink, appearing to read "Randy Zila". The script is fluid and cursive.

Dr. Randy Zila  
Superintende nt

A handwritten signature in black ink, appearing to read "Mark E. Pillmore". The script is fluid and cursive.

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-IJ**

**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2005

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

Interim 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, 2005

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.



*Carla E. Perry*

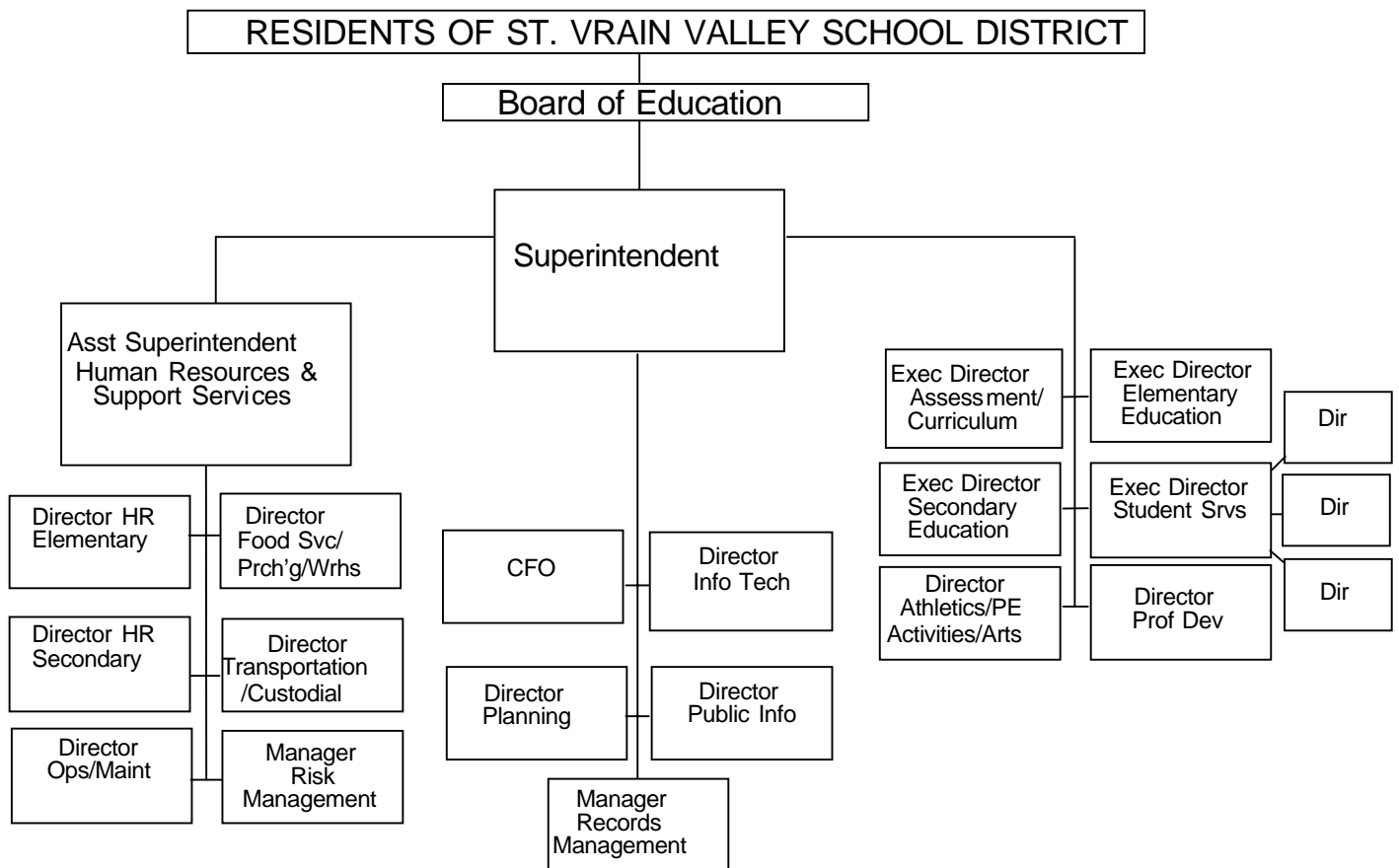
President

*Jeffrey R. Emer*

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 2006**

<b><u>Board Member</u></b>	<b><u>Term of Office</u></b>
Director District A Edwin Smith, Member	11/03 - 11/07
Director District B Sandra Searls, President	11/01 - 11/09
Director District C Robert Auman, Treasurer	11/03 - 11/07
Director District D Dori Van Lone, Member	11/05 - 11/09
Director District E John Caldwell, Vice President	11/03 - 11/07
Director District F Rod Schmidt, Asst Secretary/Treasurer	11/05 - 11/09
Director District G Merrill Bohaning, Secretary	11/03 - 11/07

### **Appointed Officials**

#### **District Leadership Team**

Dr. Randy Zila .....	Superintendent
Thomas Garcia .....	Asst Superintendent of Human Resources
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
Rick Ring .....	Acting Executive Director of Support Services
Mark Pillmore .....	Chief Financial Officer

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## **FINANCIAL SECTION**



## **Independent Accountants' Report on Financial Statements and Supplementary Information**

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 as of and for the year ended June 30, 2006, which collectively compose the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Carbon Valley Academy, a discretely presented component unit of the District, which statements reflect total assets of \$746,168 as of June 30, 2006 and total revenues of \$2,000,732 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Carbon Valley Academy, is based solely on the report of the other auditors. We also did not audit the financial statements of Flagstaff Academy, a discretely presented component unit of the District, which statements reflect total assets of \$340,553 as of June 30, 2006 and total revenues of \$1,797,625 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Flagstaff Academy, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgeting comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 15, in 2006 the District changed its methods of accounting for gains and losses on advance refundings of debt and for issuance costs of refunding debt in the government-wide financial statements by retroactively restating prior years' financial statements. Also, as discussed in Note 16, in 2006 the District reporting entity changed to include two additional charter schools as discretely presented component units by restating beginning net assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2006, on our consideration of the District's internal control over financial reporting and 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.

The accompanying management's discussion and analysis as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is 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.

BKD, LLP

September 15, 2006

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St. Vrain Valley School District RE-1J  
Management's Discussion and Analysis  
As of and for the Fiscal Year Ended June 30, 2006

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, 2006. 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, 2006 by \$53.7 million (net assets).
- Business-type activities have unrestricted net assets of \$1.1 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) decreased \$1.5 million during the year ended June 30, 2006 which is attributable to the expansion of the District's operations.
- Fund balance of the District's governmental funds decreased by \$17.2 million resulting in an ending fund balance of \$63.0 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 \$3.8 million leaving an ending fund balance of over \$7.7 million. This increase is primarily the result of \$1.4 million in revenues above budget, combined with an under-expenditure of \$2.1 million (US GAAP basis) spread among all areas of the General Fund budget for the year ended June 30, 2006. As a result of the required restrictions of fund balance, the ending unreserved General Fund balance is \$2.1 million.
- The District's total liabilities decreased \$17.7 million to \$311.8 million primarily as a result of the repayment of bond debt 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 17-54 are comprised of three components: 1.) Government-wide financial statements, 2.) Fund financial statements, and 3.) Notes to financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

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

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

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

The government-wide financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities), and other functions that are intended to recover all or most of their costs from user fees and charges (business-type activities). Governmental activities consolidate governmental funds including the General Fund, Bond Redemption Fund, Building Fund, 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 four 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 17-19 of this report.

### **Fund Financial Statements**

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

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

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

The District maintains eight different governmental funds. The major funds 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 20-23 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 25-27 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 28-29 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 31-54 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information concerning the District's nonmajor governmental and internal service funds. Combining and individual fund statements and schedules can be found on pages 56-83 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 unspent bond proceeds and the property taxes in process of collection; the District received over 31% 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 2007. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2007.

As of June 30, 2006, the assets of the primary government's governmental activities exceed liabilities by \$51.4 million with an unrestricted balance of \$4 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 \$10.8 million in land, buildings, and equipment to provide the services to the District's 23,300 public school students represents 21% 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, 2006 to the statutory balance and net assets restricted

for TABOR increased to \$4.4 million. Net assets restricted for debt service increased \$3.6 million as a result of bonds issued in fiscal year 2005 from the \$212.9 million of bonds approved in November 2002.

As mentioned earlier, the decrease in liabilities is primarily due to the repayment of bonds during the year.

Table 1 provides a summary of the District's net assets as of June 30, 2006 compared to June 30, 2005:

**Table 1**  
**Comparative Summary of Net Assets**  
**as of June 30, 2006 and 2005**  
**(in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2006	2005 As Restated	2006	2005	2006	2005	2005 - 2006
<b>Assets</b>							
Current assets	\$ 96,389	\$ 121,187	\$ 1,310	\$ 1,432	\$ 97,699	\$ 122,619	-20.32%
Capital assets	266,642	261,022	1,143	982	267,785	262,004	2.21%
<b>Total Assets</b>	<u>363,031</u>	<u>382,209</u>	<u>2,453</u>	<u>2,414</u>	<u>365,484</u>	<u>384,623</u>	-4.98%
<b>Liabilities</b>							
Current liabilities	34,434	40,596	242	206	34,676	40,802	-15.01%
Long-term liabilities	277,154	288,713	-	-	277,154	288,713	-4.00%
<b>Total Liabilities</b>	<u>311,588</u>	<u>329,309</u>	<u>242</u>	<u>206</u>	<u>311,830</u>	<u>329,515</u>	-5.37%
<b>Net Assets</b>							
Invested in capital assets - net of related debt	10,755	26,631	1,143	982	11,898	27,613	-56.91%
Restricted for							
TABOR	4,406	3,909	-	-	4,406	3,909	12.71%
Debt Service	32,201	28,637	-	-	32,201	28,637	12.45%
Unrestricted (deficit)	4,081	(6,277)	1,068	1,226	5,149	(5,051)	201.94%
<b>Total Net Assets</b>	<u>\$ 51,443</u>	<u>\$ 52,900</u>	<u>\$ 2,211</u>	<u>\$ 2,208</u>	<u>\$ 53,654</u>	<u>\$ 55,108</u>	-2.64%

## Government-wide Activities

Governmental activities decreased the net assets of the District by \$1.5 million accounting for virtually all of the reduction in the net assets of the District. Table 2 provides a summary of the District's change in net assets for 2006 compared to 2005.

**Table 2**  
**Comparative Schedule of Changes in Net Assets**  
**For the Years Ended June 30, 2006 and 2005**  
**(in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2006	2005 As Restated	2006	2005	2006	2005	2005 - 2006
<b>Revenues and Transfers</b>							
Program Revenues							
Charges for services	\$ 3,857	\$ 3,186	\$ 3,099	\$ 2,978	\$ 6,956	\$ 6,164	12.85%
Operating grants & contributions	13,090	10,931	2,443	1,905	15,533	12,836	21.01%
Capital grants & contributions	1,054	1,041	-	-	1,054	1,041	1.25%
General Revenues							
Property taxes	80,964	77,768	-	-	80,964	77,768	4.11%
State revenue	77,795	72,262	-	-	77,795	72,262	7.66%
Other	3,143	2,389	335	356	3,478	2,745	26.70%
<b>Total Revenues and Transfers</b>	<b>179,903</b>	<b>167,577</b>	<b>5,877</b>	<b>5,239</b>	<b>185,780</b>	<b>172,816</b>	<b>7.50%</b>
<b>Expenses</b>							
Instruction	113,734	95,662	-	-	113,734	95,662	18.89%
Supporting services	53,304	46,693	5,874	4,885	59,178	51,578	14.73%
Interest expense	14,321	13,266	-	-	14,321	13,266	7.95%
<b>Total Expenses</b>	<b>181,359</b>	<b>155,621</b>	<b>5,874</b>	<b>4,885</b>	<b>187,233</b>	<b>160,506</b>	<b>16.65%</b>
<b>Increase (decrease) in net assets</b>	<b>\$ (1,456)</b>	<b>\$ 11,956</b>	<b>\$ 3</b>	<b>\$ 354</b>	<b>\$ (1,453)</b>	<b>\$ 12,310</b>	<b>-111.80%</b>

Total assets of governmental activities decreased by \$19,177,543 attributed to the following elements:

**Comparative Schedule of Assets of Governmental Activities  
as of June 30, 2006 and 2005**

	2006	2005 As Restated	Increase (Decrease)
Cash and Investments	\$ 86,344,718	\$ 112,584,379	\$ (26,239,661)
Accounts Receivable	361,201	289,933	71,268
Grants Receivable	3,012,898	1,514,107	1,498,791
Interest Receivable	65,593	-	65,593
Taxes Receivable	2,253,528	2,219,422	34,106
Prepaid Expenses	10,576	384,175	(373,599)
Deposits	28,000	78,000	(50,000)
Deferred Charges	4,004,143	3,719,220	284,923
Inventories	308,880	398,272	(89,392)
Capital Assets			
Non-depreciable	26,443,470	39,936,169	(13,492,699)
Depreciable, net	240,198,590	221,085,463	19,113,127
Total Assets	<u>\$ 363,031,597</u>	<u>\$ 382,209,140</u>	<u>\$ (19,177,543)</u>

The net decrease in cash and investments (which includes unrestricted and restricted cash and investments) was caused primarily by construction expenditures from the proceeds of the bonds issued in the prior year. The relatively small changes in both accounts receivable and taxes receivable reflect a consistent percentage of collection of taxes as of June 30, 2006 as compared to June 30, 2005. The increase in grants receivable is due to the increased reimbursable spending within the fund. Interest receivable reflects interest earned through June 2006 that was not received until July 2006. The decrease in prepaid expenses is primarily due to the Minimum Medical Insurance Liability Fund for which no prepaid expense existed at June 30, 2006. The decrease in non-depreciable capital assets during the current year is primarily due to completion of projects in progress. 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 decreased by \$17,721,779 as follows:

**Comparative Schedule of Liabilities of Governmental Activities  
as of June 30, 2006 and 2005**

	2006	2005	Increase (Decrease)
Accounts Payable	\$ 2,264,883	\$ 11,086,641	\$ (8,821,758)
Due to Agency Fund, Component Unit	89,071	-	89,071
Retainage Payable	226,161	1,391,467	(1,165,306)
Arbitrage Payable	161,357	161,357	-
Accrued Salaries & Benefits	15,689,601	13,968,449	1,721,152
Accrued Interest Payable	547,911	572,660	(24,749)
Claims Payable	718,743	436,691	282,052
Unearned Revenues	2,477,639	2,754,195	(276,556)
Deferred Bond Premium	12,258,650	10,224,501	2,034,149
Debt Due Within One Year	12,887,902	11,636,230	1,251,672
Debt Due in More Than One Year	264,265,932	277,077,438	(12,811,506)
Total Liabilities	<u>\$ 311,587,850</u>	<u>\$ 329,309,629</u>	<u>\$ (17,721,779)</u>

Accounts payable decreased primarily due to the completion of construction projects during fiscal year 2006. The decrease in retainage payable is also related to the construction projects and reflects the completion of significant projects during fiscal year 2006. The increase in accrued salaries and benefits is the result of several factors, including pay increases effective September 2005, 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, 2005. 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, 2006. Unearned revenues decreased as a result of income recognition for fiscal year 2006. Deferred bond premium and debt due within one year increased as a result of refunding bonds issued in April 2006. Debt due in more than one year decreased as a result of bond repayment during the fiscal year.

Total assets of business-type activities increased by \$37,972 as follows:

**Comparative Schedule of Assets of Business-Type Activities  
as of June 30, 2006 and 2005**

	2006	2005	Increase (Decrease)
Cash and Investments	\$ 831,082	\$ 1,060,381	\$ (229,299)
Accounts Receivable	305,750	221,394	84,356
Inventories	172,464	150,949	21,515
Capital Assets, Net of Accumulated Depreciation	1,143,171	981,771	161,400
Total Assets	<u>\$ 2,452,467</u>	<u>\$ 2,414,495</u>	<u>\$ 37,972</u>

Accounts receivable increased as the result of the May 2006 federal reimbursements being delayed until after year end. Net capital assets have increased primarily due to a \$310,317 capital contribution 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 \$34,791 to \$241,601 primarily due to an increase in accrued salaries and benefits and deferred revenues. The increase in the number of food service employees' contracts, the increased pay rates effective September 2005, and increased health insurance premiums effective October 1, 2005 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 \$6,061 per funded pupil. For the fiscal year ended June 30, 2006, the funded pupil count was 21,635.5. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and state equalization. The District receives approximately 61% 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, 2006 and 2005**  
**(in Thousands)**

	Total Cost of Services		Net Cost of Services	
	2006	2005 As Restated	2006	2005 As Restated
Instruction	\$ 113,735	\$ 95,662	\$ 100,872	\$ 84,966
Supporting Services	53,304	46,693	48,165	42,231
Interest Expense	14,321	13,266	14,321	13,266
	<u>\$ 181,360</u>	<u>\$ 155,621</u>	<u>\$ 163,358</u>	<u>\$ 140,463</u>

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was \$181.4 million compared to \$155.6 million last year. The majority of the increase was almost entirely in expenditures for instruction.
- Nearly \$3.9 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 \$14.1 million.
- The majority of the District's net cost of services, \$163.6 million, was financed by State and District taxpayers.
- General revenues accounted for \$161.9 million in revenue which was 90% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$18.0 million or 10% of total revenues of \$179.9 million.

Business-type activities consist of the Food Services Fund. This program had revenues and transfers in totaling \$5.9 million and expenses of \$5.9 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 \$63.0 million, a decrease of \$17.2 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 \$134.5 million in revenues and \$130.6 million in expenditures. The General Fund's fund balance increased by \$3.8 million to just over \$7.7 million. The General Fund is the chief operating fund of the District. The increase is primarily the result of \$1.4 million of additional revenue from various sources and under-expenditure from all expense categories of \$2.1 million (US GAAP basis). The balance of the increase was the final amended budgeted surplus of \$0.4 million. All but \$2.1 million of the General Fund balance is reserved, primarily for statutory requirements for instructional purposes.

The fund balance of the Bond Redemption Fund increased by \$3.6 million, resulting in a balance of \$32.2 million as of June 30, 2006. This was the net result of revenues of \$27.3 million, current year payments of existing debt of \$23.7 million, and net proceeds of bond refunding of \$11 thousand. The Bond Redemption Debt Service Fund has adequate resources accumulated to make the December 2006 principal and interest payments. The mill levy to accumulate resources for the June 2007 interest payment will be certified in December 2006.

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 \$22.8 million due to the construction of school sites and other capital improvements during the year. The fund had total expenditures of \$23.8 million and revenues of \$1.0 million 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, 2006 is \$267.8 million (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, projects in progress, and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$5.8 million, or a 2.2% increase.

Major capital events during the year include the following:

- Completed construction of one middle school
- Numerous addition, remodel, and improvement projects completed during the year

Table 4 shows fiscal year 2006 capital assets compared to 2005.

**Table 4**  
**Comparative Schedule of Capital Assets**  
**as of June 30, 2006 and 2005**  
**(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2006	2005 As Restated	2006	2005	2006	2005	2005 - 2006
Land	\$ 17,282	\$ 16,868	\$ -	\$ -	\$ 17,282	\$ 16,868	2.45%
Water Rights	4,090	2,613	-	-	4,090	2,613	56.53%
Projects in Progress	5,072	20,455	-	-	5,072	20,455	-75.20%
Land Improvements	11,294	11,522	-	-	11,294	11,522	-1.98%
Buildings	141,543	130,490	-	-	141,543	130,490	8.47%
Building Improvements	76,070	67,418	-	-	76,070	67,418	12.83%
Equipment	11,291	11,656	1,143	982	12,434	12,638	-1.61%
Totals	<u>\$ 266,642</u>	<u>\$ 261,022</u>	<u>\$ 1,143</u>	<u>\$ 982</u>	<u>\$ 267,785</u>	<u>\$ 262,004</u>	2.21%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 43 of this report.

Debt Administration. The District issued \$43.455 million of General Obligation Refunding Bonds in April 2006 to refund \$43.895 million of Series 1997 debt and to lower its interest rate. The District was assigned underlying ratings of AA- from Standard & Poor's and an A3 rating from Moody's Investors Service for its general obligation bond refunding in 2006. 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, 2006 as compared to June 30, 2005 is shown in Table 5. State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$916 million and the legal debt margin was \$643 million.

**Table 5**  
**Comparative Schedule of Outstanding Debt**  
**as of June 30, 2006 and 2005**  
**(in Thousands)**

	2006	2005	Increase (Decrease)
General Obligation Bonds	\$ 272,770	\$ 283,890	\$ (11,120)
Capital Leases	2,244	2,827	(583)
Benefits Payable	2,140	1,996	144
Total Debt	<u>\$ 277,154</u>	<u>\$ 288,713</u>	<u>\$ (11,559)</u>

Additional information on the District's total bonded debt can be found in Note 8 beginning on page 45 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 2005, the inflation rate was 2.1%. The District will be receiving \$6,257 per full time pupil (FTE) for the 2006-2007 school year, which is an increase of 3.2% over the 2005-2006 funding of \$6,061 per pupil.
- The increased funding will provide an additional \$8.9 million to the District in fiscal year 2006-2007 (FY07).
- The District continues to increase in enrollment each year, and the District's adopted budget estimated an additional 746.5 pupil FTE, for additional FY07 revenues of \$4.7 million.
- The adopted budget estimated that 178.5 pupil FTE included in the growth shown above will attend one of the four charter schools. As a result, \$1.1 million of the funding growth discussed above belongs to the charter schools. Current enrollment information shows that the actual impact of the new charter schools is 238.5 pupil FTE for a total of \$1.5 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.

In January 2006, the Board established goals for fiscal year 2006-2007, which included offering competitive compensation packages in order to attract and retain superior teachers, administrators, and staff. To achieve this goal, the budget for FY07 included a 5.59% increase in compensation to all employees and the amount paid by employees for individual health insurance was reduced effective October 1, 2006.

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, projected total cash flow borrowing for fiscal year ending June 30, 2007 is \$2.3 million compared to \$9.4 million and \$17.7 million for fiscal years ended June 30, 2006 and 2005, respectively. All loans received during the current year were repaid in full on March 15 as compared to May 13 for the prior year. Projections for fiscal year 2007 show that initial borrowing will not occur until February with full repayment occurring mid-March 2007.

The adopted General Fund budget for fiscal year 2006-2007 includes projected funding in excess of expenditures of \$1 million which will increase fund balance.

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

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

## **BASIC FINANCIAL STATEMENTS**

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

**Statement of Net Assets  
June 30, 2006**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
<b>Assets</b>				
Cash and investments	\$ 67,217,311	\$ 831,082	\$ 68,048,393	\$ 2,582,277
Accounts receivable	361,201	305,750	666,951	17,439
Due from primary government	-	-	-	80,000
Grants receivable	3,012,898	-	3,012,898	54,000
Interest receivable	65,593	-	65,593	-
Taxes receivable	2,253,528	-	2,253,528	-
Prepaid expenses	10,576	-	10,576	9,086
Deposits	28,000	-	28,000	60,000
Deferred charges	4,004,143	-	4,004,143	-
Inventories	308,880	172,464	481,344	-
Restricted cash and investments	19,127,407	-	19,127,407	-
Capital assets,				
Non-depreciable	26,443,470	-	26,443,470	-
Depreciable, net	240,198,590	1,143,171	241,341,761	255,868
Total assets	<u>363,031,597</u>	<u>2,452,467</u>	<u>365,484,064</u>	<u>3,058,670</u>
<b>Liabilities</b>				
Accounts payable	2,264,883	57	2,264,940	136,541
Due to agency fund and component unit	89,071	-	89,071	-
Retainage payable	226,161	-	226,161	-
Arbitrage payable	161,357	-	161,357	-
Accrued salaries and benefits	15,689,601	172,133	15,861,734	404,498
Accrued interest payable	547,911	-	547,911	1,176
Claims payable	718,743	-	718,743	-
Unearned revenues	2,477,639	69,411	2,547,050	55,396
Deferred bond premium	12,258,650	-	12,258,650	-
Noncurrent liabilities				
Due within one year	12,887,902	-	12,887,902	81,528
Due in more than one year	264,265,932	-	264,265,932	190,326
Total liabilities	<u>311,587,850</u>	<u>241,601</u>	<u>311,829,451</u>	<u>869,465</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	10,755,304	1,143,171	11,898,475	15,895
Restricted for				
TABOR	4,406,496	-	4,406,496	208,616
Debt service	32,201,074	-	32,201,074	-
Unrestricted	4,080,873	1,067,695	5,148,568	1,964,694
Total net assets	<u>\$ 51,443,747</u>	<u>\$ 2,210,866</u>	<u>\$ 53,654,613</u>	<u>\$ 2,189,205</u>

The accompanying notes are an integral part of this statement.

# St. Vrain Valley School District RE-1J

## Statement of Activities For the Year Ended June 30, 2006

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 113,735,114	\$ 3,786,856	\$ 9,076,035	\$ -
Supporting services	53,304,184	70,791	4,014,671	1,053,746
Interest expense	14,320,914	-	-	-
Total governmental activities	181,360,212	3,857,647	13,090,706	1,053,746
Business-type Activities				
Food services	5,873,965	3,098,897	2,442,897	-
Total business-type activities	5,873,965	3,098,897	2,442,897	-
Total primary government	\$ 187,234,177	\$ 6,956,544	\$ 15,533,603	\$ 1,053,746
COMPONENT UNITS				
Instruction	\$ 4,486,413	\$ 678,130	\$ 321,696	\$ -
Supporting services	2,599,500	104,889	163,594	119,122
Interest expense	1,176	-	-	-
Total charter schools	\$ 7,087,089	\$ 783,019	\$ 485,290	\$ 119,122

### General Revenues

Property taxes  
Specific ownership taxes  
State equalization  
Investment income  
Other

### Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning  
Restatement for correction of error  
Restatement for change in reporting entity  
Adjusted net assets, beginning  
Net assets, ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

<u>Primary Government</u>			<u>Component Units</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Charter Schools</u>
\$ (100,872,223)	\$ -	\$ (100,872,223)	\$ -
(48,164,976)	-	(48,164,976)	-
(14,320,914)	-	(14,320,914)	-
(163,358,113)	-	(163,358,113)	-
-	(332,171)	(332,171)	-
-	(332,171)	(332,171)	-
(163,358,113)	(332,171)	(163,690,284)	-
-	-	-	(3,486,586)
-	-	-	(2,211,896)
-	-	-	(1,176)
-	-	-	(5,699,658)
74,977,182	-	74,977,182	-
5,987,316	-	5,987,316	-
77,794,994	-	77,794,994	6,338,148
2,511,220	25,035	2,536,255	59,808
941,954	-	941,954	-
(310,317)	310,317	-	-
161,902,349	335,352	162,237,701	6,397,956
(1,455,764)	3,181	(1,452,583)	698,298
45,099,687	2,207,685	47,307,372	1,246,729
7,799,824	-	7,799,824	-
-	-	-	244,178
52,899,511	2,207,685	55,107,196	1,490,907
<u>\$ 51,443,747</u>	<u>\$ 2,210,866</u>	<u>\$ 53,654,613</u>	<u>\$ 2,189,205</u>

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

**Balance Sheet  
Governmental Funds  
June 30, 2006**

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments - unrestricted	\$ 23,665,882	\$ 31,777,590	\$ -	\$ 6,071,498	\$ 61,514,970
Cash and investments - restricted	-	-	19,127,407	-	19,127,407
Accounts receivable	347,288	-	87	9,549	356,924
Due from other funds	279,000	-	-	435,690	714,690
Grants receivable	54,298	-	-	2,958,600	3,012,898
Interest receivable on investments	7,727	57,866	-	-	65,593
Taxes receivable	1,455,044	798,484	-	-	2,253,528
Prepaid expenses	-	-	-	10,576	10,576
Deposits	-	-	-	28,000	28,000
Inventories	308,880	-	-	-	308,880
Total assets	<u>\$ 26,118,119</u>	<u>\$ 32,633,940</u>	<u>\$ 19,127,494</u>	<u>\$ 9,513,913</u>	<u>\$ 87,393,466</u>
<b>Liabilities</b>					
Accounts payable	\$ 1,308,400	\$ -	\$ 417,080	\$ 428,110	\$ 2,153,590
Due to other funds	118,553	-	-	2,329,845	2,448,398
Retainage payable	-	-	226,161	-	226,161
Arbitrage payable	-	-	161,357	-	161,357
Accrued salaries and benefits	14,517,375	-	-	1,172,226	15,689,601
Deferred revenues	2,440,105	432,866	236,476	604,150	3,713,597
Total liabilities	<u>18,384,433</u>	<u>432,866</u>	<u>1,041,074</u>	<u>4,534,331</u>	<u>24,392,704</u>
<b>Fund Balances</b>					
Reserved for deposits, inventories, prepaids	308,880	-	-	38,576	347,456
Reserved for debt service	-	24,811,668	-	-	24,811,668
Reserved for capital projects	-	-	18,086,420	-	18,086,420
Reserved for statutory requirements	3,671,313	-	-	-	3,671,313
Reserved for encumbrances	1,611,252	-	-	-	1,611,252
Unreserved, designated for contingencies	86,665	-	-	1,489,999	1,576,664
Unreserved, designated for subsequent year expenditures reported in Special Revenue Funds	-	-	-	3,367,421	3,367,421
Unreserved, undesignated reported in General Fund	2,055,576	-	-	-	2,055,576
Special Revenue Funds	-	-	-	83,586	83,586
Debt Service Fund	-	7,389,406	-	-	7,389,406
Total fund balances	<u>7,733,686</u>	<u>32,201,074</u>	<u>18,086,420</u>	<u>4,979,582</u>	<u>63,000,762</u>
Total liabilities and fund balances	<u>\$ 26,118,119</u>	<u>\$ 32,633,940</u>	<u>\$ 19,127,494</u>	<u>\$ 9,513,913</u>	

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.	266,642,060
Deferred property taxes will be collected but are not available to pay for the current period's expenditures and, therefore, are not recorded as revenue in the funds.	1,235,958
Premium received on issuance of bonds is recognized as other financing source in the governmental funds, but is deferred revenue in the statement of net assets.	(12,258,650)
Bond reacquisition costs are not recognized in the governmental funds, but are capitalized in the statement of net assets	4,004,143
Long-term liabilities (\$277,153,834), including bonds payable and related accrued interest (\$547,911), are not due and payable in the current period and, therefore, are not reported in the funds.	(277,701,745)
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.	6,521,219
Net assets of governmental activities (page 17)	<u>\$ 51,443,747</u>

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

# St. Vrain Valley School District RE-1J

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2006

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 48,329,147	\$ 26,705,058	\$ -	\$ -	\$ 75,034,205
Specific ownership taxes	5,987,316	-	-	-	5,987,316
Investment income	541,449	575,673	996,087	273,115	2,386,324
Charges for services	888,173	-	-	2,969,474	3,857,647
Miscellaneous	556,761	-	-	1,113,624	1,670,385
Local intergovernmental	-	-	-	22,619	22,619
State intergovernmental	77,933,810	-	-	4,202,669	82,136,479
Federal intergovernmental	267,301	-	-	8,481,920	8,749,221
Total revenues	134,503,957	27,280,731	996,087	17,063,421	179,844,196
<b>Expenditures</b>					
Current					
Instruction	86,192,859	-	2,907,256	8,421,793	97,521,908
Supporting services	44,011,304	-	3,305,082	3,399,801	50,716,187
Capital outlay	403,522	-	17,631,474	7,015,568	25,050,564
Debt service					
Principal	-	10,680,000	-	-	10,680,000
Interest and fiscal charges	-	13,047,785	-	-	13,047,785
Total expenditures	130,607,685	23,727,785	23,843,812	18,837,162	197,016,444
Excess (deficiency) of revenues over (under) expenditures	3,896,272	3,552,946	(22,847,725)	(1,773,741)	(17,172,248)
<b>Other Financing Sources (Uses)</b>					
Issuance of debt	-	43,455,000	-	-	43,455,000
Premium received on issuance of bonds	-	2,520,719	-	-	2,520,719
Payment to bond escrow agent	-	(45,964,371)	-	-	(45,964,371)
Transfers in	-	-	-	126,455	126,455
Transfers out	(126,455)	-	-	-	(126,455)
Total other financing sources (uses)	(126,455)	11,348	-	126,455	11,348
Net change in fund balances	3,769,817	3,564,294	(22,847,725)	(1,647,286)	(17,160,900)
Fund balances, beginning	3,963,869	28,636,780	40,934,145	6,626,868	80,161,662
Fund balances, ending	\$ 7,733,686	\$ 32,201,074	\$ 18,086,420	\$ 4,979,582	\$ 63,000,762

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, 2006

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

**Net change in fund balances of governmental funds (page 21)** \$ (17,160,900)

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	\$ (8,471,687)	
Capital Outlay - Capitalized	14,402,671	
Net Effect of Deleted Assets	<u>(310,556)</u>	5,620,428

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	486,570	
Current year amortization of deferred charges	(1,120,269)	
Change in deferred property tax accrual	<u>(57,023)</u>	(690,722)

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	(205,318)	
Accrued vacation earned during the year	(469,764)	
Amount paid during the year	<u>531,816</u>	(143,266)

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

Bond proceeds	(43,455,000)	
Premium received on issuance of bonds	(2,520,719)	
Bond principal payments	54,575,000	
Accrued interest expense on bonds	24,749	
Bond reacquisition costs	1,405,192	
Long-term lease payments	<u>583,100</u>	10,612,322

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.

306,374

**Change in net assets of governmental activities (page 19)** \$ (1,455,764)

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, 2006**

	Original Budget	Final Amended Budget	Actual	Variance to Budget Positive (Negative)
<b>Revenues</b>				
Local				
Property taxes	\$ 47,322,000	\$ 47,912,000	\$ 48,329,147	\$ 417,147
Specific ownership taxes	6,231,000	6,231,000	5,987,316	(243,684)
Investment income	600,000	600,000	541,449	(58,551)
Charges for service	43,000	43,000	888,173	845,173
Miscellaneous	600,000	600,000	556,761	(43,239)
Total local revenues	<u>54,796,000</u>	<u>55,386,000</u>	<u>56,302,846</u>	<u>916,846</u>
State				
Equalization, net	71,686,000	73,668,657	73,661,867	(6,790)
Special Education	1,860,000	1,986,954	2,534,835	547,881
Vocational Education	700,000	800,000	619,438	(180,562)
Transportation	870,000	867,436	823,995	(43,441)
Gifted and Talented	147,000	148,869	183,946	35,077
English Language Proficiency Act	82,000	103,000	109,729	6,729
Total state revenues	<u>75,345,000</u>	<u>77,574,916</u>	<u>77,933,810</u>	<u>358,894</u>
Federal				
Adult Education	140,000	140,000	154,405	14,405
BOCES	51,000	51,000	61,944	10,944
Emergency Impact Relief Aid	-	-	50,952	50,952
Total federal revenues	<u>191,000</u>	<u>191,000</u>	<u>267,301</u>	<u>76,301</u>
Total revenues	<u>130,332,000</u>	<u>133,151,916</u>	<u>134,503,957</u>	<u>1,352,041</u>
<b>Expenditures, encumbered basis</b>				
Current				
Salaries	88,599,000	88,828,757	88,747,836	80,921
Benefits	18,029,000	18,233,481	18,212,843	20,638
Purchased services	7,636,000	7,922,831	7,888,011	34,820
Supplies and materials	8,105,000	9,142,210	9,869,036	(726,826)
Other	576,000	1,538,896	575,227	963,669
Charter schools	5,994,000	6,115,000	6,338,147	(223,147)
Capital outlay	891,000	895,141	479,861	415,280
Total expenditures, encumbered basis	<u>129,830,000</u>	<u>132,676,316</u>	<u>132,110,961</u>	<u>565,355</u>
Excess of revenues over expenditures before transfers	<u>502,000</u>	<u>475,600</u>	<u>2,392,996</u>	<u>1,917,396</u>
<b>Other Financing (Uses)</b>				
Transfers out	<u>(47,000)</u>	<u>(47,000)</u>	<u>(126,455)</u>	<u>(79,455)</u>
Total other financing sources (uses)	<u>(47,000)</u>	<u>(47,000)</u>	<u>(126,455)</u>	<u>(79,455)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 455,000</u>	<u>\$ 428,600</u>	<u>\$ 2,266,541</u>	<u>\$ 1,837,941</u>
Reconciliation of expenditures				
Expenditures, encumbered basis			\$ 132,110,961	
Plus: prior year encumbrances			107,976	
Less: current year encumbrances			(1,611,252)	
<b>Expenditures, US GAAP basis</b>			<u>\$ 130,607,685</u>	

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

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

## **Statement of Net Assets Proprietary Funds June 30, 2006**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
<b>Assets</b>		
Current assets		
Cash and investments	\$ 831,082	\$ 5,702,341
Accounts receivable	305,750	4,277
Due from other funds	-	1,644,637
Inventories	172,464	-
Total current assets	<u>1,309,296</u>	<u>7,351,255</u>
Capital assets		
Machinery and equipment	2,249,156	-
Accumulated depreciation	<u>(1,105,985)</u>	<u>-</u>
Total capital assets, net	<u>1,143,171</u>	<u>-</u>
 Total assets	 <u>2,452,467</u>	 <u>7,351,255</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	57	111,293
Claims payable	-	718,743
Accrued salaries and benefits	172,133	-
Deferred revenues	<u>69,411</u>	<u>-</u>
 Total liabilities	 <u>241,601</u>	 <u>830,036</u>
<b>Net Assets</b>		
Invested in capital assets	1,143,171	-
Restricted for TABOR	-	2,643,898
Restricted for contractual obligations	-	1,948,233
Unrestricted	<u>1,067,695</u>	<u>1,929,088</u>
 Total net assets	 <u>\$ 2,210,866</u>	 <u>\$ 6,521,219</u>

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

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

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2006**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
<b>Operating Revenues</b>		
Charges for services	\$ 3,043,132	\$ 13,554,354
Miscellaneous	55,765	-
Total operating revenues	<u>3,098,897</u>	<u>13,554,354</u>
<b>Operating Expenses</b>		
Salaries and benefits	2,631,392	271,919
Purchased services	419,072	717,519
Supplies and materials	2,410,822	16,488
Repairs and maintenance	161,779	-
Other	100,000	4,107
Depreciation	150,900	-
Claims paid	-	12,665,539
Total operating expenses	<u>5,873,965</u>	<u>13,675,572</u>
Operating loss	<u>(2,775,068)</u>	<u>(121,218)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	25,035	124,896
State match	71,456	-
National School Lunch/Breakfast Program	2,186,471	-
Commodities	193,301	-
Loss on disposal of equipment	(8,331)	-
Other	-	302,696
Total nonoperating revenues	<u>2,467,932</u>	<u>427,592</u>
Income (loss) before contributions	(307,136)	306,374
<b>Capital contributions</b>	<u>310,317</u>	<u>-</u>
Change in net assets	3,181	306,374
Net assets, beginning	<u>2,207,685</u>	<u>6,214,845</u>
Net assets, ending	<u><u>\$ 2,210,866</u></u>	<u><u>\$ 6,521,219</u></u>

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

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

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2006**

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 3,127,100	\$ 13,563,797
Cash paid to suppliers	(2,948,390)	(12,713,375)
Cash paid to employees	(2,596,301)	(272,542)
Cash received from other sources	-	302,696
Net cash provided (used) by operating activities	<u>(2,417,591)</u>	<u>880,576</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Cash received from State of Colorado	71,456	-
Cash received from Federal government	2,102,115	-
Cash loaned to Grants Fund	-	(1,644,637)
Net cash provided (used) by noncapital financing activities	<u>2,173,571</u>	<u>(1,644,637)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchases of equipment	<u>(10,314)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>		
Investment income	<u>25,035</u>	<u>124,896</u>
Decrease in cash and cash equivalents	(229,299)	(639,165)
Cash and cash equivalents, beginning of the year	<u>1,060,381</u>	<u>6,341,506</u>
Cash and cash equivalents, end of the year	<u><u>\$ 831,082</u></u>	<u><u>\$ 5,702,341</u></u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities</b>		
Operating loss	\$ (2,775,068)	\$ (121,218)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities		
Depreciation	150,900	-
Commodities	193,301	-
Other sources of revenue	-	302,696
Changes in Assets and Liabilities		
Accounts receivable	-	9,443
Prepaid expenses	-	374,256
Inventories	(21,515)	-
Accounts payable	(28,503)	33,970
Accrued salaries and benefits	35,091	(623)
Claims payable	-	282,052
Deferred revenues	<u>28,203</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ (2,417,591)</u></u>	<u><u>\$ 880,576</u></u>
<b>Noncash Transactions</b>		
Commodities received	<u>\$ 193,301</u>	<u>\$ -</u>
Capital contributions	<u><u>\$ 310,317</u></u>	<u><u>\$ -</u></u>

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

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

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2006**

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
	<hr/>	<hr/>
<b>Assets</b>		
Cash and investments	\$ 203,917	\$ 2,687,318
Accounts receivable	500	7,298
Due from governmental funds	<hr/> -	<hr/> 9,071
Total assets	<hr/> 204,417	<hr/> <hr/> \$ 2,703,687
 <b>Liabilities</b>		
Accounts payable	-	\$ 136,724
Accrued salaries and benefits	-	2,386
Undistributed monies	<hr/> -	<hr/> 2,564,577
Total liabilities	<hr/> -	<hr/> <hr/> \$ 2,703,687
 <b>Net Assets</b>		
Held in trust	<hr/> \$ 204,417	

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, 2006**

	Private Purpose Trust - Student Scholarship
<b>Additions</b>	
Investment income	\$ 4,564
Contributions	69,988
Total additions	74,552
<b>Deductions</b>	
Scholarships	70,091
Total deductions	70,091
Change in net assets	4,461
Net assets, beginning	199,956
Net assets, ending	\$ 204,417

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, 2006

#### **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's Board of Education has approved four charter school applications, Carbon Valley Academy, grades K-6; Flagstaff Academy, grades K-8; Twin Peaks Charter Academy, grades K-8, and Ute Creek Secondary Academy, grades 9-12. The respective members of the Charter Schools' Governing Boards are appointed separately from the District's Board of Education. The charter schools are discretely presented component units because of the significance of their financial relationship with the District and are considered nonmajor.

Separately audited financial reports for Carbon Valley Academy and Flagstaff Academy are available from the individual charter schools.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

**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 (personal property) 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*.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

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

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

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

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

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 accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

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

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

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

**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. However the process of consolidation does not eliminate the interfund services provided and used.

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

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

**Assets, Liabilities and Equity**

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

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

*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 in the fund financial statements.

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

**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.

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

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

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

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

Employees may accumulate 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; and amounts received but not yet earned under the terms of certain investment agreements.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

**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 2006 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

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

**Notes to Financial Statements (Continued)**

June 30, 2006

**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, 2006 in the amount of \$1,235,958. Property taxes are remitted to the District by the County Treasurers by the tenth of the month following collections by the respective counties, except for the months of March, May, and June in which the District receives an additional remittance from each county for collections through the twentieth of those months.

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

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

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

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

Although the Risk Management Fund's actual expenditures of \$1,687,052 exceed budgeted expenditures of \$1,674,000, the total appropriation of \$5,594,000 adopted by the Board of Education includes fund balance designated for contingencies. Therefore, expenditures did not exceed appropriations.



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

**Notes to Financial Statements (Continued)**

June 30, 2006

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

**Budgetary Information (Continued)**

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

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

**Accountability**

At June 30, 2006, the District complied with the statutory requirement to budget \$167 per pupil for instructional capital outlay, instructional supplies and materials, and instructional field trips. Statute requires that any unexpended instructional dollars are to be included in the subsequent year's budget. The required carryover from fiscal year 2006 and prior is \$3,526,115 and is fully reserved in fund balance.

For the year ended June 30, 2006, a combined minimum of \$271 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 2005 enrollment figures to determine the per pupil appropriation amount. The following summarizes District compliance with the requirement.

	Primary Government		Component Units	Total
	Capital Reserve Fund	Risk Management Fund		
State equalization	\$ 4,133,127	\$ 1,451,093	\$ 279,807	\$ 5,864,027
Funded enrollment				
Oct 2004 (unaudited)	20,603.0	20,603.0	1,032.5	21,635.5
Per pupil expenditure	\$ 201	\$ 70	\$ 271	\$ 271

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

**Notes to Financial Statements (Continued)**  
**June 30, 2006**

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

At June 30, 2006, the District and component units had cash and investments with the following carrying balances:

	<u>District</u>	<u>Component Units</u>
Cash on hand	\$ 23,820	\$ 1,000
Cash held by the District	-	459,506
Cash with County Treasurer	1,135,466	-
Cash held in escrow	-	27,586
Deposits	740,447	671,681
Investments	<u>85,276,067</u>	<u>1,422,504</u>
	<u>\$ 87,175,800</u>	<u>\$ 2,582,277</u>

*Custodial credit risk – deposits.* This is the risk that in the event of a bank failure, the District and component units' deposits may not be returned. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2006, State regulatory commissioners indicated that all financial institutions holding deposits for the District and component units are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the deposits. While the District does not have a policy regarding custodial credit risk, its deposits as of June 30, 2006 are not deemed to be exposed to custodial credit risk under the provisions of GASB 40. As of June 30, 2006, the District had deposits with a carrying balance of \$740,447 and a bank balance of \$998,232. Likewise, the component units had deposits with a carrying balance of \$671,681 and a bank balance of \$690,723.

*Custodial credit risk – investments.* This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The full amount of U.S. Agency Securities 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, 2006, 3.0% 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, 2006, 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

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

**Notes to Financial Statements (Continued)**

June 30, 2006

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

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. Both COLOTRUST and CSAFE are rated AAA by Standard and Poor's. The District had the following investments as of June 30, 2006:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	1-5
U.S. Agency Securities	\$ 2,558,425	\$ 545,065	\$ 2,013,360
Certificates of Deposit	10,369,718	10,369,718	-
Money Market Funds	43,537,312	43,537,312	-
Money Market Investment Pools	28,810,612	28,810,612	-
Total Investments	<u>\$ 85,276,067</u>	<u>\$ 83,262,707</u>	<u>\$ 2,013,360</u>

The component units had the following investments as of June 30, 2006:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less Than 1	1-5
Money Market Funds	\$ 35,206	\$ 35,206	\$ -
Money Market Investment Pools	1,387,298	1,387,298	-
Total Investments	<u>\$ 1,422,504</u>	<u>\$ 1,422,504</u>	<u>\$ -</u>

*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 a policy limiting the amount of investment in this type of security and deems it unnecessary at this time.

The U.S. Agency securities include mortgage pass-through obligations of GNMA, FNMA, and FHLMC. These investments are rated AAA.

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

**Notes to Financial Statements (Continued)**

June 30, 2006

**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, 2006 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Reserve Fund	\$ 279,000
Component Unit	General Fund	80,000
Capital Reserve Fund	Grants Fund	405,405
Grants Fund	General Fund	30,285
Risk Management Fund	Grants Fund	517,334
Minimum Liability Fund	Grants Fund	1,127,303
Student Activities Fund	General Fund	8,268
Student Activities Fund	Grants Fund	803
Total		<u>\$ 2,448,398</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers during fiscal year 2006 were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Community Education Fund	\$ 79,455
General Fund	Vance Brand Civic Auditorium Fund	47,000
Total		<u>\$ 126,455</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2006

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes in the District's capital assets for the year ended June 30, 2006:

	Balance 7/1/05 As Restated	Additions	Deletions & Adjustments	Transfers	Balance 6/30/06
<b>Governmental Activities</b>					
Non-depreciable assets					
Land	\$ 16,868,344	\$ -	\$ -	\$ 413,380	\$ 17,281,724
Projects in progress	20,455,309	13,087,789	-	(28,470,868)	5,072,230
Water rights	2,612,516	241,500	-	1,235,500	4,089,516
Total non-depreciable assets	39,936,169	13,329,289	-	(26,821,988)	26,443,470
Depreciable assets					
Land improvements	16,362,434	-	-	612,456	16,974,890
Buildings	163,627,218	70,000	-	13,161,170	176,858,388
Building improvements	87,209,911	-	-	12,143,176	99,353,087
Equipment	23,205,644	1,313,699	(1,164,019)	594,869	23,950,193
Total depreciable assets	290,405,207	1,383,699	(1,164,019)	26,511,671	317,136,558
Less accumulated depreciation for					
Land improvements	4,840,750	840,421	-	-	5,681,171
Buildings	33,136,901	2,178,083	-	-	35,314,984
Building improvements	19,791,865	3,491,247	-	-	23,283,112
Equipment	11,550,228	1,961,936	(853,463)	-	12,658,701
Total accumulated depreciation	69,319,744	8,471,687	(853,463)	-	76,937,968
Total depreciable assets, net	221,085,463	(7,087,988)	(310,556)	26,511,671	240,198,590
Governmental Activities					
Total capital assets, net	<b>\$ 261,021,632</b>	<b>\$ 6,241,301</b>	<b>\$ (310,556)</b>	<b>\$ (310,317)</b>	<b>\$ 266,642,060</b>
	Balance 7/1/05	Additions	Deletions	Transfers	Balance 6/30/06
<b>Business-type Activities</b>					
Depreciable assets					
Equipment	\$ 1,953,186	\$ 10,314	\$ (24,660)	\$ 310,317	\$ 2,249,157
Less accumulated depreciation for					
Equipment	971,415	150,900	(16,329)	-	\$ 1,105,986
Business-type Activities					
Total capital assets, net	<b>\$ 981,771</b>	<b>\$ (140,586)</b>	<b>\$ (8,331)</b>	<b>\$ 310,317</b>	<b>\$ 1,143,171</b>

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

**Notes to Financial Statements (Continued)**

June 30, 2006

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

Based on information obtained during the fiscal year related to land donated to the District in prior years, values of land were updated and adjusted accordingly. See Note 15 regarding the restatement for correction of error.

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

**Governmental Activities**

Instruction	\$ 7,347,611
Supporting Services	<u>1,124,076</u>
Total	<u><u>\$ 8,471,687</u></u>

**Business-Type Activities**

Food Service	<u><u>\$ 150,900</u></u>
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The following is a summary of changes in the component units' capital assets for the year ended June 30, 2006:

	<u>Balance</u> <u>7/1/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/06</u>
<b>Component unit activities</b>				
Governmental activities				
Leasehold improvements	\$ -	\$ 227,413	\$ -	\$ 227,413
Equipment	-	43,508	-	43,508
Accumulated depreciation	<u>-</u>	<u>(15,053)</u>	<u>-</u>	<u>(15,053)</u>
Total capital assets, net	<u><u>\$ -</u></u>	<u><u>\$ 255,868</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 255,868</u></u>

**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, 2006 are estimated to be as follows:

General Fund	\$ 14,517,375
Other Funds	<u>1,172,226</u>
Total Governmental Funds	15,689,601
Proprietary Funds	<u>172,133</u>
<b>Total Primary Government</b>	<u><u>\$ 15,861,734</u></u>
 <b>Component Units</b>	 <u><u>\$ 404,498</u></u>

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

**Notes to Financial Statements (Continued)**

June 30, 2006

**NOTE 7: DEFERRED REVENUES**

**Investment Agreement**

In June 2003, in order to improve cash flows, the District's General Fund received a net payment of \$3,026,000 representing an advanced payment of investment income from Citigroup Financial Products, Inc. related to a twelve-year debt service forward delivery agreement. In exchange for this amount, the District agreed to make payments into a bank trust account (Wells Fargo) from its debt service property tax revenues for subsequent purchases of qualified securities provided by Citigroup. The securities mature at such times as are required for meeting the District's debt service payment obligations over the contract period. Should the District terminate the agreement for any reason, it would be obligated to repay a portion of the \$3,026,000 received and other possible financial damages sustained by the investor as a result of the default.

The amount received under the agreement is being amortized over the term of the agreement for US GAAP purposes, rather than being recognized in full, when received. For fiscal year ended June 30, 2006, \$238,016 of the deferred amount has been recognized. Income recognized was \$162,949 by the General Fund, \$23,731 by the Building Fund, \$2,759 by the Capital Reserve Fund, and \$48,577 by the Fair Contributions Fund. The remaining balances by fund of \$1,623,758, \$236,476, \$27,488, and \$484,057 respectively, are deferred revenues as of June 30, 2006.

**NOTE 8: LONG-TERM DEBT**

The District's long-term debt changed as follows during the year ended June 30, 2006.

<b>Governmental activities</b>	<b>Balance 7/1/2005</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance 6/30/2005</b>	<b>Due within One Year</b>
General Obligation Bonds	\$ 283,890,000	\$ 43,455,000	\$ (54,575,000)	\$ 272,770,000	\$ 11,700,000
Capital leases	2,827,263	-	(583,100)	2,244,163	616,688
Vacation payable	373,130	469,764	(373,130)	469,764	469,764
Sick leave payable	1,623,275	205,318	(158,686)	1,669,907	101,450
<b>Total</b>	<b>\$ 288,713,668</b>	<b>\$ 44,130,082</b>	<b>\$ (55,689,916)</b>	<b>\$ 277,153,834</b>	<b>\$ 12,887,902</b>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

**NOTE 8: LONG-TERM DEBT**

**General Obligation Bonds**

	Balance due at <u>June 30, 2006</u>
<u>Description, Interest Rates, and Maturity Dates</u>	
Building Bonds (Series 1997), original amount of \$98,675,000, due in varying installments through December 15, 2022, interest from 4.0% to 5.15%. Amounts defeased were \$44,010,000 in 2005 and \$43,895,000 in 2006.	\$ 3,015,000
Refunding Bonds (Series 2002), original amount of \$39,090,000, due in varying installments through December 15, 2010, interest from 2.0% to 5.0%. Proceeds used to retire outstanding refunding bonds (Series 1992). Premium of \$1,613,000 received upon issuance is being amortized over term of bonds.	33,910,000
Building Bonds (Series 2003), original amount of \$92,000,000, due in varying installments through December 15, 2022, interest from 2.0% to 5.25%. Premium of \$4,200,003 received upon issuance is being amortized based on maturity of bonds.	88,695,000
Building Bonds (Series 2004), original amount of \$50,100,000, due in varying installments through December 15, 2024, interest from 3.0% to 5.5%. Premium of \$1,427,510 received upon issuance is being amortized based on maturity of bonds.	48,280,000
Building Bonds (Series 2005A), original amount of \$14,000,000, due in varying installments through December 15, 2022, interest from 3.0% to 5.0%. Premium of \$511,241 received upon issuance is being amortized based on maturity of bonds.	12,600,000
Refunding Bonds (Series 2005B), original amount of \$42,815,000, due in varying installments beginning December 15, 2006, through December 15, 2017, interest at 5%. Premium of \$3,546,660 received upon issuance is being amortized over term of bonds.	42,815,000
Refunding Bonds (Series 2006), original amount of \$43,455,000, due in varying installments through December 15, 2022, interest from 3.5% to 5.25%. Premium of \$2,520,719 received upon issuance is being amortized over term of bonds.	<u>43,455,000</u>
Total general obligation bonds payable	<u>\$ 272,770,000</u>



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

**Notes to Financial Statements (Continued)**

June 30, 2006

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

**General Obligation Bonds (Continued)**

Bond payments to maturity are as follows:

Year ending June 30	GO Bonds		Total
	Principal	Interest	
2007	\$ 11,700,000	\$ 13,111,668	\$ 24,811,668
2008	10,735,000	12,615,324	23,350,324
2009	11,045,000	12,132,405	23,177,405
2010	11,495,000	11,620,411	23,115,411
2011	12,360,000	11,054,871	23,414,871
2012	12,740,000	10,437,519	23,177,519
2013	13,380,000	9,774,600	23,154,600
2014	14,060,000	9,076,150	23,136,150
2015	14,770,000	8,347,394	23,117,394
2016	15,510,000	7,586,431	23,096,431
2017	16,285,000	6,791,812	23,076,813
2018	17,100,000	5,957,438	23,057,438
2019	17,910,000	5,073,563	22,983,563
2020	18,805,000	4,137,750	22,942,750
2021	19,780,000	3,154,250	22,934,250
2022	20,775,000	2,151,063	22,926,063
2023	21,790,000	1,139,281	22,929,281
2024	6,110,000	473,750	6,583,750
2025	6,420,000	160,500	6,580,500
	<u>\$ 272,770,000</u>	<u>\$ 134,796,180</u>	<u>\$ 407,566,180</u>

At an election held on November 5, 2002, District voters approved the issuance of bonds in an amount not to exceed \$212,900,000. The District plans to issue the remaining \$56,800,000 balance of the \$212,900,000 authorized bonds prior to December 31, 2006.

**Advance Refunding**

On April 4, 2006, the District issued \$43,455,000 of General Obligation Refunding Bonds, Series 2006. The proceeds of the bonds, along with other available District funds, were used to advance refund \$43,895,000 of the District's General Obligation Bonds, Series 1997.

The net proceeds of the 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 the Series 1997 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 \$985,896. This amount is included in deferred charges and is being amortized over the life of the old debt.

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

**Notes to Financial Statements (Continued)**

June 30, 2006

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

**Advance Refunding (Continued)**

This advance refunding was undertaken to reduce total debt service payments over the next 16 years by \$3,032,017 and resulted in an economic gain of \$2,034,775. Interest on the new debt accrues at rates ranging from 3.5% to 5.25% and is payable each June 15<sup>th</sup> and December 15<sup>th</sup>. Principal is due annually on December 15 beginning in 2006. The premium of \$2,520,719 that was received upon the issuance of the bonds is being amortized based upon maturity of the redeemed bonds.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2006, \$87,905,000 of bonds outstanding is considered defeased.

**Capital Lease Agreements**

The District has 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.

**Future Debt Service Requirements**

Debt service requirements for the District's leases are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 616,688	\$ 109,349	\$ 726,037
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	<u>\$ 2,244,163</u>	<u>\$ 276,510</u>	<u>\$ 2,520,673</u>

**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, 2006 includes qualified sick leave for all eligible employees as of June 30, 2006.

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.

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

**Notes to Financial Statements (Continued)**

June 30, 2006

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

**Component Unit Long-Term Debt**

One of the charter schools entered into a note to make building improvements . The note requires a monthly payment of \$4,270 which includes principal and interest at 6.50% and matures July 2011. Another charter school entered into a capital lease agreement to purchase equipment. The lease requires a monthly payment of \$3,912 which includes principal and interest at 10.5% and matures October 2007.

Following is a summary of the component units' long-term debt transactions for the year ended June 30, 2006.

	<u>Balance 7/1/05</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/06</u>	<u>Due in one year</u>
Component unit activities					
Note payable	\$ -	\$ 250,000	\$ 32,957	\$ 217,043	\$ 38,259
Capital lease	-	84,420	29,609	54,811	43,269
<b>Total</b>	<u>\$ -</u>	<u>\$ 334,420</u>	<u>\$ 62,566</u>	<u>\$ 271,854</u>	<u>\$ 81,528</u>

Following is a schedule of the debt service requirements for the note payable:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 38,259	\$ 12,981	\$ 51,240
2008	40,821	10,419	51,240
2009	43,555	7,685	51,240
2010	46,472	4,768	51,240
2011	47,936	3,304	51,240
<b>Totals</b>	<u>\$ 217,043</u>	<u>\$ 39,157</u>	<u>\$ 256,200</u>

Following is a schedule of the future minimum lease payments at June 30, 2006:

<u>Year ending June 30,</u>	<u>Long-term Debt</u>
2007	\$ 46,944
2008	11,736
Total minimum lease payments	58,680
Less amount representing interest	(3,869)
Present value of future minimum lease payments	<u>\$ 54,811</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

**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, 2006, was as follows:

<u>Beginning Balance</u>	<u>Draws</u>	<u>Payments</u>	<u>Ending Balance</u>
\$ -	\$ 9,351,447	\$ (9,351,447)	\$ -

**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 allocation 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, 2006, the District had insurance deductibles of \$50,000 (property), \$150,000 (general liability), and \$25,000 (vehicle liability) per claim. At June 30, 2006, the District's property and liability claims payable was \$166,403.

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 property pool funds were distributed to the former members in June 2006. The remaining assets from the liability pool are now held in a joint account with the other former members (Park School District and Thompson School District) to meet the run-off obligations as described in the dissolution plan. The remaining assets are sufficient to meet these run-off obligations, according to the actuarial reports dated June 11, 2003, and July 12, 2004.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2006

**NOTE 10: RISK FINANCING** (Continued)

**Self Insurance Pool** (Continued)

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, 2006. At June 30, 2006, the District's workers' compensation claims payable was \$552,340.

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

**Claims Liability** – Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported. Changes in the reported liability for the years ended June 30, 2005 and 2006, were as follows:

	<u>2005</u>	<u>2006</u>
Beginning fiscal year liability	\$ 248,296	\$ 436,691
Current year claims and adjustments	814,384	1,047,209
Claims paid	<u>(625,989)</u>	<u>(765,157)</u>
Ending fiscal year liability	<u>\$ 436,691</u>	<u>\$ 718,743</u>

**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 1<sup>st</sup> 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).

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

**Notes to Financial Statements (Continued)**

June 30, 2006

**NOTE 11: DEFINED BENEFITS PENSION PLAN** (Continued)

**Plan Description** (Continued)

CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the CSSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and the 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 for the period July 1, 2005 to December 31, 2005, and 10.65% for the period January 1, 2006 to June 30, 2006. Of the District's 10.65% rate, 9.63% 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.

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, 2006, 2005, and 2004 were \$9,021,975, \$7,884,999, and \$7,470,331, 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 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, 2006, 2005 and 2004 were \$980,748, \$880,909, and \$907,996, respectively.

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

**Notes to Financial Statements (Continued)**

June 30, 2006

**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 \$1,019,691 for services provided during the year ended June 30, 2006. 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, 2006, 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, 2006. Contract commitments at June 30, 2006, as a result of these projects, totaled approximately \$2,432,600.

**Operating Lease Agreements**

The District has entered into an operating lease agreement for administrative facilities. The following is a schedule of the future minimum lease payments under the lease at June 30, 2006.

<u>Year Ending June 30,</u>	
2007	\$ 100,475
2008	104,495
2009	80,703
Total minimum lease payments	<u>\$ 285,673</u>

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

**Notes to Financial Statements (Continued)**

June 30, 2006

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

**TABOR Amendment**

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

The TABOR Amendment requires the District to establish a reserve for emergencies. At June 30, 2006, 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, 2006, the District has complied with this policy.

**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, 2006, the run-off obligations are estimated to be \$1,948,233 which has been reserved in the Minimum Medical Insurance Liability Fund's fund balance.

**NOTE 15: RESTATEMENT FOR CORRECTION OF ERROR**

The District's capital asset balances as of July 1, 2005, have been restated for the understatement of land of \$3,010,391 and the overstatement of accumulated depreciation for depreciable assets of \$1,070,213. In addition, deferred charges related to bond reacquisition costs and building bond issuance costs have been restated for the understatements of \$2,032,450 and \$1,686,770, respectively. The affect on prior year's change in net assets was \$1,777,534. Accordingly, net assets as of July 1, 2005 have been increased by \$7,799,824 for these items.

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

The additions of two new charter schools, Carbon Valley Academy and Flagstaff Academy, were effective July 1, 2005. The component units' net assets as of July 1, 2005, have been increased to reflect the change in reporting entities by \$244,178.



## **COMBINING NONMAJOR FUND FINANCIAL STATEMENTS**

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

**Combining Balance Sheet  
Nonmajor Governmental Funds  
Special Revenue Funds  
June 30, 2006**

	Special Revenue Funds					
	Capital Reserve	Community Education	Fair Contributions	Governmental Designated- Purpose Grants	Vance Brand Civic Auditorium	Total Nonmajor Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 530,462	\$ 1,589,640	\$ 3,841,138	\$ -	\$ 110,258	\$ 6,071,498
Accounts receivable	-	4,643	-	620	4,286	9,549
Grants receivable	-	-	-	2,958,600	-	2,958,600
Due from other funds	405,405	-	-	30,285	-	435,690
Prepaid expenses	10,576	-	-	-	-	10,576
Deposits	28,000	-	-	-	-	28,000
Total assets	<u>\$ 974,443</u>	<u>\$ 1,594,283</u>	<u>\$ 3,841,138</u>	<u>\$ 2,989,505</u>	<u>\$ 114,544</u>	<u>\$ 9,513,913</u>
<b>Liabilities</b>						
Accounts payable	\$ 339,380	\$ 36,298	\$ 17,156	\$ 35,036	\$ 240	\$ 428,110
Due to other funds	279,000	-	-	2,050,845	-	2,329,845
Accrued salaries and benefits	-	352,203	-	811,019	9,004	1,172,226
Deferred revenues	27,488	-	484,057	92,605	-	604,150
Total liabilities	<u>645,868</u>	<u>388,501</u>	<u>501,213</u>	<u>2,989,505</u>	<u>9,244</u>	<u>4,534,331</u>
<b>Fund Balances</b>						
Reserved for deposits and prepaids	38,576	-	-	-	-	38,576
Unreserved, designated for contingencies	289,999	1,200,000	-	-	-	1,489,999
Unreserved, designated for subsequent year expenditures	-	5,782	3,339,925	-	21,714	3,367,421
Unreserved	-	-	-	-	83,586	83,586
Total fund balances	<u>328,575</u>	<u>1,205,782</u>	<u>3,339,925</u>	<u>-</u>	<u>105,300</u>	<u>4,979,582</u>
Total liabilities and fund balances	<u>\$ 974,443</u>	<u>\$ 1,594,283</u>	<u>\$ 3,841,138</u>	<u>\$ 2,989,505</u>	<u>\$ 114,544</u>	<u>\$ 9,513,913</u>

**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, 2006**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Capital Reserve	Community Education	Fair Contributions	Governmental Designated- Purpose Grants	Vance Brand Civic Auditorium	
<b>Revenues</b>						
Intergovernmental	\$ 4,133,127	\$ -	\$ -	\$ 8,574,081	\$ -	\$ 12,707,208
Investment income	26,329	47,501	196,047	-	3,238	273,115
Charges for services	-	2,898,683	-	-	70,791	2,969,474
Miscellaneous	5,878	-	1,053,746	-	54,000	1,113,624
Total revenues	4,165,334	2,946,184	1,249,793	8,574,081	128,029	17,063,421
<b>Expenditures</b>						
Instruction	-	3,084,280	-	5,337,513	-	8,421,793
Supporting services	-	-	66,686	3,190,676	142,439	3,399,801
Capital outlay	5,661,449	-	1,296,951	45,892	11,276	7,015,568
Total expenditures	5,661,449	3,084,280	1,363,637	8,574,081	153,715	18,837,162
Excess (deficiency) of revenues over (under) expenditures	(1,496,115)	(138,096)	(113,844)	-	(25,686)	(1,773,741)
<b>Other Financing Sources</b>						
Transfers in	-	79,455	-	-	47,000	126,455
Total other financing sources	-	79,455	-	-	47,000	126,455
Net change in fund balances	(1,496,115)	(58,641)	(113,844)	-	21,314	(1,647,286)
Fund balances, beginning	1,824,690	1,264,423	3,453,769	-	83,986	6,626,868
Fund balances, ending	\$ 328,575	\$ 1,205,782	\$ 3,339,925	\$ -	\$ 105,300	\$ 4,979,582

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## **SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS**

### **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. 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.

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

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

### **Nonmajor Special Revenue Funds**

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

- *Capital Reserve Fund* – This fund is used to account for required allocation of resources and other revenues for ongoing capital outlay needs of the District, such as equipment purchases.
- *Community Education Fund* – This fund is used to record the tuition-based activities including driver's education, summer school, child care, enrichment, and preschool.
- *Fair Contributions Fund* – In accordance with intergovernmental agreements, this fund is used to collect money for the acquisition, development, or expansion of public school sites based on impacts created by residential subdivisions.
- *Governmental Designated-Purpose Grants Fund* - This fund is used to account for restricted state or federal grants that are obtained primarily to provide for specific instructional programs.
- *Vance Brand Civic Auditorium Fund* – As a joint effort between the District and the City of Longmont, this fund accounts for the general operating revenues, operating expenditures, and capital improvements of the auditorium.

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

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund and Colorado Preschool Fund  
For the Year Ended June 30, 2006**

	General Fund			Variance to Budget Positive (Negative)
	Original Budget	Final Amended Budget	Actual	
<b>Revenues</b>				
Local				
Property taxes	\$ 47,322,000	\$ 47,912,000	\$ 48,329,147	\$ 417,147
Specific ownership taxes	6,231,000	6,231,000	5,987,316	(243,684)
Investment income	600,000	600,000	541,097	(58,903)
Charges for service	43,000	43,000	888,173	845,173
Miscellaneous	600,000	600,000	556,761	(43,239)
Total local revenues	<u>54,796,000</u>	<u>55,386,000</u>	<u>56,302,494</u>	<u>916,494</u>
State				
Equalization, net	71,369,000	73,351,252	73,343,408	(7,844)
Special Education	1,860,000	1,986,954	2,534,835	547,881
Vocational Education	700,000	800,000	619,438	(180,562)
Transportation	870,000	867,436	823,995	(43,441)
Gifted and Talented	147,000	148,869	183,946	35,077
English Language Proficiency Act	82,000	103,000	109,729	6,729
Total state revenues	<u>75,028,000</u>	<u>77,257,511</u>	<u>77,615,351</u>	<u>357,840</u>
Federal				
Adult Education	140,000	140,000	154,405	14,405
BOCES	51,000	51,000	61,944	10,944
Emergency Impact Relief Aid	-	-	50,952	50,952
Total federal revenues	<u>191,000</u>	<u>191,000</u>	<u>267,301</u>	<u>76,301</u>
Total revenues	<u>130,015,000</u>	<u>132,834,511</u>	<u>134,185,146</u>	<u>1,350,635</u>
<b>Expenditures, encumbered basis</b>				
Current				
Salaries	88,559,000	88,778,757	88,712,969	65,788
Benefits	18,020,000	18,222,604	18,207,274	15,330
Purchased services	7,388,000	7,657,432	7,656,853	579
Supplies and materials	8,090,000	9,129,087	9,862,633	(733,546)
Other	576,000	1,538,896	575,227	963,669
Charter schools	5,994,000	6,115,000	6,338,147	(223,147)
Capital outlay	891,000	895,141	479,861	415,280
Total expenditures, encumbered basis	<u>129,518,000</u>	<u>132,336,917</u>	<u>131,832,964</u>	<u>503,953</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>497,000</u>	<u>497,594</u>	<u>2,352,182</u>	<u>1,854,588</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(47,000)</u>	<u>(47,000)</u>	<u>(126,455)</u>	<u>(79,455)</u>
Total other financing sources (uses)	<u>(47,000)</u>	<u>(47,000)</u>	<u>(126,455)</u>	<u>(79,455)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 450,000</u>	<u>\$ 450,594</u>	<u>\$ 2,225,727</u>	<u>\$ 1,775,133</u>
Reconciliation of expenditures				
Expenditures, encumbered basis			\$ 131,832,964	
Plus: prior year encumbrances			107,976	
Less: current year encumbrances			(1,611,252)	
<b>Expenditures, US GAAP basis</b>			<u>\$ 130,329,688</u>	

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)
\$ -	\$ -	\$ -	\$ -	\$ 47,322,000	\$ 47,912,000	\$ 48,329,147	\$ 417,147
-	-	-	-	6,231,000	6,231,000	5,987,316	(243,684)
-	-	352	352	600,000	600,000	541,449	(58,551)
-	-	-	-	43,000	43,000	888,173	845,173
-	-	-	-	600,000	600,000	556,761	(43,239)
-	-	352	352	54,796,000	55,386,000	56,302,846	916,846
317,000	317,405	318,459	1,054	71,686,000	73,668,657	73,661,867	(6,790)
-	-	-	-	1,860,000	1,986,954	2,534,835	547,881
-	-	-	-	700,000	800,000	619,438	(180,562)
-	-	-	-	870,000	867,436	823,995	(43,441)
-	-	-	-	147,000	148,869	183,946	35,077
-	-	-	-	82,000	103,000	109,729	6,729
317,000	317,405	318,459	1,054	75,345,000	77,574,916	77,933,810	358,894
-	-	-	-	140,000	140,000	154,405	14,405
-	-	-	-	51,000	51,000	61,944	10,944
-	-	-	-	-	-	50,952	50,952
-	-	-	-	191,000	191,000	267,301	76,301
317,000	317,405	318,811	1,406	130,332,000	133,151,916	134,503,957	1,352,041
40,000	50,000	34,867	15,133	88,599,000	88,828,757	88,747,836	80,921
9,000	10,877	5,569	5,308	18,029,000	18,233,481	18,212,843	20,638
248,000	265,399	231,158	34,241	7,636,000	7,922,831	7,888,011	34,820
15,000	13,123	6,403	6,720	8,105,000	9,142,210	9,869,036	(726,826)
-	-	-	-	576,000	1,538,896	575,227	963,669
-	-	-	-	5,994,000	6,115,000	6,338,147	(223,147)
-	-	-	-	891,000	895,141	479,861	415,280
312,000	339,399	277,997	61,402	129,830,000	132,676,316	132,110,961	565,355
5,000	(21,994)	40,814	62,808	502,000	475,600	2,392,996	1,917,396
-	-	-	-	(47,000)	(47,000)	(126,455)	(79,455)
-	-	-	-	(47,000)	(47,000)	(126,455)	(79,455)
\$ 5,000	\$ (21,994)	\$ 40,814	\$ 62,808	\$ 455,000	\$ 428,600	\$ 2,266,541	\$ 1,837,941

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Capital Reserve Fund  
For the Year Ended June 30, 2006**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Equalization	\$ 4,132,000	\$ 3,985,343	\$ 4,133,127	\$ 147,784
Investment income	20,000	27,000	26,329	(671)
Miscellaneous	-	-	5,878	5,878
Total revenues	<u>4,152,000</u>	<u>4,012,343</u>	<u>4,165,334</u>	<u>152,991</u>
<b>Expenditures</b>				
Capital outlay	<u>7,492,000</u>	<u>7,063,033</u>	<u>5,661,449</u>	<u>1,401,584</u>
Total expenditures	<u>7,492,000</u>	<u>7,063,033</u>	<u>5,661,449</u>	<u>1,401,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,340,000)</u>	<u>(3,050,690)</u>	<u>(1,496,115)</u>	<u>1,554,575</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of land	2,200,000	2,200,000	-	(2,200,000)
General Fund capital lease obligations	<u>(474,000)</u>	<u>(474,000)</u>	<u>-</u>	<u>474,000</u>
Total other financing sources (uses)	<u>1,726,000</u>	<u>1,726,000</u>	<u>-</u>	<u>(1,726,000)</u>
Net change in fund balance	<u>\$ (1,614,000)</u>	<u>\$ (1,324,690)</u>	<u>(1,496,115)</u>	<u>\$ (171,425)</u>
Fund balance, beginning			<u>1,824,690</u>	
Fund balance, ending			<u>\$ 328,575</u>	



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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Community Education Fund  
For the Year Ended June 30, 2006**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ -	\$ 19,000	\$ 47,501	\$ 28,501
Charges for services	<u>2,300,000</u>	<u>3,081,000</u>	<u>2,898,683</u>	<u>(182,317)</u>
Total revenues	<u>2,300,000</u>	<u>3,100,000</u>	<u>2,946,184</u>	<u>(153,816)</u>
<b>Expenditures</b>				
Instruction	<u>2,300,000</u>	<u>3,100,000</u>	<u>3,084,280</u>	<u>15,720</u>
Total expenditures	<u>2,300,000</u>	<u>3,100,000</u>	<u>3,084,280</u>	<u>15,720</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(138,096)	(138,096)
<b>Other Financing Sources</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>79,455</u>	<u>79,455</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(58,641)</u>	<u>\$ (58,641)</u>
Fund balance, beginning			<u>1,264,423</u>	
Fund balance, ending			<u>\$ 1,205,782</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Fair Contributions Fund  
For the Year Ended June 30, 2006**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 166,000	\$ 175,000	\$ 196,047	\$ 21,047
Cash in lieu	<u>1,000,000</u>	<u>1,140,000</u>	<u>1,053,746</u>	<u>(86,254)</u>
Total revenues	<u>1,166,000</u>	<u>1,315,000</u>	<u>1,249,793</u>	<u>(65,207)</u>
<b>Expenditures</b>				
Purchased services	42,000	48,000	66,686	(18,686)
Capital outlay	<u>3,924,000</u>	<u>4,670,769</u>	<u>1,296,951</u>	<u>3,373,818</u>
Total expenditures	<u>3,966,000</u>	<u>4,718,769</u>	<u>1,363,637</u>	<u>3,355,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,800,000)</u>	<u>\$ (3,403,769)</u>	(113,844)	<u>\$ 3,289,925</u>
Fund balance, beginning			<u>3,453,769</u>	
Fund balance, ending			<u>\$ 3,339,925</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Governmental Designated-Purpose Grants Fund  
For the Year Ended June 30, 2006**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Local grants	\$ 5,000	\$ 20,000	\$ 22,619	\$ 2,619
State grants	55,000	87,000	69,542	(17,458)
Federal grants	6,562,000	9,156,000	8,481,920	(674,080)
Total revenues	6,622,000	9,263,000	8,574,081	(688,919)
<b>Expenditures</b>				
Salaries	4,734,000	6,432,000	5,949,088	482,912
Benefits	916,000	1,195,000	1,194,588	412
Purchased services	398,000	704,000	747,300	(43,300)
Supplies and materials	299,000	553,000	314,247	238,753
Capital outlay	173,000	165,000	45,892	119,108
Other	102,000	214,000	322,966	(108,966)
Total expenditures	6,622,000	9,263,000	8,574,081	688,919
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Vance Brand Civic Auditorium Fund  
For the Year Ended June 30, 2006**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 1,200	\$ 1,200	\$ 3,238	\$ 2,038
Charges for services	64,800	64,800	70,791	5,991
Contributions	54,000	54,000	54,000	-
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>128,029</u>	<u>8,029</u>
<b>Expenditures</b>				
Salaries	108,500	108,500	108,676	(176)
Benefits	23,900	23,900	21,814	2,086
Purchased services	8,200	8,200	2,586	5,614
Supplies and materials	11,000	11,000	9,363	1,637
Capital outlay	15,400	15,400	11,276	4,124
Total expenditures	<u>167,000</u>	<u>167,000</u>	<u>153,715</u>	<u>13,285</u>
Excess (deficiency) of revenues over (under) expenditures	(47,000)	(47,000)	(25,686)	21,314
<b>Other Financing Sources</b>				
Transfers in	<u>47,000</u>	<u>47,000</u>	<u>47,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>21,314</u>	<u>\$ 21,314</u>
Fund balance, beginning			<u>83,986</u>	
Fund balance, ending			<u>\$ 105,300</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Bond Redemption Fund  
For the Year Ended June 30, 2006**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 26,423,000	\$ 26,423,000	\$ 26,705,058	\$ 282,058
Investment income	72,000	128,000	575,673	447,673
Total revenues	26,495,000	26,551,000	27,280,731	729,731
<b>Expenditures</b>				
Debt principal	10,680,000	10,680,000	10,680,000	-
Debt accrued interest	-	-	-	-
Debt interest	13,740,000	13,732,000	13,042,727	689,273
Fiscal charges	-	8,000	5,058	2,942
Total expenditures	24,420,000	24,420,000	23,727,785	692,215
Excess of revenues over expenditures	2,075,000	2,131,000	3,552,946	1,421,946
<b>Other Financing Sources (Uses)</b>				
Refunding bond proceeds	-	43,455,000	43,455,000	-
Premium on bonds issued	-	2,520,719	2,520,719	-
Payment to refunded bond escrow agent	-	(45,964,428)	(45,964,371)	57
Total other financing sources (uses)	-	11,291	11,348	57
Net change in fund balance	<u>\$ 2,075,000</u>	<u>\$ 2,142,291</u>	3,564,294	<u>\$ 1,422,003</u>
Fund balance, beginning			28,636,780	
Fund balance, ending			<u>\$ 32,201,074</u>	

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

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Building Fund  
For the Year Ended June 30, 2006**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Investment income	\$ 50,000	\$ 114,000	\$ 996,087	\$ 882,087
Total revenues	<u>50,000</u>	<u>114,000</u>	<u>996,087</u>	<u>882,087</u>
<b>Expenditures</b>				
Salaries	500,000	500,000	226,428	273,572
Benefits	100,000	100,000	45,133	54,867
Purchased services	8,000,000	8,000,000	1,861,838	6,138,162
Supplies and materials	4,000,000	4,000,000	3,860,336	139,664
Capital outlay	93,621,000	84,831,165	17,631,474	67,199,691
Other	170,000	170,000	163,581	6,419
Interest expense	<u>65,000</u>	<u>65,000</u>	<u>55,022</u>	<u>9,978</u>
Total expenditures	<u>106,456,000</u>	<u>97,666,165</u>	<u>23,843,812</u>	<u>73,822,353</u>
Excess (deficiency) of revenues over (under) expenditures	(106,406,000)	(97,552,165)	(22,847,725)	74,704,440
<b>Other Financing Sources</b>				
Proceeds of bonds	<u>56,800,000</u>	<u>56,800,000</u>	<u>-</u>	<u>(56,800,000)</u>
Net change in fund balance	<u>\$ (49,606,000)</u>	<u>\$ (40,752,165)</u>	<u>(22,847,725)</u>	<u>\$ 17,904,440</u>
Fund balance, beginning			<u>40,934,145</u>	
Fund balance, ending			<u>\$ 18,086,420</u>	

## **SUPPLEMENTARY SCHEDULES – PROPRIETARY FUNDS**

### **Enterprise Fund**

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

### **Internal Service Funds**

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

- *Risk Management Fund* – This fund is used to account for the payment of loss or damage to the property of the District, workers' compensation, property and liability claims, and the payment of related administration expenses
- *Minimum Medical Insurance Liability Fund* – This fund accounts for the collection of health and dental insurance from employees and the District from which the insurance company's retention and pooling fees, as well as claims, are paid.

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

**Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
Food Service Fund  
For the Year Ended June 30, 2006**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 12,000	\$ 12,000	\$ 25,035	\$ 13,035
Charges for service	2,900,000	2,900,000	3,043,132	143,132
Miscellaneous	22,000	22,000	55,765	33,765
State match	58,000	58,000	71,456	13,456
National School Lunch/Breakfast Program	1,500,000	2,000,000	2,186,471	186,471
Total revenues	<u>4,492,000</u>	<u>4,992,000</u>	<u>5,381,859</u>	<u>389,859</u>
<b>Expenses</b>				
Salaries	1,900,000	2,050,000	2,131,153	(81,153)
Benefits	418,000	418,000	500,239	(82,239)
Purchased services	300,000	300,000	419,072	(119,072)
Supplies and materials	1,955,000	2,305,000	2,218,487	86,513
Repairs and maintenance	100,000	100,000	161,779	(61,779)
Other	206,000	206,000	100,000	106,000
Total expenses	<u>4,879,000</u>	<u>5,379,000</u>	<u>5,530,730</u>	<u>(151,730)</u>
Net loss, cash basis	(387,000)	(387,000)	(148,871)	238,129
<b>Noncash Revenues (Expenses)</b>				
Depreciation	(115,000)	(115,000)	(150,900)	(35,900)
Loss on disposal of equipment	-	-	(8,331)	(8,331)
Capital contributions	-	-	310,317	310,317
Commodities received	216,000	216,000	193,301	(22,699)
Commodities used	<u>(216,000)</u>	<u>(216,000)</u>	<u>(192,335)</u>	<u>23,665</u>
Change in net assets	<u>\$ (502,000)</u>	<u>\$ (502,000)</u>	3,181	<u>\$ 505,181</u>
Net assets, beginning			<u>2,207,685</u>	
Net assets, ending			<u>\$ 2,210,866</u>	



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

**Combining Statement of Fund Net Assets  
Internal Service Funds  
June 30, 2006**

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
<b>Assets</b>			
Cash and investments	\$ 4,374,524	\$ 1,327,817	\$ 5,702,341
Accounts receivable	4,277	-	4,277
Due from other funds	517,334	1,127,303	1,644,637
Total assets	<u>4,896,135</u>	<u>2,455,120</u>	<u>7,351,255</u>
<b>Liabilities</b>			
Accounts payable	111,293	-	111,293
Claims payable	718,743	-	718,743
Total liabilities	<u>830,036</u>	<u>-</u>	<u>830,036</u>
<b>Net Assets</b>			
Restricted for TABOR	2,643,898	-	2,643,898
Restricted for contractual obligations	-	1,948,233	1,948,233
Unrestricted	1,422,201	506,887	1,929,088
Total net assets	<u>\$ 4,066,099</u>	<u>\$ 2,455,120</u>	<u>\$ 6,521,219</u>

# **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, 2006**

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
<b>Operating Revenues</b>			
Charges for services	\$ 1,451,093	\$ 12,103,261	\$ 13,554,354
Total revenues	<u>1,451,093</u>	<u>12,103,261</u>	<u>13,554,354</u>
<b>Operating Expenses</b>			
Salaries	156,656	70,420	227,076
Benefits	27,125	17,718	44,843
Purchased services	717,519	-	717,519
Supplies and materials	16,488	-	16,488
Other	4,107	-	4,107
Claims paid	<u>765,157</u>	<u>11,900,382</u>	<u>12,665,539</u>
Total operating expenses	<u>1,687,052</u>	<u>11,988,520</u>	<u>13,675,572</u>
Operating income (loss)	<u>(235,959)</u>	<u>114,741</u>	<u>(121,218)</u>
<b>Nonoperating Revenues</b>			
Investment income	77,666	47,230	124,896
Miscellaneous	<u>302,696</u>	<u>-</u>	<u>302,696</u>
Total nonoperating revenues	<u>380,362</u>	<u>47,230</u>	<u>427,592</u>
Net income	144,403	161,971	306,374
Net assets, beginning	<u>3,921,696</u>	<u>2,293,149</u>	<u>6,214,845</u>
Net assets, ending	<u><u>\$ 4,066,099</u></u>	<u><u>\$ 2,455,120</u></u>	<u><u>\$ 6,521,219</u></u>

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

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2006**

	Risk Management Fund	Minimum Medical Insurance Liability Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 1,449,274	\$ 12,114,523	\$ 13,563,797
Cash paid to suppliers	(1,187,249)	(11,526,126)	(12,713,375)
Cash paid to employees	(184,404)	(88,138)	(272,542)
Cash received from other sources	302,696	-	302,696
Net cash provided by operating activities	<u>380,317</u>	<u>500,259</u>	<u>880,576</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash loaned to Grants Fund	(517,334)	(1,127,303)	(1,644,637)
<b>Cash Flows from Investing Activities</b>			
Investment income	<u>77,666</u>	<u>47,230</u>	<u>124,896</u>
Decrease in cash and cash equivalents	(59,351)	(579,814)	(639,165)
Cash and cash equivalents, beginning of year	<u>4,433,875</u>	<u>1,907,631</u>	<u>6,341,506</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,374,524</u></u>	<u><u>\$ 1,327,817</u></u>	<u><u>\$ 5,702,341</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating income (loss)	\$ (235,959)	\$ 114,741	\$ (121,218)
Change in net assets to Net Cash Used by Operating Activities			
Other sources of revenues	302,696	-	302,696
Accounts receivable	(1,819)	11,262	9,443
Prepaid expenses	-	374,256	374,256
Accounts payable	33,970	-	33,970
Accrued salaries	(623)	-	(623)
Claims payable	<u>282,052</u>	<u>-</u>	<u>282,052</u>
Net cash provided by operating activities	<u><u>\$ 380,317</u></u>	<u><u>\$ 500,259</u></u>	<u><u>\$ 880,576</u></u>

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

**Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
Risk Management Fund  
For the Year Ended June 30, 2006**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 122,000	\$ 122,000	\$ 77,666	\$ (44,334)
Charges for service	1,425,000	1,552,000	1,451,093	(100,907)
Miscellaneous	-	-	302,696	302,696
Total revenues	<u>1,547,000</u>	<u>1,674,000</u>	<u>1,831,455</u>	<u>157,455</u>
<b>Expenses</b>				
Salaries	152,000	152,000	156,656	(4,656)
Benefits	32,000	32,000	27,125	4,875
Purchased services	647,000	774,000	717,519	56,481
Claims paid	710,000	710,000	765,157	(55,157)
Supplies and materials	-	-	16,488	(16,488)
Capital Outlay	6,000	6,000	-	6,000
Other	-	-	4,107	(4,107)
Total expenses	<u>1,547,000</u>	<u>1,674,000</u>	<u>1,687,052</u>	<u>(13,052)</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	144,403	<u>\$ 144,403</u>
Net assets, beginning			<u>3,921,696</u>	
Net assets, ending			<u>\$ 4,066,099</u>	

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

**Schedule of Revenues, Expenses and Changes in Fund Net Assets - Budget and Actual  
Minimum Medical Insurance Liability Fund  
For the Year Ended June 30, 2006**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
Investment income	\$ 16,000	\$ 19,000	\$ 47,230	\$ 28,230
Charges for service	12,764,000	12,896,000	12,103,261	(792,739)
Total revenues	12,780,000	12,915,000	12,150,491	(764,509)
<b>Expenses</b>				
Salaries	88,000	81,000	70,420	10,580
Benefits	18,000	15,000	17,718	(2,718)
Supplies and materials	1,000	1,000	-	1,000
Claims paid	14,961,000	13,396,000	11,900,382	1,495,618
Total expenses	15,068,000	13,493,000	11,988,520	1,504,480
Change in net assets	<u>\$ (2,288,000)</u>	<u>\$ (578,000)</u>	161,971	<u>\$ 739,971</u>
Net assets, beginning			2,293,149	
Net assets, ending			<u>\$ 2,455,120</u>	

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## **SUPPLEMENTARY SCHEDULES – FIDUCIARY FUNDS**

Fiduciary fund reporting focuses on net assets and changes in net assets. Of the four fiduciary funds categories (pension trust funds, investment trust funds, private-purpose trust funds, and agency funds), the District has the following two:

- Trust funds account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is the *Student Scholarship Fund*.
- Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only agency fund is the *Student Activities Fund* which is used to record financial transactions related to school-sponsored pupil and athletic events.

**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, 2006**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Additions</b>			
Investment income	\$ 2,000	\$ 4,564	\$ 2,564
Contributions	<u>83,000</u>	<u>69,988</u>	<u>(13,012)</u>
Total additions	<u>85,000</u>	<u>74,552</u>	<u>(10,448)</u>
<b>Deductions</b>			
Scholarships	<u>165,000</u>	<u>70,091</u>	<u>94,909</u>
Total deductions	<u>165,000</u>	<u>70,091</u>	<u>94,909</u>
Change in net assets	<u><u>\$ (80,000)</u></u>	4,461	<u><u>\$ 84,461</u></u>
Net assets, beginning		<u>199,956</u>	
Net assets, ending		<u><u>\$ 204,417</u></u>	



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

**Schedule of Changes in Assets and Liabilities  
Agency Fund  
For the Year Ended June 30, 2006**

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
<b><u>Student Activity Fund</u></b>				
<b>Assets</b>				
Cash and investments	\$ 2,518,731	\$ 4,590,303	\$ 4,421,716	\$ 2,687,318
Accounts receivable	5,883	7,298	5,883	7,298
Due from governmental funds	-	9,071	-	9,071
Total assets	<u>\$ 2,524,614</u>	<u>\$ 4,606,672</u>	<u>\$ 4,427,599</u>	<u>\$ 2,703,687</u>
<b>Liabilities</b>				
Accounts payable	\$ 149,494	\$ 136,724	\$ 149,494	\$ 136,724
Accrued salaries and benefits	3,849	2,386	3,849	2,386
Undistributed monies	2,371,271	4,467,562	4,274,256	2,564,577
Total liabilities	<u>\$ 2,524,614</u>	<u>\$ 4,606,672</u>	<u>\$ 4,427,599</u>	<u>\$ 2,703,687</u>

**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, 2006**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Additions</b>				
Investment income	\$ 21,000	\$ -	\$ -	\$ -
Student activity sources from schools	3,046,000	-	-	-
Athletic/Activity participation fees	1,745,000	-	-	-
Elementary Schools	-	607,000	554,370	(52,630)
Middle Schools	-	720,000	893,965	173,965
High Schools	-	2,751,000	2,421,931	(329,069)
Charter Schools	-	698,000	153,760	(544,240)
Other additions	-	36,000	597,296	561,296
Total additions	<u>4,812,000</u>	<u>4,812,000</u>	<u>4,621,322</u>	<u>(190,678)</u>
<b>Deductions</b>				
Student activities	6,426,000	-	-	-
Athletics/Activity programs	1,323,000	-	-	-
Elementary Schools	-	935,636	512,595	423,041
Middle Schools	-	1,015,244	812,587	202,657
High Schools	-	3,958,234	2,474,559	1,483,675
Charter Schools	-	738,331	128,583	609,748
Other deductions	-	554,412	474,515	79,897
Total deductions	<u>7,749,000</u>	<u>7,201,857</u>	<u>4,402,839</u>	<u>2,799,018</u>
Change in undistributed monies including charter schools	<u>\$ (2,937,000)</u>	<u>\$ (2,389,857)</u>	218,483	<u>\$ 2,608,340</u>
Reconciliation excluding charter school activities which are included on the component unit statement				
Change in undistributed monies			\$ 218,483	
Less: charter additions			(153,760)	
Plus: charter deductions			128,583	
Change in undistributed monies			<u>\$ 193,306</u>	

## **SUPPLEMENTARY SCHEDULES – COMPONENT UNITS**

### **Charter Schools**

Carbon Valley Academy, located in Frederick (Weld County), began operations in the fall of fiscal year 2006 to serve students in grades K through 6.

Flagstaff Academy also began operations in the fall of fiscal year 2006 serving students in grades K through 8. The school is temporarily located in Longmont (Boulder County) and intends to permanently locate to Erie (Boulder and Weld Counties).

Twin Peaks Charter Academy began operations in the fall of fiscal year 1998 to serve students in grades K through 8. The school is located along historic Main Street of Longmont (Boulder County).

Ute Creek Charter Academy, also located in Longmont (Boulder County), 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, 2006**

	Carbon Valley Academy	Flagstaff Academy	Twin Peaks Charter Academy	Ute Creek Secondary Academy	Totals
<b>Assets</b>					
Cash and investments	\$ 477,630	\$ 229,132	\$ 1,819,017	\$ 56,498	\$ 2,582,277
Accounts receivable	10,091	-	7,248	100	17,439
Grants receivable	-	54,000	-	-	54,000
Due from other funds	-	-	-	80,000	80,000
Prepaid expenses	-	-	9,086	-	9,086
Deposits	60,000	-	-	-	60,000
Total assets	<u>\$ 547,721</u>	<u>\$ 283,132</u>	<u>\$ 1,835,351</u>	<u>\$ 136,598</u>	<u>\$ 2,802,802</u>
<b>Liabilities</b>					
Accounts payable	\$ 13,038	\$ 76,359	\$ 41,709	\$ 5,435	\$ 136,541
Accrued salaries and benefits	54,137	61,101	184,765	104,495	404,498
Deferred revenues	5,985	29,227	20,184	-	55,396
Total liabilities	<u>73,160</u>	<u>166,687</u>	<u>246,658</u>	<u>109,930</u>	<u>596,435</u>
<b>Fund Balances</b>					
Reserved for TABOR	57,623	47,598	67,535	35,500	208,256
Unreserved	416,938	68,847	1,521,158	(8,832)	1,998,111
Total fund balances	<u>474,561</u>	<u>116,445</u>	<u>1,588,693</u>	<u>26,668</u>	<u>2,206,367</u>
Total liabilities and fund balances	<u>\$ 547,721</u>	<u>\$ 283,132</u>	<u>\$ 1,835,351</u>	<u>\$ 136,598</u>	<u>\$ 2,802,802</u>
Amounts reported for component units' statement of net assets are different because					
Total fund balance	\$ 474,561	\$ 116,445	\$ 1,588,693	\$ 26,668	\$ 2,206,367
Add: capital assets	202,497	68,424	-	-	270,921
Less: accumulated depreciation	(4,050)	(11,003)	-	-	(15,053)
long-term liabilities	(218,219)	(54,811)	-	-	(273,030)
<b>Net assets of component units</b>	<u>\$ 454,789</u>	<u>\$ 119,055</u>	<u>\$ 1,588,693</u>	<u>\$ 26,668</u>	<u>\$ 2,189,205</u>

**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, 2006**

	Carbon Valley Academy	Flagstaff Academy	Twin Peaks Charter Academy	Ute Creek Secondary Academy	Total
<b>Revenues</b>					
Intergovernmental	\$ 1,527,412	\$ 1,142,529	\$ 2,563,871	\$ 1,104,336	\$ 6,338,148
Investment income	2,449	925	51,542	4,892	59,808
Charges for services	108,738	54,596	67,105	-	230,439
Student activities	70,924	110,320	51,388	8,803	241,435
Miscellaneous	46,619	185,733	11,674	67,119	311,145
State revenues	36,564	27,350	30,687	24,521	119,122
Federal grants	208,026	276,172	1,092	-	485,290
Total revenues	<u>2,000,732</u>	<u>1,797,625</u>	<u>2,777,359</u>	<u>1,209,671</u>	<u>7,785,387</u>
<b>Expenditures</b>					
Current					
Instruction	927,506	1,177,926	1,719,379	661,602	4,486,413
Supporting services	558,945	581,509	551,418	589,627	2,281,499
Capital outlay	280,817	259,246	95,921	451	636,435
Total expenditures	<u>1,767,268</u>	<u>2,018,681</u>	<u>2,366,718</u>	<u>1,251,680</u>	<u>7,404,347</u>
Excess (deficiency) of revenues over (under) expenditures	233,464	(221,056)	410,641	(42,009)	381,040
<b>Other Financing Sources</b>					
Proceeds on capital lease	250,000	84,420	-	-	334,420
Net change in fund balance	<u>483,464</u>	<u>(136,636)</u>	<u>410,641</u>	<u>(42,009)</u>	<u>715,460</u>
Fund balances, beginning	-	-	1,178,052	68,677	1,246,729
Restatement for change in reporting entity	(8,903)	253,081	-	-	244,178
Adjusted fund balances (deficit), beginning	<u>(8,903)</u>	<u>253,081</u>	<u>1,178,052</u>	<u>68,677</u>	<u>1,490,907</u>
Fund balances, ending	<u>\$ 474,561</u>	<u>\$ 116,445</u>	<u>\$ 1,588,693</u>	<u>\$ 26,668</u>	<u>\$ 2,206,367</u>
Amounts reported for component units' statement of activities are different because					
Net change in fund balance	\$ 483,464	\$ (136,636)	\$ 410,641	\$ (42,009)	\$ 715,460
Less: depreciation expense	(4,050)	(11,003)	-	-	(15,053)
other sources - loan proceeds	(250,000)	(84,420)	-	-	(334,420)
change in accrued interest	(1,176)	-	-	-	(1,176)
Add: capital outlay	202,497	68,424	-	-	270,921
payment of long-term liabilities	32,957	29,609	-	-	62,566
<b>Change in net assets</b>	<u>\$ 463,692</u>	<u>\$ (134,026)</u>	<u>\$ 410,641</u>	<u>\$ (42,009)</u>	<u>\$ 698,298</u>

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**STATISTICAL SECTION  
(UNAUDITED)**

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

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

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

**Last Five Fiscal Years**

	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ 9,591,783	\$ 18,202,783	\$ 21,648,995	\$ 22,549,614	\$ 10,755,304
Restricted	15,637,082	23,339,644	27,840,057	32,545,940	36,607,570
Unrestricted	(6,229,946)	(17,198,783)	(14,404,003)	(9,995,867)	4,080,873
Total governmental net assets	<u>18,998,919</u>	<u>24,343,644</u>	<u>35,085,049</u>	<u>45,099,687</u>	<u>51,443,747</u>
Business-type activities					
Invested in capital assets, net of related debt	861,216	821,843	727,684	981,771	1,143,171
Restricted	-	138,799	-	-	-
Unrestricted	1,060,020	810,767	1,126,201	1,225,914	1,067,695
Total business-type activities net assets	<u>1,921,236</u>	<u>1,771,409</u>	<u>1,853,885</u>	<u>2,207,685</u>	<u>2,210,866</u>
Primary government					
Invested in capital assets, net of related debt	10,452,999	19,024,626	22,376,679	23,531,385	11,898,475
Restricted	15,637,082	23,478,443	27,840,057	32,545,940	36,607,570
Unrestricted	(5,169,926)	(16,388,016)	(13,277,802)	(8,769,953)	5,148,568
Total primary government net assets	<u>\$ 20,920,155</u>	<u>\$ 26,115,053</u>	<u>\$ 36,938,934</u>	<u>\$ 47,307,372</u>	<u>\$ 53,654,613</u>

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

**Last Five Fiscal Years**

	2002	2003	2004	2005	2006
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 86,474,269	\$ 93,572,030	\$ 85,427,185	\$ 95,661,489	\$ 113,735,114
Supporting services	43,277,026	42,042,464	49,858,273	49,653,089	53,304,184
Interest	7,266,870	9,599,755	11,647,151	12,247,793	14,320,914
Total governmental activities expenses	<u>137,018,165</u>	<u>145,214,249</u>	<u>146,932,609</u>	<u>157,562,371</u>	<u>181,360,212</u>
Business-type activities:					
Food services	4,221,985	4,254,543	4,410,830	4,885,656	5,873,965
Total primary government expenses	<u>\$ 141,240,150</u>	<u>\$ 149,468,792</u>	<u>\$ 151,343,439</u>	<u>\$ 162,448,027</u>	<u>\$ 187,234,177</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services	\$ 1,923,489	\$ 2,121,666	\$ 2,101,479	\$ 3,185,805	\$ 3,857,647
Operating grants and contributions	8,240,959	8,069,583	9,513,660	10,930,997	13,090,706
Capital grants and contributions	978,337	1,650,635	1,402,614	1,041,182	1,053,746
Total governmental activities program revenues	<u>11,142,785</u>	<u>11,841,884</u>	<u>13,017,753</u>	<u>15,157,984</u>	<u>18,002,099</u>
Business-type activities:					
Charges for services	2,819,921	2,734,550	2,820,846	2,978,095	3,098,897
Operating grants and contributions	1,420,269	1,504,411	1,667,815	1,905,055	2,442,897
Capital grants and contributions	186,412	-	-	-	-
Total business-type activities program revenues	<u>4,426,602</u>	<u>4,238,961</u>	<u>4,488,661</u>	<u>4,883,150</u>	<u>5,541,794</u>
Total primary government program revenues	<u>\$ 15,569,387</u>	<u>\$ 16,080,845</u>	<u>\$ 17,506,414</u>	<u>\$ 20,041,134</u>	<u>\$ 23,543,893</u>
Net (expense) / revenue					
Governmental activities	\$ (125,875,380)	\$ (133,372,365)	\$ (133,914,856)	\$ (142,404,387)	\$ (163,358,113)
Business-type activities	204,617	(15,582)	77,831	(2,506)	(332,171)
Total primary government net expense	<u>\$ (125,670,763)</u>	<u>\$ (133,387,947)</u>	<u>\$ (133,837,025)</u>	<u>\$ (142,406,893)</u>	<u>\$ (163,690,284)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304	\$ 74,977,182
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580	5,987,316
State equalization	57,635,616	64,987,668	68,733,866	72,261,580	77,794,994
Investment income	727,029	451,322	1,374,794	2,285,218	2,511,220
Other	1,571,116	4,534,822	1,366,652	444,753	941,954
Transfers	140,000	26,446	-	(340,410)	(310,317)
Total governmental activities	<u>119,625,805</u>	<u>140,287,702</u>	<u>144,656,261</u>	<u>152,419,025</u>	<u>161,902,349</u>
Business-type activities:					
Investment income	14,274	5,755	4,645	15,896	25,035
Transfers	(140,000)	(140,000)	-	340,410	310,317
Total business-type activities	<u>(125,726)</u>	<u>(134,245)</u>	<u>4,645</u>	<u>356,306</u>	<u>335,352</u>
Total primary government	<u>\$ 119,500,079</u>	<u>\$ 140,153,457</u>	<u>\$ 144,660,906</u>	<u>\$ 152,775,331</u>	<u>\$ 162,237,701</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ (6,249,575)	\$ 6,915,337	\$ 10,741,405	\$ 10,014,638	\$ (1,455,764)
Business-type activities	78,891	(149,827)	82,476	353,800	3,181
Total primary government	<u>\$ (6,170,684)</u>	<u>\$ 6,765,510</u>	<u>\$ 10,823,881</u>	<u>\$ 10,368,438</u>	<u>\$ (1,452,583)</u>

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

**Last Five Fiscal Years**

	2002	2003	2004	2005	2006
Governmental activities:					
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837	\$ 71,791,304	\$ 74,977,182
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580	5,987,316
State equalization	57,635,616	64,987,668	68,733,866	72,261,580	77,794,994
Total finance act revenues	<u>\$ 117,187,660</u>	<u>\$ 135,275,112</u>	<u>\$ 141,914,815</u>	<u>\$ 150,029,464</u>	<u>\$ 158,759,492</u>
 Total governmental activities revenues (1)	 \$ 130,768,590	 \$ 152,129,586	 \$ 157,674,014	 \$ 167,577,009	 \$ 179,904,448
 Public School Finance Act revenues as percentage of total governmental activities revenues	 89.6%	 88.9%	 90.0%	 89.5%	 88.2%

(1) Governmental activities revenues are a combination of program revenues and general revenues as shown on page 90

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

**Last Ten Fiscal Years**

	1997	1998	1999	2000
General Fund				
Reserved	\$ 2,980,667	\$ 3,554,184	\$ 3,188,781	\$ 3,525,586
Unreserved				
Designated	-	-	-	-
Undesignated	(3,633,257)	(1,149,746)	2,436,434	1,556,556
Total General Fund	<u>\$ (652,590)</u>	<u>\$ 2,404,438</u>	<u>\$ 5,625,215</u>	<u>\$ 5,082,142</u>
All Other Governmental Funds				
Reserved	\$ 7,302,450	\$ 10,024,006	\$ 10,777,318	\$ 11,307,320
Unreserved:				
Designated, reported in:				
Capital projects fund	-	96,837,945	73,546,677	33,182,386
Special revenue funds	2,699,530	2,618,915	3,079,065	3,178,870
Undesignated, reported in:				
Capital projects fund	-	-	-	-
Debt service fund	-	-	-	-
Special revenue funds	142,188	350,786	1,606,658	1,975,787
Total all other governmental funds	<u>\$ 10,144,168</u>	<u>\$ 109,831,652</u>	<u>\$ 89,009,718</u>	<u>\$ 49,644,363</u>

2001	2002	2003	2004	2005	2006
\$ 334,443	\$ 409,975	\$ 366,855	\$ 338,576	\$ 3,963,869	\$ 5,591,445
-	-	-	-	-	86,665
334,979	(10,754,933)	(14,295,533)	(4,617,697)	-	2,055,576
<u>\$ 669,422</u>	<u>\$ (10,344,958)</u>	<u>\$ (13,928,678)</u>	<u>\$ (4,279,121)</u>	<u>\$ 3,963,869</u>	<u>\$ 7,733,686</u>
\$ 11,195,114	\$ 78,000	\$ 37,823,604	\$ 98,956,894	\$ 66,434,593	\$ 42,936,664
-	-	60,077,668	-	-	-
-	-	618,111	4,415,700	4,414,000	4,857,420
7,932,700	668,302	-	-	-	-
-	11,415,777	9,452,454	-	4,224,358	7,389,406
5,115,345	4,498,278	4,034,598	1,397,256	1,124,842	83,586
<u>\$ 24,243,159</u>	<u>\$ 16,660,357</u>	<u>\$ 112,006,435</u>	<u>\$ 104,769,850</u>	<u>\$ 76,197,793</u>	<u>\$ 55,267,076</u>

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

**Last Ten Fiscal Years**

	1997	1998	1999	2000
<b>Revenues</b>				
Property taxes	\$ 36,851,082	\$ 42,586,147	\$ 45,575,578	\$ 47,332,883
Specific ownership taxes	3,125,703	3,544,255	4,117,446	4,518,589
Investment income	864,832	3,835,250	6,569,857	4,408,488
Charges for service	967,317	1,115,788	1,484,935	1,490,324
Student activities (1)	2,220,985	1,762,686	2,258,914	2,992,825
Miscellaneous	580,393	835,287	1,147,820	1,293,154
Local intergovernmental	-	-	-	-
State intergovernmental	43,192,915	45,007,542	48,322,335	50,275,984
Federal intergovernmental	2,241,464	2,451,591	2,658,431	3,118,694
Total revenues	<u>\$ 90,044,691</u>	<u>\$ 101,138,546</u>	<u>\$ 112,135,316</u>	<u>\$ 115,430,941</u>
<b>Expenditures</b>				
Instruction	\$ 49,884,985	\$ 51,871,099	\$ 52,898,379	\$ 59,514,383
Supporting services	27,498,217	29,628,753	35,869,892	37,073,648
Student activities (1)	2,347,566	1,742,398	2,256,810	3,070,241
Capital outlay	2,573,939	7,188,758	26,472,845	43,036,219
Debt service				
Principal	5,647,810	4,740,000	4,982,937	5,530,653
Accrued interest	-	-	-	-
Interest and fiscal charges	2,561,785	4,973,134	7,435,805	7,422,112
Total expenditures	<u>\$ 90,514,302</u>	<u>\$ 100,144,142</u>	<u>\$ 129,916,668</u>	<u>\$ 155,647,256</u>
Excess of revenues over (under) expenditures	<u>(469,611)</u>	<u>994,404</u>	<u>(17,781,352)</u>	<u>(40,216,315)</u>
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	-	452,352
Contributions	26,864	114,098	10,195	-
Transfers in (2)	2,576,521	316,490	420,242	429,242
Transfers out (2)	(2,436,521)	(176,490)	(250,242)	(289,242)
Total other financing sources (uses)	<u>\$ 166,864</u>	<u>\$ 101,825,071</u>	<u>\$ 180,195</u>	<u>\$ 592,352</u>
Net change in fund balances	<u>\$ (302,747)</u>	<u>\$ 102,819,475</u>	<u>\$ (17,601,157)</u>	<u>\$ (39,623,963)</u>
Debt service as percentage of noncapital expenditures	<u>10.3%</u>	<u>11.7%</u>	<u>13.6%</u>	<u>13.0%</u>

(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 year 1997.



2001	2002	2003	2004	2005	2006
\$ 49,728,660	\$ 53,893,252	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205
4,840,145	5,215,842	5,437,653	5,980,112	5,976,580	5,987,316
2,705,613	706,332	693,051	1,328,350	2,023,366	2,386,324
1,734,421	1,923,489	2,121,666	2,101,479	3,185,805	3,857,647
3,494,052	-	-	-	-	-
2,100,650	1,622,459	2,387,357	2,696,524	1,470,585	1,670,385
36,054	117,222	68,884	72,397	8,350	22,619
55,304,813	62,022,703	68,712,530	72,329,913	75,947,775	82,136,479
3,341,144	4,037,615	4,344,721	5,917,613	7,244,802	8,749,221
<u>\$ 123,285,552</u>	<u>\$ 129,538,914</u>	<u>\$ 148,468,305</u>	<u>\$ 158,973,733</u>	<u>\$ 167,029,363</u>	<u>\$ 179,844,196</u>
\$ 68,155,625	\$ 82,668,776	\$ 82,695,300	\$ 81,655,292	\$ 91,027,699	\$ 97,521,908
37,931,163	39,687,187	40,270,867	48,298,522	46,484,881	50,716,187
3,421,869	-	-	-	-	-
31,480,196	13,216,858	14,994,818	58,421,911	44,165,547	25,050,564
5,869,000	6,377,460	2,123,000	4,200,000	2,850,000	10,680,000
-	-	-	4,380,000	4,380,000	-
7,355,904	7,266,870	12,764,301	11,132,546	13,095,314	13,047,785
<u>\$ 154,213,757</u>	<u>\$ 149,217,151</u>	<u>\$ 152,848,286</u>	<u>\$ 208,088,271</u>	<u>\$ 202,003,441</u>	<u>\$ 197,016,444</u>
<u>(30,928,205)</u>	<u>(19,678,237)</u>	<u>(4,379,981)</u>	<u>(49,114,538)</u>	<u>(34,974,078)</u>	<u>(17,172,248)</u>
\$ -	\$ -	\$ 131,090,000	\$ 50,100,000	\$ 56,815,000	\$ 43,455,000
-	-	5,813,003	1,427,510	4,057,901	2,520,719
-	-	(40,300,000)	-	(47,074,703)	(45,964,371)
-	-	-	-	846,813	-
974,281	2,461,606	-	-	-	-
-	-	-	-	-	-
780,513	491,871	529,710	46,614	47,000	126,455
(640,513)	(351,871)	(503,264)	(46,614)	(47,000)	(126,455)
<u>\$ 1,114,281</u>	<u>\$ 2,601,606</u>	<u>\$ 96,629,449</u>	<u>\$ 51,527,510</u>	<u>\$ 14,645,011</u>	<u>\$ 11,348</u>
<u>\$ (29,813,924)</u>	<u>\$ (17,076,631)</u>	<u>\$ 92,249,468</u>	<u>\$ 2,412,972</u>	<u>\$ (20,329,067)</u>	<u>\$ (17,160,900)</u>
<u>12.1%</u>	<u>11.2%</u>	<u>12.1%</u>	<u>15.2%</u>	<u>14.8%</u>	<u>15.0%</u>

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

**Last Ten Fiscal Years**

	1997	1998	1999	2000
Governmental activities:				
Property taxes	\$ 36,851,082	\$ 42,586,147	\$ 45,575,578	\$ 47,332,883
Specific ownership taxes	3,125,703	3,544,255	4,117,446	4,518,589
State equalization	42,524,076	41,779,634	45,127,475	47,208,976
Total finance act revenues	<u>\$ 82,500,861</u>	<u>\$ 87,910,036</u>	<u>\$ 94,820,499</u>	<u>\$ 99,060,448</u>
 Total revenues (1)	 \$ 90,044,691	 \$ 101,138,546	 \$ 112,135,316	 \$ 115,430,941
 Public School Finance Act revenues as percentage of total governmental funds revenues	  91.6%	  86.9%	  84.6%	  85.8%

(1) As shown on the Changes in Fund Balances of Governmental Funds schedule, pages 94-95

2001	2002	2003	2004	2005	2006
\$ 49,728,660	\$ 53,893,252	\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205
4,840,145	5,215,842	5,437,653	5,980,112	5,976,580	5,987,316
51,470,640	57,635,616	64,987,668	68,733,866	72,261,580	77,794,994
<u>\$ 106,039,445</u>	<u>\$ 116,744,710</u>	<u>\$ 135,127,764</u>	<u>\$ 143,261,323</u>	<u>\$ 149,410,260</u>	<u>\$ 158,816,515</u>
\$ 123,285,552	\$ 129,538,914	\$ 148,468,305	\$ 158,973,733	\$ 167,029,363	\$ 179,844,196
86.0%	90.1%	91.0%	90.1%	89.5%	88.3%

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

<u>Levy Year</u>	<u>Collection Year</u>	<u>Residential Property (1)</u>	<u>Commercial Property (1)</u>	<u>Industrial Property (1)</u>	<u>Vacant Property (1)</u>	<u>Oil &amp; Gas (1)</u>	<u>Public Utilities (1)</u>
1996	1997						
1997	1998						
1998	1999						
1999	2000						
2000	2001						
2001	2002	\$ 848,410	\$ 312,887	\$ 232,135	\$ 102,780	\$ 45,080	\$ 37,608
2002	2003	858,427	311,003	232,742	99,857	45,475	34,103
2003	2004	915,029	340,925	241,739	131,173	38,071	32,247
2004	2005	958,990	360,142	238,212	116,065	74,077	29,780
2005	2006	1,020,421	380,937	228,926	117,693	100,358	31,745

(1) Data by property type was incomplete on a District-wide basis and thus not provided for fiscal years 2001 and prior

(2) Broomfield County was formed on November 15, 2001

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

<u>Agriculture (1)</u>	<u>Natural Resources (1)</u>	<u>Total Taxable Assessed Value (2)</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value (2)</u>	<u>Assessed Value as a Percentage of Actual Value</u>
		\$ 775,359	\$ 48.393	\$ 5,014,911	15.46%
		867,763	50.022	5,847,462	14.84%
		929,981	49.635	6,222,689	14.95%
		1,078,732	44.096	7,334,403	14.71%
		1,184,349	36.256	7,914,542	14.96%
\$ 24,217	\$ 4,023	1,607,140	41.025	10,651,757	15.09%
12,876	4,026	1,598,509	40.374	11,416,961	14.00%
12,297	4,562	1,716,043	40.089	13,775,375	12.46%
11,875	5,453	1,794,594	40.089	14,349,937	12.51%
14,382	4,930	1,899,392	39.982	15,258,797	12.45%

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

Levy Year	Collection Year	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage (1)	Total County Millage	City of Longmont Millage
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
2004	2005	40.089	21.267	19.957	22.517	28.968	92.709	13.420
2005	2006	39.982	21.867	17.900	22.541	28.968	91.276	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**  
**Revenue Capacity**  
**Ten Largest Taxpayers of the Boulder/Longmont Area**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Taxpayer	2005			2004			2003			2002			2001	
	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank
Kerr-McGee Rocky Mtn. Corp.	\$ 37,479,560	1	1.98%	\$ 28,588,730	3	1.60%	\$ 16,734,480	4	0.98%	\$ 21,969,640	3	1.38%	\$ 21,969,640	3
Amgen Inc.	36,815,790	2	1.95%	44,755,070	1	2.51%	41,593,310	1	2.44%	37,708,413	1	2.37%	37,711,140	1
Pratt Land Limited Liability Co.				35,358,980	2	1.98%	29,134,360	2	1.71%	27,398,600	2	1.72%	27,398,600	2
Circle Capital Longmont LLC	33,296,550	3	1.76%											
Encana Oil & Gas (USA) Inc.	27,465,610	4	1.45%	18,278,270	5	1.02%								
Seagate Technology LLC	21,637,770	5	1.15%	20,635,440	4	1.16%	19,854,620	3	1.16%	18,609,550	4	1.17%	18,609,550	4
Patina Oil & Gas Corporation	16,300,750	6	0.86%	9,872,260	8	0.55%				7,569,160	10	0.48%	7,569,160	10
Qwest Corporation	9,431,200	7	0.50%	9,938,330	7	0.56%	12,167,500	5	0.71%	14,910,953	5	0.94%	12,382,511	5
US West Communications														
Maxtor Corporation				9,093,999	9	0.51%	9,345,340	7	0.55%	10,534,730	6	0.66%	10,534,730	6
Micro Motion Inc.	9,011,960	8	0.48%											
Xilinx Inc.	8,848,540	9	0.47%	9,955,320	6	0.56%	9,955,320	6	0.58%	9,383,170	7	0.59%	9,383,170	7
Twin Peaks Mall Associated Ltd.	8,351,770	10	0.44%	8,229,210	10	0.46%	8,229,210	8	0.48%	7,930,220	9	0.50%	7,930,220	9
Adaptec, Inc.														
American General Inc.														
Cemex, Inc.							7,983,350	9	0.47%	7,984,340	8	0.50%	7,984,340	8
IBM Corporation														
K/B Fund IV														
Longmont Technology														
Longmont Turkey Processors														
McLane Western Inc.														
Public Service Co. of Colorado							7,496,460	10	0.44%					
Sheldahl, Inc.														
Southdown, Inc.														
Southwestern Portland														
Storage Technology Corporation														
Total	<u>\$ 208,639,500</u>		<u>11.05%</u>	<u>\$ 194,705,609</u>		<u>10.91%</u>	<u>\$ 162,493,950</u>		<u>9.52%</u>	<u>\$ 163,998,776</u>		<u>10.32%</u>	<u>\$ 161,473,061</u>	

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



Percent of Total District Taxable Assessed Value	2000			1999			1998			1997			1996		
	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value
1.47%															
2.52%															
1.83%	\$ 30,298,930	1	2.56%	\$ 21,812,620	1	2.02%	\$ 17,804,040	1	1.91%	\$ 17,208,020	1	1.98%	\$ 20,478,800	1	2.64%
1.24%	9,842,150	4	0.83%	6,708,890	6	0.62%	5,251,970	6	0.56%	4,011,140	8	0.46%			
0.51%															
0.83%	10,455,200	3	0.88%												
				9,779,100	3	0.91%				6,316,400	2	0.73%	9,461,400	3	1.22%
0.70%				6,435,480	7	0.60%	4,661,140	10	0.50%	5,397,090	5	0.62%	5,397,090	7	0.70%
													5,707,870	5	0.74%
0.63%	8,313,180	5	0.70%												
0.53%	7,930,220	6	0.67%	7,488,260	4	0.69%	7,488,260	4	0.81%	7,107,000	3	0.82%	8,406,110	4	1.08%
							5,126,980	7	0.55%						
	15,635,740	2	1.32%	20,034,120	2	1.86%									
0.53%															
	4,707,500	9	0.40%	5,650,790	8	0.52%	11,015,690	3	1.18%						
	5,681,070	8	0.48%	4,948,380	10	0.46%	4,948,380	8	0.53%	4,948,380	6	0.57%	4,948,380	9	0.64%
	3,944,880	10	0.33%												
							5,388,700	5	0.58%	3,754,500	4	0.43%	5,625,830	6	0.73%
										5,516,970	9	0.64%			
	6,461,160	7	0.55%	5,424,670	9	0.50%	4,947,240	9	0.53%						
										3,588,660	7	0.41%			
													5,370,980	8	0.69%
				6,809,320	5	0.63%	13,806,820	2	1.48%				4,723,620	10	0.61%
													9,892,970	2	1.28%
10.77%	\$ 103,270,030		8.72%	\$ 95,091,630		8.82%	\$ 80,439,220		8.65%	\$ 57,848,160		6.67%	\$ 80,013,050		10.33%

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

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Levy	Outstanding Delinquent Taxes (1)
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)
2005	2006	75,501,852	73,248,325	97.02%	1,489,807	74,738,132	98.99%	2,253,528 (2)

(1) Outstanding delinquent taxes are considered relatively minor and are not obtainable from the county 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**  
**Debt Capacity**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Governmental Activities			Percentage of Average Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Total		
1997	\$ 52,516,190	\$ 234,487	\$ 52,750,677	1.6%	\$ 567
1998	150,577,855	2,891,507	153,469,362	4.1%	1,563
1999	147,338,917	2,891,635	150,230,552	3.6%	1,411
2000	143,606,264	2,634,882	146,241,146	3.2%	1,256
2001	141,309,000	3,771,041	145,080,041	2.9%	1,177
2002	139,368,000	5,601,382	144,969,382	2.9%	1,139
2003	228,035,000	4,156,709	232,191,709	4.5%	1,768
2004	273,935,000	3,380,517	277,315,517	5.2%	2,026
2005	283,890,000	2,827,263	286,717,263	(1)	2,043
2006	272,770,000	2,244,163	275,014,163	(1)	1,934

(1) Personal Income data for 2005 and 2006 not available

**Note:** Personal Income and Per Capita data from the Demographic and Economic Information on pages 110-111

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

Levy Year	Collection Year	General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita
1996	1997	\$ 52,516,190	\$ 7,302,450	\$ 45,213,740	0.90%	\$ 486
1997	1998	150,577,855	10,024,006	140,553,849	2.40%	1,432
1998	1999	147,338,917	10,777,318	136,561,599	2.19%	1,282
1999	2000	143,606,264	11,307,320	132,298,944	1.80%	1,136
2000	2001	141,309,000	11,195,114	130,113,886	1.64%	1,055
2001	2002	139,368,000	11,415,777	127,952,223	1.20%	1,006
2002	2003	228,035,000	19,625,088	208,409,912	1.83%	1,587
2003	2004	278,315,000	24,180,448	254,134,552	1.84%	1,856
2004	2005	283,890,000	28,636,780	255,253,220	1.78%	1,819
2005	2006	272,770,000	32,201,074	240,568,926	1.58%	1,692

- (1) Refer to Assessed and Estimated Actual Values of Taxable Property schedule on page 98-99  
(2) Population data is in the Demographic and Economic Information on page 110-111

**St. Vrain Valley School District RE-1J**  
**Debt Capacity**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2006**  
**(Unaudited)**

Name of Overlapping Entity	2005 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	\$ 139,593,409	\$ 1,830,000	9.04%	\$ 165,432
City & County of Broomfield	849,903,287	3,130,000	0.27%	8,451
Carbon Valley Park & Recreation District	203,745,660	6,945,000	92.61%	6,431,765
Central Colorado Water Conservancy - Groundwater Management	908,757,280	19,513,200	0.03%	5,854
City of Dacono	25,084,180	2,900,000	100.00%	2,900,000
Town of Erie	144,355,550	3,550,000	74.28%	2,636,940
Erie Commons Metro District, Nos 1 & 2	276,960	6,000,000	100.00%	6,000,000
Town of Firestone	83,287,660	460,000	96.43%	443,578
Town of Frederick	95,413,830	692,000	100.00%	692,000
Frederick-Firestone Fire Protection Dist.	163,628,510	3,865,000	100.00%	3,865,000
Gunbarrel Estates Metro Park & Rec.	9,419,130	90,199	100.00%	90,199
Left Hand Water & Sanitation District	5,223,550	304,174	100.00%	304,174
City of Longmont	971,473,670	7,470,000	100.00%	7,470,000
Lyons Fire Protection District	47,732,395	165,000	99.55%	164,258
Mountain View Fire Protection District	607,049,070	520,000	87.55%	455,260
Northern Colorado Water Cons. District	11,515,167,660	4,692,000	15.85%	743,682
St. Vrain Sanitation District	174,134,810	2,470,000	96.75%	2,389,725
Vista Ridge Metropolitan District	25,627,000	32,885,405	100.00%	32,885,405
Wyndham Hill Metropolitan District No. 2	11,960	10,900,000	100.00%	10,900,000
Total				<u>\$ 78,551,723</u>

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2005, of those entities with the authority to levy property taxes which are located wholly or partially within the District. Also, shown is the percentage and amount of the total estimated outstanding general obligation debt of these entities, inclusive and exclusive of estimated general obligation under debt, which is chargeable to property located within the District's boundaries. Because no single parcel of property located within the District's boundaries is located within every entity shown on the chart, the chart is not indicative of the actual or potential tax burden upon any single parcel of property located within the District's boundaries. The District is not financially or legally obligated with regard to any of the indebtedness shown on the chart.

**Source:** Individual governmental entities

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

**Last Ten Fiscal Years**

	1997	1998	1999	2000
Debt Limit	\$ 155,071,772	\$ 173,552,596	\$ 185,996,297	\$ 215,746,374
Total net debt applicable to limit	52,516,190	150,577,855	147,338,917	143,606,264
Legal debt margin	<u>\$ 102,555,582</u>	<u>\$ 22,974,741</u>	<u>\$ 38,657,380</u>	<u>\$ 72,140,110</u>
Total net debt applicable to the limit as a percentage of debt limit	33.9%	86.8%	79.2%	66.6%

**Fiscal Year 2006 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	\$ 1,899,390,802 (1)	\$ 15,258,797,482
Debt Limit Percentage	<u>25.00%</u>	<u>6.00%</u>
Legal debt limit	474,847,701	915,527,849
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2006		<u>272,770,000</u>
Legal debt margin		<u>\$ 642,757,849</u>

(1) The assessed valuation shown here includes \$10,994,730 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

2001	2002	2003	2004	2005	2006
\$ 236,869,804	\$ 299,759,366	\$ 397,395,385	\$ 826,522,526	\$ 860,996,213	\$ 915,527,849
141,309,000	139,368,000	232,693,967	278,315,000	283,890,000	272,770,000
<u>\$ 95,560,804</u>	<u>\$ 160,391,366</u>	<u>\$ 164,701,418</u>	<u>\$ 548,207,526</u>	<u>\$ 577,106,213</u>	<u>\$ 642,757,849</u>
59.7%	46.5%	58.6%	33.7%	33.0%	29.8%

**St. Vrain Valley School District RE-1J**  
**Demographic and Economic Information**  
(Unaudited)

**Last Ten Fiscal Years (as available)**

**Population District-wide**

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
93,006	98,176	106,488	116,414

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

**Personal Income (expressed in thousands) by County**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Boulder	\$ 8,536,223	\$ 9,346,188	\$ 10,304,130	\$ 11,825,466
Broomfield (1)	n/a	n/a	n/a	n/a
Larimer	5,811,981	6,282,235	6,756,866	7,657,065
Weld	3,369,289	3,752,251	4,167,443	4,586,448
Average	<u>\$ 5,905,831</u>	<u>\$ 6,460,225</u>	<u>\$ 7,076,146</u>	<u>\$ 8,022,993</u>

Source: United States Department of Commerce, Bureau of Economic Analysis  
Data subject to revision; not available for 2005 and beyond.

**Annual Per Capita Personal Income by County**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Boulder	\$ 31,529	\$ 33,672	\$ 36,041	\$ 40,360
Broomfield (1)	n/a	n/a	n/a	n/a
Larimer	24,865	26,093	27,369	30,274
Weld	20,859	22,530	23,904	25,038
Average	<u>\$ 25,751</u>	<u>\$ 27,432</u>	<u>\$ 29,105</u>	<u>\$ 31,891</u>

Source: United States Department of Commerce, Bureau of Economic Analysis  
Data subject to revision; not available for 2005 and beyond.

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



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<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
123,295	127,223	131,310	136,910	140,363	142,172

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 12,085,925	\$ 11,295,248	\$ 11,406,648	\$ 12,199,592
n/a	1,359,569	1,410,324	1,550,901
8,164,809	8,387,267	8,541,462	8,846,874
4,950,093	5,021,256	5,144,211	5,374,013
<u>\$ 8,400,276</u>	<u>\$ 6,515,835</u>	<u>\$ 6,625,661</u>	<u>\$ 6,992,845</u>

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 40,435	\$ 40,590	\$ 41,110	\$ 43,640
n/a	33,293	33,376	36,530
31,449	31,793	32,037	32,893
25,575	24,571	24,279	24,432
<u>\$ 32,486</u>	<u>\$ 32,562</u>	<u>\$ 32,701</u>	<u>\$ 34,374</u>

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

**Last Ten Fiscal Years**

**Median Age by County**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Boulder	33.0	33.2	33.5	33.6	33.8
Larimer	32.7	33.0	33.3	33.3	33.5
Weld	30.8	30.9	30.9	31.0	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)**

		<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Boulder	(2)	3.8%	2.8%	3.3%	2.6%	2.3%
Broomfield	(3)	n/a	n/a	n/a	n/a	2.3%
Larimer	(4)	3.8%	3.2%	3.8%	3.1%	2.4%
Weld	(5)	4.7%	3.9%	4.5%	3.6%	2.6%

- (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

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2002	2003	2004	2005	2006
34.1	34.4	34.8	35.1	35.4
33.8	34.0	34.4	34.6	34.8
31.1	31.3	31.4	31.5	31.6

2002	2003	2004	2005	2006 (6)
3.5%	5.9%	5.8%	4.5%	4.2%
3.7%	5.8%	6.2%	4.7%	4.6%
3.1%	4.8%	5.3%	4.4%	4.1%
3.2%	5.2%	5.9%	5.1%	4.6%

**St. Vrain Valley School District RE-1J**  
**Demographic and Economic Information**  
**Major Private Employers**  
**Boulder County and the City and County of Broomfield Combined**  
**Last Four Fiscal Years (1)**  
**(Unaudited)**

Name of Employer	Product of Service	2006	Rank
		Estimated Number of Employees (2)	
IBM Corp.	Computer software and equipment	4,500	1
Ball Corp.	Packaging products for beverages/food	2,975	2
Sun Microsystems Inc.	Computer hardware, software and services	2,700	3
Level 3 Communications Inc.	Communication/information services	2,150	4
Storage Technology Corp.	Data storage products	2,000	5
Safeway Inc. (3)	Food and drug retail	1,245	6
Seagate Technology	Computer hard disc drives	1,200	7
Valleylab, division of Tyco International	Surgical solution products	1,000	8
Hunter Douglas Inc., Window Fashions	Window louvers	934	9
ConAgra Foods	Food (turkey) products	920	10
Boulder Community Hospital	Hospital facility		
EDS Corp.	Information technology services		
Longmont Foods	Restaurant and food service supplier		
Maxtor Corp.	Computer hard disc drives		
Kable Fulfillment Services, Inc., a subsidiary of Kable News Company (4)	Order fulfillment services for publishers		
Micro Motion Inc.	Flowmeters for industrial use		
Wal-Mart Stores Inc.	Discount retail chain		

(1) Data prior to fiscal year 2003 is not available

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

(3) Figures reflect employee total for 11 supermarkets in the two counties

(4) Kable News Company, a subsidiary of AMREP, increased its market share in the magazine subscription industry through acquisition of Electronic Data Systems Corp.'s subscription fulfillment division located in the City of Louisville. The \$10 million deal closed in April 2003.

**Source:** 2006 data from The Daily Camera, "Top 50 Boulder and Broomfield County Employers," April 11, 2005  
2005 data from The Daily Camera, "Top 50 Boulder and Broomfield County Employers," June 7, 2004  
2004 data from The Daily Camera, "Top 50 Boulder and Broomfield County Employers," May 11, 2003  
2003 data from The Boulder County Business Report, "The List," September 20, 2002

2005		2004		2003	
Estimated Number of Employees (2)	Rank	Estimated Number of Employees (2)	Rank	Estimated Number of Employees (2)	Rank
4,700	1	4,800	1	5,000	1
2,600	3			1,925	7
3,100	2			3,250	2
2,200	4			2,350	4
1,800	5	2,000	2	3,000	3
1,049	7	1,000	5		
1,200	6	1,080	4	1,010	10
900	10	920	6		
968	8				
950	9	1,200	3		
				2,102	5
				2,000	6
				1,200	8
		828	7	1,200	9
		675	8		
		640	9		
		625	10		

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

<b>Function</b>	<b>Description</b>	<b>2005 FTE</b>	<b>2006 FTE</b>
<b>Direct Instruction</b>	Classroom teachers, special education and English as a Second Language teachers, teachers' aides	1,302	1,320
<b>Classroom Support</b>	Librarians, counselors, school principals and assistant principals, support staff including speech services, attendance, and extra-curricular activities	608	569
<b>Building Support</b>	Student transportation, utilities, maintenance, custodial services, printing, purchasing, technology services, etc.	274	264
<b>Central Support/ Administration</b>	Human resources, finance, payroll, budgeting, legal, clerical support, supervision of instruction, public information, superintendent's office, etc.	77	81
<b>Total</b>		<u>2,261</u>	<u>2,234</u>

(1) Due to the change in compiling and reporting FTE data, the FTE by function is not available prior to fiscal year 2005.

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

**Note:** The numbers above are from the Employee Management System for the General Fund as of June 30 and do not take into account staffing fluctuations during the year or vacancies at year-end.

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

Fiscal Year	Student Membership/ Enrollment (1)	Student Full-Time Equivalency (FTE) As of October 1 (2)	
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	
2006	22,482.00	21,635.50	(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 2006 are pending CDE's annual audit

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**Source:** District's Records Management

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

Fiscal Year	Expenses (1)	Enrollment (2)	Cost per Pupil	Pupil Teacher Ratio (3)	Percent of Free and Reduced Students in Lunch Program (4)
2002	\$ 137,018,165	20,038.0	\$ 6,838	23.5:1	18.7%
2003	145,214,249	20,631.0	7,039	23.5:1	20.5%
2004	146,932,609	20,913.0	7,026	23.5:1	21.6%
2005	157,562,371	21,467.0	7,340	23.5:1	23.3%
2006	181,360,212	22,482.0	8,067	24.5:1	27.8%

- (1) Expenses for governmental activities from Changes in Net Assets schedule which is presented for five fiscal years
- (2) Enrollment (total membership) from the Student Count schedule
- (3) Provided by the Human Resources Department
- (4) Provided by the Food Service Department



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

	2006	2005	2004	2003	2002
<b>Elementary schools</b>	22	22	20	20	20
Total square feet	1,077,734	1,077,734	973,164	973,164	973,164
Total program capacity	10,411	10,411	9,331	9,331	9,331
Enrollment	9,632	9,494	9,188	9,079	8,909
Percent capacity	93%	91%	98%	97%	95%
<b>Middle schools</b>	9	6	6	6	6
Total square feet	905,153	569,712	569,712	569,712	569,712
Total program capacity	6,331	4,054	4,054	4,054	4,054
Enrollment	4,872	3,873	3,850	3,766	3,611
Percent capacity	77%	96%	95%	93%	89%
<b>High schools</b>	7	7	7	7	7
Total square feet	1,077,874	1,077,874	1,077,874	1,077,874	1,077,874
Total program capacity	6,995	6,995	6,995	6,995	6,995
Enrollment	6,461	7,123	6,831	6,698	6,431
Percent capacity	92%	102%	98%	96%	92%
<b>Alternative schools</b>	2	2	2	2	2
Total square feet	96,436	96,436	96,436	96,436	96,436
Enrollment	554	483	534	544	485
<b>Charter schools</b>	4	2	2	2	2
Enrollment	1,120	645	669	656	602
<b>Other District Facilities</b>					
Total square feet	87,937	87,937	87,937	87,937	87,937

**Source:** District's Planning Department

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

**Last Ten Fiscal Years**

	1997	1998	1999	2000	2001
<b>General Fixed Assets Group / Governmental Activities</b>					
Land/Sites	\$ 5,466,501	\$ 6,808,260	\$ 7,039,672	\$ 7,646,977	\$ 7,970,477
Projects in progress	-	-	-	-	-
Water rights	-	450,306	450,306	450,306	473,306
Capital assets not depreciated	5,466,501	7,258,566	7,489,978	8,097,283	8,443,783
Land Improvements	-	-	-	-	-
Buildings	96,448,260	96,580,875	110,817,439	131,730,048	152,318,422
Building Improvements	-	-	-	-	-
Improvements	6,465,442	6,584,967	8,255,187	8,597,633	10,785,673
Equipment	27,753,353	29,823,557	32,362,710	33,485,689	34,912,821
Capital assets depreciated	130,667,055	132,989,399	151,435,336	173,813,370	198,016,916
Less: accumulated depreciation					
Land Improvements	-	-	-	-	-
Buildings	-	-	-	-	-
Building Improvements	-	-	-	-	-
Improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Total accumulated depreciation	-	-	-	-	-
Capital assets depreciated, net	130,667,055	132,989,399	151,435,336	173,813,370	198,016,916
Total capital assets, General Fixed Assets Group / Governmental Activities	<u>\$ 136,133,556</u>	<u>\$ 140,247,965</u>	<u>\$ 158,925,314</u>	<u>\$ 181,910,653</u>	<u>\$ 206,460,699</u>
<b>Enterprise Fund / Business-type Activities</b>					
Equipment	\$ 1,499,265	\$ 1,553,937	\$ 1,649,268	\$ 1,914,638	\$ 1,283,304
Less: accumulated depreciation	982,556	1,048,838	1,127,620	1,161,272	510,089
Total	<u>\$ 516,709</u>	<u>\$ 505,099</u>	<u>\$ 521,648</u>	<u>\$ 753,366</u>	<u>\$ 773,215</u>

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

2002	2003	2004	2005 As Restated	2006
\$ 10,963,016	\$ 11,700,106	\$ 13,101,777	\$ 16,868,344	\$ 17,281,724
-	3,701,002	47,988,336	20,455,309	5,072,230
2,612,516	2,612,516	2,612,516	2,612,516	4,089,516
13,575,532	18,013,624	63,702,629	39,936,169	26,443,470
11,205,967	11,643,568	13,803,835	16,362,434	16,974,890
103,752,158	104,563,622	104,563,622	163,650,732	176,858,388
75,795,663	76,042,521	83,590,019	87,209,911	99,353,087
-	-	-	-	-
14,839,302	15,397,086	17,487,102	23,182,130	23,950,193
205,593,090	207,646,797	219,444,578	290,405,207	317,136,558
3,050,927	3,566,526	4,222,100	4,840,750	5,681,171
27,592,543	29,444,832	31,298,614	33,136,901	35,314,984
13,700,056	15,746,468	18,049,170	19,791,865	23,283,112
-	-	-	-	-
8,507,722	9,731,386	10,746,973	11,550,228	12,658,701
52,851,248 (1)	58,489,212	64,316,857	69,319,744	76,937,968
152,741,842	149,157,585	155,127,721	221,085,463	240,198,590
<u>\$ 166,317,374</u>	<u>\$ 167,171,209</u>	<u>\$ 218,830,350</u>	<u>\$ 261,021,632</u>	<u>\$ 266,642,060</u>
\$ 1,477,203	\$ 1,559,536	\$ 1,576,109	\$ 1,953,186	\$ 2,249,157
615,987	737,693	848,425	971,415	1,105,986
<u>\$ 861,216</u>	<u>\$ 821,843</u>	<u>\$ 727,684</u>	<u>\$ 981,771</u>	<u>\$ 1,143,171</u>

