



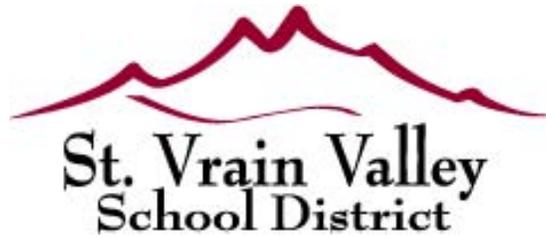
Student Achievement è Well-Being è Partnerships

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2008



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, 2008

Dr. Randy Zila
Superintendent of Schools

Prepared by: Financial Services Department

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Chief Financial Officer

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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
2007-2008**

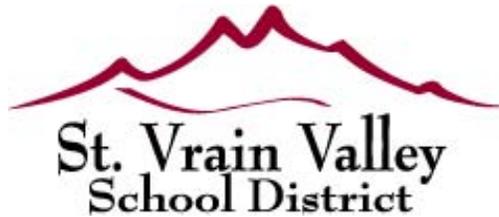


Pictured from left to right:

(Row 1) President Sandi Searls, Vice President Rod Schmidt,
Secretary Rick Hammans, Treasurer Dori Van Lone,

(Row 2) Assistant Secretary/ Treasurer John Creighton ,
Mr. Mike Schiers, and Mr. Bob Smith

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October 30, 2008

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, 2008 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, 2008, 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, 2008 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 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, 2008 there were three 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, 2008, the District's Board of Education has approved four charter schools: Carbon Valley Academy, Flagstaff Academy, and Twin Peaks Charter Academy, all operational during the year ended June 30, 2008, and Imagine Charter School at Firestone, under contract effective July 1, 2008. The respective members of the Charter Schools' Governing Boards are appointed separately from the District's Board of Education. The Charter Schools are deemed to be fiscally dependent upon the District since the District provides the majority of support to the Charter Schools in the form of per pupil revenue; therefore, the Charter Schools' financial information has been presented as discretely presented component units.

ECONOMIC CONDITION AND OUTLOOK

National Economy

According to the Congressional Budget Office (CBO), an unusual amount of turbulence has roiled the U.S. economy this year, weakening the near-term outlook since CBO's previous forecast in February.¹ Whether this period will ultimately be designated a recession or not is still uncertain, but the increase in the unemployment rate and the pace of economic growth are similar to conditions during previous periods of mild recession.

On September 9, 2008 the CBO issued *The Budget and Economic Outlook: An Update*. Significant government action regarding Fannie Mae and Freddie Mac occurred as the CBO report went to press. Further turmoil in the financial markets and various government actions have occurred in the weeks leading up to the printing of this discussion. The estimates presented in this update were prepared before the specific details of these events were available.

According to the update, the economic outlook this year has deteriorated as a result of the problems in the housing and financial markets, along with the high price of energy and agricultural commodities. Home prices and the number of construction projects continue to fall, and surging delinquencies and foreclosures on mortgage loans continue to destabilize financial markets. Rapid increases in the prices for energy and agricultural commodities in the first several months of the year reduced real (inflation-adjusted) income and spending on other goods and services. Real growth of gross domestic product (GDP) is projected to average below 1 percent (measured at an annual rate) from the last quarter of 2007 through the middle of 2009, before picking up during the second half of 2009. The growth of employment will probably remain weak through the middle of next year, keeping the unemployment rate above 6 percent in the near term. Inflation is expected to moderate later this year as energy and food prices ease back.

Specifically, CBO forecasts that, for calendar year 2008, GDP will grow by about 1.5 percent in real terms and, for 2009, 1.1 percent. Inflation, as measured by the year-to-year change in the consumer price index for all urban consumers (CPI-U), is projected to remain high and average 4.7 percent for the year but to moderate in 2009, falling to an average of 3.1 percent. However, the underlying, or core, rate of

consumer price inflation (which excludes the volatile energy and food prices) is expected to be relatively stable, averaging 2.4 percent over the next year and a half.

CBO also expects that as the economy recovers, interest rates on Treasury securities will rise next year from their current low levels. In CBO's forecast, the interest rate on 3-month Treasury bills averages 1.9 percent in 2008 and 2.7 percent in 2009; the rate on 10-year Treasury notes averages 3.9 percent in 2008 and 4.4 percent in 2009.

CBO's projections beyond that two-year horizon, for 2010 to 2018, indicate real growth averaging 2.8 percent and CPI-U inflation averaging 2.2 percent. By the agency's estimates, the unemployment rate will average 5.0 percent during the 2010–2018 period, while the interest rate on 3-month Treasury bills will average 4.6 percent and the rate on 10-year Treasury notes will average 5.4 percent.

State Economy

According to the Economics Staff of the Colorado Legislative Council forecast issued June 20, 2008, although the state's economy has slowed considerably, the state's economic diversity and recent job growth in wide-ranging industries should prevent it from falling into recession. Consumers have begun to cut back their spending in response to tight credit conditions and rising food and gas prices. The state is wrestling with a significant correction in its housing sector and in housing-related employment. However, the correction in the housing sector appears to have begun earlier and has been more gradual than in other areas of the nation. In addition, based on population and employment growth, Colorado's economy appears to be among the most vibrant in the nation. As long as the turmoil in the financial markets is resolved as expected, the economy's healthy population and job growth should be able to absorb much of the weakness.

Even though Colorado's economy fared worse than the rest of the nation during the last recession, Colorado remained a magnet state for people who lost their jobs and wanted to relocate regardless of whether or not a job awaited them. Net migration to the state was nearly 52,000 in 2007. While most of the net migration to the state in 2007 was the result of strong employment here, some of it continued to be individuals who relocated based on their preferences for living or starting a business rather than for a specific job.

The influx of people has caused Colorado's labor force to increase faster than employment, pushing Colorado's unemployment rate to a level relatively high compared with the rest of the nation. Colorado's labor force increased 3.1 percent thus far this year through April, the third highest rate in the nation. Meanwhile, the state's unemployment rate averaged 4.4 percent during the first four months of the year, ranking 29th in the nation.

While Colorado's overall economy appears to be treading water, the state's housing and housing related sectors, including parts of the financial activities and construction sectors, are experiencing a major correction. Permits for the construction of single-family homes were down 42.2 percent year-to-date through April, ranking 35th in the nation. The number of permits issued for multi-family homes decreased 6.8 percent through April, ranking 21st in the nation.

In summary, a weaker national economy, poor housing market, problems in the financial and credit markets, and high food and energy prices will slow the economy down substantially in 2008 and into 2009. However, the state's diverse economy and recent job growth in wide ranging industries should help it weather the negative factors in the economy and avoid a major slowdown.

Results from the forward-looking Colorado Business Leaders Confidence Index® (BLCI) for the third quarter of 2008 suggest that state business leaders are more optimistic about the economy than in previous periods. For the first time in four quarters, the BLCI recorded a slight uptick, advancing from 41.7 to 43.6. The fact that the quarterly reading is below the neutral mark of 50 indicates that the economy is expected to continue performing below potential during the third quarter of the year.

On a positive note, four of the six components that make up the BLCI reversed their downward trends of the past three quarters. The sales component index pushed above the 50 barrier, while the other five components registered between 35 and 46.

According to the Colorado Office of State Planning and Budgeting report to the Governor on September 19, 2008, Colorado's economy continues to show that it is more resilient and perhaps better poised to rebound from the current national financial turmoil than the national economy. By comparison, Colorado is experiencing lower unemployment, greater job growth, and lower inflation than the nation overall, and is supportive of Colorado's focus on booming industries like renewable and non-renewable energy, biosciences, and technology. While there is still a significant amount of uncertainty surrounding the recent problems of financial giants Bear Stearns, AIG, and Lehmann Brothers, and the federal bail out of governmental sponsored enterprises Freddie Mac and Fannie Mae, the current circumstances appear to have affected Colorado far less than other states.

Although certain parts of the State remain distressed by foreclosures, the current state of the residential real estate market is substantially stronger in Colorado than the rest of the country. According to the Standard & Poors / Case-Shiller index, Denver's real estate market is one of the strongest of any major metropolitan area of the country. In the most recent data available, the price index for Denver posted a one-month increase of 1.5 percent in June. Compared to June 2007, home prices in Denver are down 5 percent. However, this is the mildest decrease of any large metropolitan area except Dallas, Texas. Real estate also continues to be strong on the Western Slope, in response to the continuing influx of oil and gas workers.

Due to the substantial increases in the cost of fuel, retail goods, and residential rentals, the Office of State Planning and Budgeting has projected a 3.7 percent increase in the Denver-Boulder-Greeley Consumer Price Index for 2008. In comparison, the 2007 consumer price index increased by 2.2 percent – a relatively low rate of inflation by historical levels. Inflation for 2009 and 2010 has been adjusted down since the June forecast, to 3.0 percent and 2.8 percent, respectively, reflecting anticipated stability of prices in general and a strengthening U.S. dollar, which lowers the prices of imported goods.

Colorado's economy cannot be totally insulated from broader economic issues. With the recent events in the credit markets, there is concern that regardless of Colorado's focus on emerging industries, there will not be enough access to capital for these businesses to succeed. It is too early to tell whether the federal government's capital infusions will be sufficient to stabilize markets and stimulate the financial system.

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 approximately 149,000 residents. Serving approximately 24,500 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 a population of nearly 86,000, the City has reached approximately 80% of residential build out, and 47% of its job capacity build out in commercial and industrial development. According to the City's proposed budget for 2009, from the perspective of the City's major revenues there is very little reason for optimism in 2009 or into the near future. Residential foreclosures in Longmont are higher than in other cities in Boulder County. Property values show no growth for 2009 and it is expected that the impact of the slowing real estate market and high foreclosure activity will result in reduced assessed values along with reduced property tax revenues in 2010. Both residential construction activity and non-residential building activity have slowed considerably in 2008. Although there has been a net increase of 282 primary jobs year to date in 2008, recent announcements regarding pending layoffs of more than 450 employees could have a significant impact on the local economy.

Information collected by the Longmont Area Economic Council (LAEC) in 2008 indicates that while indicators are down once again in 2008, the Longmont area existing primary employer base appears to be in a hold pattern. This is said taking into consideration that there has been a decline in company sales, market share and local R&D efforts; however, we saw an increase in the primary market sales, an increase in export sales, and even though they are at an all time low, we still have projected job, facility and capital investment growth over the next three years amongst 79% of the employers surveyed. None-the-less, recent activity related to net job growth reflects that our companies are being challenged at this time. While we continue to see new projects coming into the area, we also continue to experience a growing number of closures.

The Weld County portion of the District includes the towns of Erie with a population of about 16,000, Firestone with 9,000, Frederick with about 8,000, Dacono with approximately 4,000, and Mead with 2,900. Other District communities include Niwot and Lyons, both located in Boulder County.

Continued Enrollment Growth

The District continues to grow in enrollment. Initial counts for the fall of 2008 show an increase of more than 3.2 percent. Over the last 10 years, the enrollment growth has averaged approximately 620 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 95% of the District's General Fund revenues for fiscal year 2007-2008.

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 2007, the inflation rate was 2.2% which, together with adjustments in at-risk funding, as well as increased funding for all-day kindergarten, results in an increase of 3.58% for the 2008-2009 fiscal year over 2007-2008.

As a result of the projected increased funding for fiscal year 2008-2009 and the elimination of approximately 85 teacher positions, the District was able to provide employees with an average increase in compensation of about 6.8%. As of June 30, 2008, the District had a fund balance of \$15.5 million in the General Fund (including its sub-funds), of which \$3.6 million was unreserved and undesignated. The adopted budget for FY09 shows an operating surplus which should add an additional \$607,000 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.

As a result of the staffing adjustment mentioned above, and utilizing inflation rates (CPI) of 2.7% and 2.9% for 2008 and 2009, and 3.0% for 2010 and 2011, the General Fund budget projection through June 2013 shows operating deficits between \$500,000 to \$1.7 million through June 30, 2012 and an operating surplus of just \$200,00 as of June 30, 2013. As a result, financial planning by the Board includes a continued focus on controlling expenses, especially the cost of health insurance. In addition, the Board has placed questions on the election ballot for November 2008 for a mill levy override of \$16.5 million, as well as authorizing bonds in the amount of \$189 million to cover capital construction needs. 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.

Three new elementary schools opened in August 2008, each with strong enrollment. This has relieved overcrowding in several neighboring elementary schools, providing the District with a small amount of capacity to meet growth for the next couple of years. Construction on Mead High School continues on schedule with an opening date scheduled for the fall of 2009.

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.

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 89% of the targets for fiscal year 2008 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 about 34%, which is approximately 6,200 students. Over the same ten year period, projections prepared by the District Planning Department have fallen within an average 0.31% variance. The Department projects that enrollment will continue to increase by an average of approximately 800 students per year over the next four years, to nearly 28,000 by 2012.

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's General Fund 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 for the year ended June 30, 2008 was able to do so for any reason until October 15. Amendments by the Board after October 15 were allowed only for unforeseen circumstances which did not exist prior to October 15, such as emergencies or unanticipated revenues. The State Legislature amended the School Finance Act in May 2008 to change the October 15 date to January 31 for budget years ending June 31, 2009 and later.

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. Earnings on investments, District-wide, were over \$4.4 million for the fiscal year 2007-2008.

Funding sources consist primarily of state equalization aid, property taxes, bond proceeds, and utilization of other cash balances.

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, 2008. 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

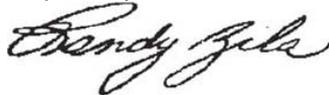
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the fourth consecutive year that the District has achieved these prestigious awards. In order to be awarded a Certificate of Achievement and a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report also satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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,



Dr. Randy Zila
Superintendent



Mark E. Pillmore, CPA
Chief Financial Officer

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

**For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2007**

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

Jerome E. Brendel

President

John D. Musso

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, 2007

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.



Clare S. Cox

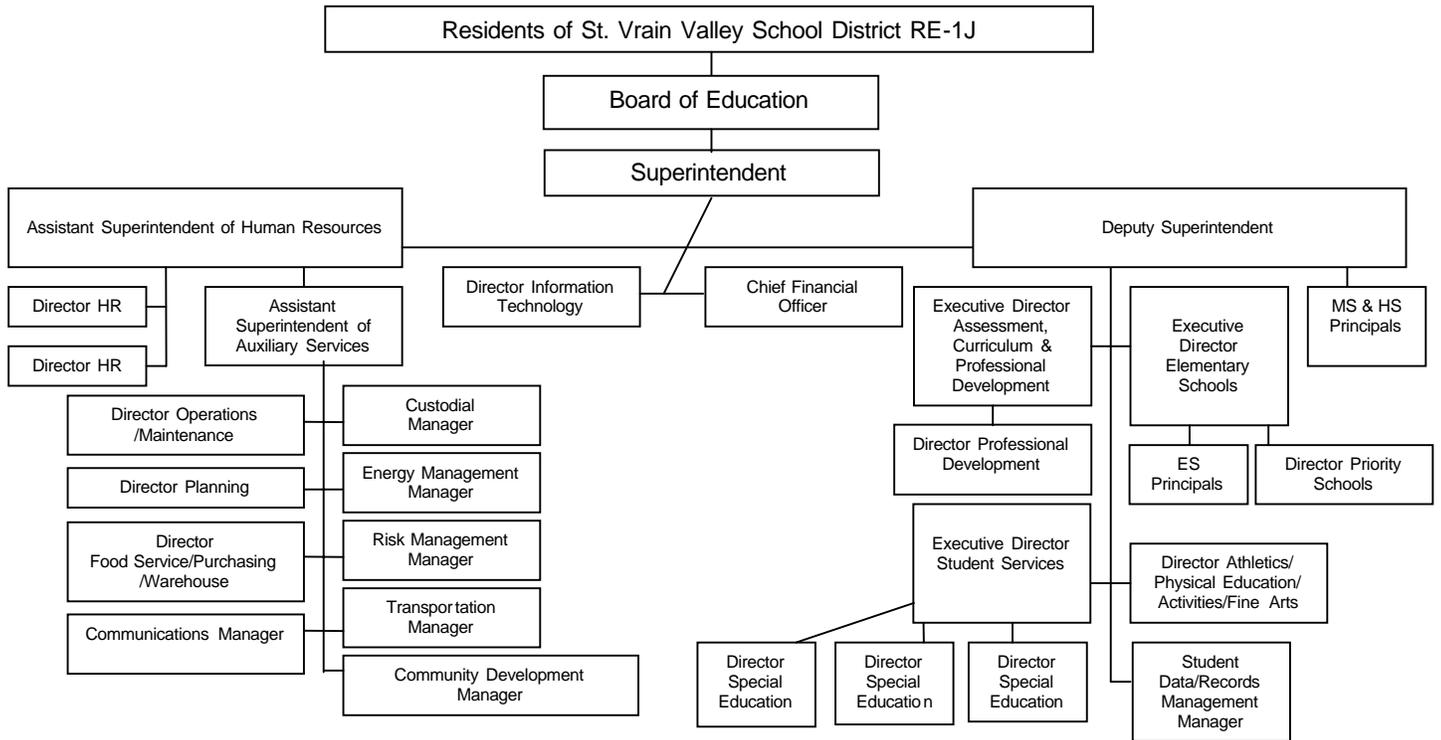
President

Jeffrey R. Emmer

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 2008

<u>Board Member</u>	<u>Term of Office</u>
Director District A Rick Hammans, Secretary	11/07 - 11/11
Director District B Sandra Searls, President	11/01 - 11/09
Director District C Bob Smith, (Appointed) Member	11/07 - 11/09
Director District D Dori Van Lone, Treasurer	11/05 - 11/09
Director District E John Creighton, Asst Secretary/Treasurer	11/07 - 11/11
Director District F Rod Schmidt, Vice President	11/05 - 11/09
Director District G Mike Schiers, Member	11/07 - 11/11

Appointed Officials

District Leadership Team

Dr. Randy Zila	Superintendent
Don Haddad	Deputy Superintendent
Thomas Garcia	Asst Superintendent of Human Resources
Rick Ring	Asst Superintendent of Auxiliary Services
Sherri Stephens-Carter	Executive Director of Assessment, Curriculum, and Professional Development
Connie Syferd	Executive Director of Elementary Education
Mary Sires	Executive Director of Student Services
Mark Pillmore	Chief Financial Officer
William Brayshaw	Director of Information Technology Services

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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 (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Carbon Valley Academy, a discretely presented component unit of the District, which statements reflect total assets of \$6,483,919 as of June 30, 2008, and total revenues of \$3,716,568 for the year then ended. Those statements were audited by other accountants 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 accountants. 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 \$920,948 as of June 30, 2008, and total revenues of \$3,103,414 for the year then ended. Those statements were audited by other accountants 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 accountants.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 and the reports of the other accountants provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other accountants, 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 16, during fiscal year 2008 the District's reporting entity changed to exclude Ute Creek Secondary Academy as a discretely presented component unit by restating beginning net assets.

The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is 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 in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section as listed in the table of contents 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

October 30, 2008

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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, 2008

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, 2008. 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, 2008 by \$70.2 million (net assets).
- Business-type activities have unrestricted net assets of \$0.7 million, which may be used to meet the District's ongoing obligations of the enterprise related activities - the Nutrition Services Fund.
- Total net assets of the District (primary government) increased \$8.1 million during the year ended June 30, 2008 which is principally attributable to the District's governmental activities.
- Fund balance of the District's governmental funds decreased by \$51.9 million resulting in an ending fund balance of \$72.0 million. The decrease is primarily the result of \$54.8 million in capital outlay as well as \$5.5 million of debt payments in excess of Bond Redemption Fund revenues during the year.
- During the current year, the fund balance in the District's General Fund increased by \$3.4 million leaving an ending fund balance of \$15.5 million. The increase is primarily the result of \$1.9 million in revenues above budget of the General Fund and \$0.8 million in expenditures below budget of the Risk Management Fund, a sub-fund of the General Fund. As a result of the required reserves of fund balance, the ending unreserved General Fund balance is \$6.8 million, of which \$3.1 million is designated for contingencies .
- The District's total liabilities decreased \$12.8 million to \$349.9 million primarily due to the reduction in debt related liabilities 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 Minimum Medical Insurance Liability Fund, which is an internal service fund. Business-type activities consist of the Nutrition Services Fund.

Also presented on the government-wide financial statements are component units, representing the District's three 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 nine 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. One of the proprietary funds is an enterprise fund. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The District uses an enterprise fund, the Nutrition Services Fund, to account for its food service operation.

The other type of proprietary fund is an internal service fund. Internal service funds are used to accumulate and allocate costs internally among the governmental functions. The District uses an internal service fund, Minimum Medical Insurance Liability Fund, to account for employee health and dental benefits.

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, enterprise, 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 expenses are current assets. These assets are available to provide resources for the near-term operations of the District. The majority of the current assets are cash and investments, of which 28% is unspent bond proceeds.

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

Current and noncurrent liabilities are determined based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, 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 2009. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2009.

As of June 30, 2008, the assets of the primary government's governmental activities exceed liabilities by \$68.6 million with an unrestricted balance of \$18.7 million. At current fiscal year-end the District is able to report positive balances in all three categories of net assets, both for the District as a whole, as well as for its separate governmental and business-type activities. The same was true for the prior fiscal year.

The amount "invested in capital assets, net of related debt" increased as a result of activity in the Building Fund. A net investment of \$18.7 million in land, buildings, and equipment to provide the services to the District's approximate 24,500 public school students represents nearly 27% 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 net assets restricted for TABOR, as required by statute, were \$5.1 million as of

June 30, 2008. Net assets restricted for debt service decreased by over \$5.5 million resulting in a total of \$27.0 million.

As mentioned earlier, the \$12.8 million decrease in liabilities is primarily due to the reduction of debt related liabilities during the year.

Table 1 provides a summary of the District's net assets as of June 30, 2008 compared to June 30, 2007.

Table 1
Comparative Summary of Net Assets
As of June 30, 2008 and 2007
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2007 - 2008
	2008	2007	2008	2007	2008	2007	
Assets							
Current assets	\$ 77,343	\$ 79,831	\$ 1,017	\$ 1,206	\$ 78,360	\$ 81,037	-3.30%
Noncurrent assets excluding capital assets	30,668	76,078	-	-	30,668	76,078	-59.69%
Capital assets	310,156	266,609	927	1,060	311,083	267,669	16.22%
Total assets	<u>418,167</u>	<u>422,518</u>	<u>1,944</u>	<u>2,266</u>	<u>420,111</u>	<u>424,784</u>	-1.10%
Liabilities							
Current liabilities	30,425	40,894	322	279	30,747	41,173	-25.32%
Long-term liabilities	319,160	321,505	-	-	319,160	321,505	-0.73%
Total liabilities	<u>349,585</u>	<u>362,399</u>	<u>322</u>	<u>279</u>	<u>349,907</u>	<u>362,678</u>	-3.52%
Net Assets							
Invested in capital assets - net of related debt	17,752	7,424	927	1,060	18,679	8,484	120.17%
Restricted for TABOR	5,120	4,822	-	-	5,120	4,822	6.18%
Debt Service	27,000	32,507	-	-	27,000	32,507	-16.94%
Unrestricted	18,710	15,366	695	927	19,405	16,293	19.10%
Total net assets	<u>\$ 68,582</u>	<u>\$ 60,119</u>	<u>\$ 1,622</u>	<u>\$ 1,987</u>	<u>\$ 70,204</u>	<u>\$ 62,106</u>	13.04%

Government-wide Activities

Governmental activities increased the net assets of the District by \$8.5 million while Business-type Activities decreased the net assets by nearly \$0.4 million, resulting in the overall increase of \$8.1 million in the net assets of the District. Table 2 provides a summary of the District's change in net assets for 2008 compared to 2007.

Table 2
Comparative Schedule of Changes in Net Assets
For the Years Ended June 30, 2008 and 2007
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2007 - 2008
	2008	2007	2008	2007	2008	2007	
Revenues							
Program Revenues							
Charges for services	\$ 7,899	\$ 6,934	\$ 3,574	\$ 3,364	\$ 11,473	\$ 10,298	11.41%
Operating grants & contributions	13,201	12,330	3,107	2,755	16,308	15,085	8.11%
Capital grants & contributions	507	591	-	-	507	591	-14.21%
General Revenues							
Property taxes and specific ownership taxes	89,281	83,553	-	-	89,281	83,553	6.86%
State revenue	90,265	85,050	-	-	90,265	85,050	6.13%
Other	5,681	9,372	24	26	5,705	9,398	-39.30%
Total revenues	206,834	197,830	6,705	6,145	213,539	203,975	4.69%
Expenses							
Instruction	122,241	115,031	-	-	122,241	115,031	6.27%
Supporting services	60,630	58,113	7,070	6,369	67,700	64,482	4.99%
Interest expense	15,500	16,011	-	-	15,500	16,011	-3.19%
Total expenses	198,371	189,155	7,070	6,369	205,441	195,524	5.07%
Increase (decrease) in net assets	8,463	8,675	(365)	(224)	8,098	8,451	-4.18%
Net assets - 7/1	60,119	51,444	1,987	2,211	62,106	53,655	15.75%
Net assets - 6/30	\$ 68,582	\$ 60,119	\$ 1,622	\$ 1,987	\$ 70,204	\$ 62,106	13.04%

Total assets of governmental activities decreased by \$4,350,689 attributed to the following elements:

**Comparative Schedule of Assets of Governmental Activities
As of June 30, 2008 and 2007**

	2008	2007	Increase (Decrease)
Cash and investments	\$ 98,911,975	\$ 146,472,625	\$ (47,560,650)
Accounts receivable	222,394	856,501	(634,107)
Internal balances	316,157	-	316,157
Due from component units	15,343	17,525	(2,182)
Grants receivable	2,552,873	1,557,481	995,392
Interest receivable	125,282	235,057	(109,775)
Taxes receivable	3,519,950	2,892,739	627,211
Prepaid expenses	14,257	773,664	(759,407)
Deposits	28,000	28,000	-
Inventories	470,427	358,352	112,075
Deferred charges	1,834,671	2,717,031	(882,360)
Capital assets			
Non-depreciable	82,895,754	31,312,083	51,583,671
Depreciable, net	227,260,559	235,297,273	(8,036,714)
Total assets	<u>\$ 418,167,642</u>	<u>\$ 422,518,331</u>	<u>\$ (4,350,689)</u>

The net decrease in cash and investments (which includes unrestricted and restricted cash and investments) was caused primarily by the investment in capital assets during the year. The decrease in accounts receivable reflects improved collection of monies due as of June 30, 2008 as compared to June 30, 2007; however, the increase in taxes receivable reflects a continuing slowdown in the collection of taxes, which is likely a result of the sluggish local economy and the depressed real estate market. The increase in grants receivable is due to the delayed receipt of reimbursable spending within the fund. Interest receivable reflects interest earned through June 2008 that was not received until July 2008; the reduced amount is a result of fewer dollars available for investment during June 2008. The decrease in prepaid expenses is primarily due to the cancellation of the CIGNA health insurance plan for which a prepaid expense existed at June 30, 2007 (refer to Note 10). The increase in capital assets during the current year is due to the construction of four new schools, three of which opened in August 2008.

Total liabilities of governmental activities decreased by \$12,813,891 as follows:

**Comparative Schedule of Liabilities of Governmental Activities
As of June 30, 2008 and 2007**

	2008	2007	Increase (Decrease)
Accounts payable	\$ 6,028,193	\$ 4,700,265	\$ 1,327,928
Arbitrage payable	-	168,123	(168,123)
Retainage payable	3,756,657	379,066	3,377,591
Accrued salaries, benefits, withholdings	19,216,504	16,490,799	2,725,705
Accrued interest payable	606,311	640,839	(34,528)
Claims payable	817,543	831,751	(14,208)
Unearned revenues	2,158,316	2,297,764	(139,448)
Noncurrent liabilities			
Due within one year	12,103,851	19,967,412	(7,863,561)
Due in more than one year	304,897,775	316,923,022	(12,025,247)
Total liabilities	<u>\$ 349,585,150</u>	<u>\$ 362,399,041</u>	<u>\$ (12,813,891)</u>

Accounts payable increased primarily due to the ongoing construction projects that began during the spring of 2007. Arbitrage payable was fully paid as of the end of the year. The increase in retainage payable is also related to the construction projects. The increase in accrued salaries, benefits and withholdings is the result of several factors, including pay increases effective September 2007 and increased health insurance premiums effective October 1, 2007. The decrease in accrued interest payable is the result of reduced debt payable as of June 30, 2008. The decrease in claims payable is the result of a change in estimate of the potential claims within the Risk Management Fund at June 30, 2008. Unearned revenues decreased as a result of income recognition for fiscal year 2008. Noncurrent liabilities due within one year was adjusted to bond amortization schedules as of June 30, 2008, resulting in a decrease. Noncurrent liabilities due in more than one year also decreased as a result of principal repayment during fiscal year 2008.

Total assets of business-type activities decreased by \$321,545 as follows:

**Comparative Schedule of Assets of Business-Type Activities
As of June 30, 2008 and 2007**

	2008	2007	Increase (Decrease)
Cash and investments	\$ 758,981	\$ 969,510	\$ (210,529)
Accounts receivable	266,336	17,066	249,270
Internal balances	(316,157)	-	(316,157)
Inventories	308,073	219,586	88,487
Capital assets, net of accumulated depreciation	926,902	1,059,518	(132,616)
Total assets	<u>\$ 1,944,135</u>	<u>\$ 2,265,680</u>	<u>\$ (321,545)</u>

Cash and investments decreased by \$210,529 primarily due to the increase of accounts receivable. Accounts receivable increased as the result of delayed federal reimbursements for June 2008. Inventories increased due to the expanded operations of the Nutrition Services Fund. Net capital assets have decreased due to depreciation exceeding current year additions of capital assets.

Total liabilities for business-type activities increased by \$42,924 to \$322,030.

**Comparative Schedule of Liabilities of Business-Type Activities
As of June 30, 2008 and 2007**

	2008	2007	Increase (Decrease)
Accounts payable	\$ -	\$ 185	\$ (185)
Accrued salaries and benefits	200,008	186,037	13,971
Unearned revenues	122,022	92,884	29,138
Total liabilities	<u>\$ 322,030</u>	<u>\$ 279,106</u>	<u>\$ 42,924</u>

The increased pay rates effective September 2007, and increased health insurance premiums effective October 1, 2007 contributed to the additional accrued salaries and benefits of \$13,971 at year end. Unearned revenues increased by \$29,138 from June 2007 to June 2008 as the result of the increase in inventories of commodities as of June 30, 2008.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA, the District received \$6,548 per funded pupil. For the fiscal year ended June 30, 2008, the funded pupil count was 22,836. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and state equalization. The District receives approximately 60.4% 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, 2008 and 2007
(in Thousands)**

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
Instruction	\$ 122,241	\$ 115,031	\$ 105,533	\$ 99,908
Supporting services	60,630	58,113	55,730	53,381
Interest expense	15,500	16,011	15,500	16,011
	<u>\$ 198,371</u>	<u>\$ 189,155</u>	<u>\$ 176,763</u>	<u>\$ 169,300</u>

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was \$198.4 million compared to \$189.2 million last year. More than 75% of the increase was in instruction; the balance was attributed to supporting services. Interest expense dropped slightly from the prior year.
- Over \$7.9 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; however tuition for all-day kindergarten and preschool programs continues to grow in the General Fund.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$13.2 million.

- The majority of the District's net cost of services, \$176.8 million, was financed by State and District taxpayers.
- General revenues accounted for \$185.2 million in revenue which was 89.6% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for \$21.6 million or 10.4% of total revenues of \$206.8 million.

Business-type activities consist of the Nutrition Services Fund. This program had revenues and transfers in totaling \$6.7 million and expenses of \$7.1 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 \$72.0 million, a decrease of \$51.9 million in comparison with the prior year. As noted earlier, this decrease is due primarily to \$54.8 million in capital outlay as well as \$5.5 million of debt payments in excess of Bond Redemption Fund revenues during the year.

Among major funds, the General Fund had \$156.8 million in revenues and other financing sources, and \$153.4 million in expenditures and other financing uses. The General Fund's fund balance increased by \$3.4 million to \$15.5 million. The General Fund is the chief operating fund of the District. The increase is primarily the result of \$1.9 million in revenues above budget in the General Fund and \$0.8 million in expenditures below budget in the Risk Management Fund, a sub-fund of the General Fund. As a result of the required reserves of fund balance, the ending unreserved General Fund balance is \$6.8 million, of which \$3.1 million is designated for contingencies.

The fund balance of the Bond Redemption Fund decreased by \$5.5 million, resulting in a balance of \$27.0 million as of June 30, 2008. This was the net result of revenues of \$28.6 million, and current year payments of existing debt of \$34.1 million. The Bond Redemption Fund has adequate resources accumulated to make the December 2008 principal and interest payments. The mill levy to accumulate resources for the June 2009 interest payment will be certified in December 2008.

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 \$50.1 million due to expenditure of \$52.7 million in construction of schools and other capital improvements during the year. The fund had total revenues of \$2.5 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, 2008 is \$311.1 million (net of accumulated depreciation). Capital assets include land and improvements, buildings and improvements, water rights, projects in progress, and equipment. The District's investment in capital assets, net of accumulated depreciation, increased for the current fiscal year by \$43.4 million.

Major capital events during the year include continued construction on three new elementary schools, which opened in late summer of 2008, and one new high school, scheduled to open in the fall of 2009.

Table 4 shows fiscal year 2008 capital assets compared to 2007.

Table 4
Comparative Schedule of Capital Assets
As of June 30, 2008 and 2007
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2007 - 2008
	2008	2007	2008	2007	2008	2007	
Land	\$ 19,793	\$ 18,564	\$ -	\$ -	\$ 19,793	\$ 18,564	6.62%
Water rights	4,122	4,090	-	-	4,122	4,090	0.78%
Projects in progress	58,981	8,658	-	-	58,981	8,658	581.23%
Land improvements	11,784	12,682	-	-	11,784	12,682	-7.08%
Buildings	135,748	138,888	-	-	135,748	138,888	-2.26%
Building improvements	70,252	73,172	-	-	70,252	73,172	-3.99%
Equipment	9,476	10,555	927	1,060	10,403	11,615	-10.43%
Totals	<u>\$ 310,156</u>	<u>\$ 266,609</u>	<u>\$ 927</u>	<u>\$ 1,060</u>	<u>\$ 311,083</u>	<u>\$ 267,669</u>	16.22%

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 was assigned underlying ratings of A- from Standard & Poor's and an A3 rating from Moody's Investors Service for its general obligation bond issue 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, 2008 as compared to June 30, 2007 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 \$442 million and the legal debt margin was \$143 million.

Table 5
Comparative Schedule of Outstanding Debt
As of June 30, 2008 and 2007
(in Thousands)

	2008	2007	Increase (Decrease)
General obligation bonds	\$ 299,035	\$ 317,870	\$ (18,835)
Deferred bond premium	14,816	15,386	(570)
Capital leases	1,014	1,629	(615)
Benefits payable	2,137	2,006	131
Total debt	<u>\$ 317,002</u>	<u>\$ 336,891</u>	<u>\$ (19,889)</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, which requires an increase in per pupil funding by at least inflation plus 1%, will sunset in 2011.

- For calendar year 2007, the inflation rate was 2.2%. The District will be receiving \$6,783 per full time pupil (FTE) for the 2008-2009 school year, which is an increase of 3.6% over the 2007-2008 funding of \$6,548 per pupil.
- The increased funding will provide an additional \$10.2 million to the District in fiscal year 2008-2009 (FY08).
- The District continues to increase in enrollment each year, and the District's adopted budget estimated an additional 568 pupil FTE, which represents \$3.8 million additional revenue included above.

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 2008, the Board established goals for fiscal year 2008-2009, which included offering competitive compensation packages in order to attract and retain superior teachers, administrators, and staff. The District did not attain this goal, but the budget for FY08 included an average 6.8% increase in compensation to all employees. Furthermore, the increase for individual health insurance premiums effective September 1, 2008 was below 7%.

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. The District changed its contract with teachers to begin on August 1 rather than September 1, which caused the August 2008 payroll to include the final month of the FY08 contract as well as the first month of the FY09 contract. As a result, projected total cash flow borrowing for fiscal year ending June 30, 2009 is expected to be about \$1.2 million compared to zero for the fiscal year ended June 30, 2008. Projections for fiscal year 2009 show that initial borrowing will not occur until March 2009 with full repayment occurring during the same month.

The adopted General Fund budget for fiscal year 2008-2009 includes projected revenues in excess of expenditures of \$607,000 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.

BASIC FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

**Statement of Net Assets
June 30, 2008**

	Primary Government		Total	Component
	Governmental Activities	Business-type Activities		Units Charter Schools
Assets				
Cash and investments	\$ 70,078,810	\$ 758,981	\$ 70,837,791	\$ 5,370,265
Accounts receivable	222,394	266,336	488,730	6,905
Internal balances	316,157	(316,157)	-	-
Due from component units	15,343	-	15,343	-
Grants receivable	2,552,873	-	2,552,873	-
Interest receivable	125,282	-	125,282	4,151
Taxes receivable	3,519,950	-	3,519,950	-
Prepaid expenses	14,257	-	14,257	16,136
Deposits	28,000	-	28,000	217,490
Inventories	470,427	308,073	778,500	-
Deferred charges	1,834,671	-	1,834,671	113,786
Restricted cash and investments	28,833,165	-	28,833,165	-
Capital assets,				
Non-depreciable	82,895,754	-	82,895,754	1,092,666
Depreciable, net	227,260,559	926,902	228,187,461	3,859,206
Total assets	418,167,642	1,944,135	420,111,777	10,680,605
Liabilities				
Accounts payable	6,028,193	-	6,028,193	165,558
Due to primary government	-	-	-	15,343
Retainage payable	3,756,657	-	3,756,657	-
Accrued salaries and benefits	14,402,513	200,008	14,602,521	445,841
Payroll withholdings	4,813,991	-	4,813,991	-
Accrued interest payable	606,311	-	606,311	24,540
Claims payable	817,543	-	817,543	-
Unearned revenues	2,158,316	122,022	2,280,338	63,866
Noncurrent liabilities				
Due within one year	12,103,852	-	12,103,852	75,000
Due in more than one year	304,897,774	-	304,897,774	5,160,000
Total liabilities	349,585,150	322,030	349,907,180	5,950,148
Net Assets				
Invested in capital assets, net of related debt	17,752,278	926,902	18,679,180	375,654
Restricted for				
TABOR	5,119,932	-	5,119,932	191,322
Debt service	27,000,135	-	27,000,135	-
Unrestricted	18,710,147	695,203	19,405,350	4,163,481
Total net assets	\$ 68,582,492	\$ 1,622,105	\$ 70,204,597	\$ 4,730,457

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

St. Vrain Valley School District RE-1J

**Statement of Activities
For the Year Ended June 30, 2008**

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 122,240,743	\$ 7,810,661	\$ 8,896,602	\$ -
Supporting services	60,629,900	88,114	4,304,073	507,755
Interest expense	15,500,560	-	-	-
Total governmental activities	<u>198,371,203</u>	<u>7,898,775</u>	<u>13,200,675</u>	<u>507,755</u>
Business-type Activities				
Food services	<u>7,069,557</u>	<u>3,574,268</u>	<u>3,106,894</u>	<u>-</u>
Total business-type activities	<u>7,069,557</u>	<u>3,574,268</u>	<u>3,106,894</u>	<u>-</u>
Total primary government	<u>\$ 205,440,760</u>	<u>\$ 11,473,043</u>	<u>\$ 16,307,569</u>	<u>\$ 507,755</u>
COMPONENT UNITS				
Instruction	\$ 5,564,707	\$ 411,879	\$ 118,625	\$ -
Supporting services	3,700,212	1,007,875	72,852	119,854
Interest expense	296,109	-	-	-
Total component units	<u>\$ 9,561,028</u>	<u>\$ 1,419,754</u>	<u>\$ 191,477</u>	<u>\$ 119,854</u>

General Revenues

Property taxes
 Specific ownership taxes
 Senior Property Tax Exemption
 State equalization
 Investment income
 Other

Total general revenues

Change in net assets

Net assets, beginning

Restatement for change in reporting entity

Adjusted net assets, beginning

Net assets, ending

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	Charter Schools
\$ (105,533,480)	\$ -	\$ (105,533,480)	\$ -
(55,729,958)	-	(55,729,958)	-
(15,500,560)	-	(15,500,560)	-
<u>(176,763,998)</u>	<u>-</u>	<u>(176,763,998)</u>	<u>-</u>
-	(388,395)	(388,395)	-
-	(388,395)	(388,395)	-
<u>(176,763,998)</u>	<u>(388,395)</u>	<u>(177,152,393)</u>	<u>-</u>
-	-	-	(5,034,203)
-	-	-	(2,499,631)
-	-	-	(296,109)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,829,943)</u>
82,208,768	-	82,208,768	-
6,047,704	-	6,047,704	-
1,024,457	-	1,024,457	-
90,264,910	-	90,264,910	8,477,021
4,350,866	23,926	4,374,792	178,141
1,330,495	-	1,330,495	258,316
<u>185,227,200</u>	<u>23,926</u>	<u>185,251,126</u>	<u>8,913,478</u>
8,463,202	(364,469)	8,098,733	1,083,535
60,119,290	1,986,574	62,105,864	3,659,664
-	-	-	(12,742)
<u>60,119,290</u>	<u>1,986,574</u>	<u>62,105,864</u>	<u>3,646,922</u>
<u>\$ 68,582,492</u>	<u>\$ 1,622,105</u>	<u>\$ 70,204,597</u>	<u>\$ 4,730,457</u>

St. Vrain Valley School District RE-1J

**Balance Sheet
Governmental Funds
June 30, 2008**

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments - unrestricted	\$ 33,332,476	\$ 26,564,677	\$ -	\$ 9,998,624	\$ 69,895,777
Cash and investments - restricted	-	-	28,833,165	-	28,833,165
Accounts receivable	145,792	-	-	76,602	222,394
Due from other funds	2,086,492	-	60,222	398,700	2,545,414
Due from component units	-	-	-	18,700	18,700
Grants receivable	-	-	-	2,552,873	2,552,873
Interest receivable on investments	-	17,222	108,060	-	125,282
Taxes receivable	2,333,166	1,186,784	-	-	3,519,950
Prepays	-	-	-	14,257	14,257
Deposits	-	-	-	28,000	28,000
Inventories	470,427	-	-	-	470,427
Total assets	\$ 38,368,353	\$ 27,768,683	\$ 29,001,447	\$ 13,087,756	\$ 108,226,239
Liabilities					
Accounts payable	\$ 1,095,329	\$ 500	\$ 4,450,351	\$ 482,013	\$ 6,028,193
Due to other funds	167,321	-	-	1,897,251	2,064,572
Due to component units	3,357	-	-	-	3,357
Retainage payable	-	-	3,756,657	-	3,756,657
Accrued salaries and benefits	13,211,464	-	876	1,190,173	14,402,513
Payroll withholdings	4,813,991	-	-	-	4,813,991
Claims payable	740,361	-	-	-	740,361
Deferred revenues	2,873,162	768,048	190,406	607,019	4,438,635
Total liabilities	22,904,985	768,548	8,398,290	4,176,456	36,248,279
Fund Balances					
Reserved for deposits, inventories, prepaids	470,427	-	-	42,257	512,684
Reserved for debt service	-	18,441,998	-	-	18,441,998
Reserved for capital projects	-	-	20,603,157	-	20,603,157
Reserved for statutory requirements	2,109,821	-	-	-	2,109,821
Reserved for TABOR	3,071,959	-	-	-	3,071,959
Reserved for encumbrances	1,358,353	-	-	-	1,358,353
Reserved for Colorado Preschool Program	263,591	-	-	-	263,591
Reserved for risk management activities	1,430,725	-	-	-	1,430,725
Unreserved, designated for contingencies, General Fund	3,134,288	-	-	-	3,134,288
Special Revenue Funds	-	-	-	72,000	72,000
Unreserved, designated for subsequent year expenditures reported in Special Revenue Funds	-	-	-	647,739	647,739
Unreserved, undesignated reported in General Fund	3,624,204	-	-	-	3,624,204
Special Revenue Funds	-	-	-	8,149,304	8,149,304
Debt Service Fund	-	8,558,137	-	-	8,558,137
Total fund balances	15,463,368	27,000,135	20,603,157	8,911,300	71,977,960
Total liabilities and fund balances	\$ 38,368,353	\$ 27,768,683	\$ 29,001,447	\$ 13,087,756	

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.	310,156,313
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.	2,280,319
Premium received on issuance of bonds is recognized as other financing source in the governmental funds, but is deferred in the statement of net assets.	(14,815,946)
Bond reacquisition costs are not recognized in the governmental funds, but are deferred in the statement of net assets	1,834,671
Long-term liabilities (\$302,185,680), including bonds payable and related accrued interest (\$606,311), are not due and payable in the current period and, therefore, are not reported in the funds.	(302,791,991)
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.	(58,834)
Net assets of governmental activities (page 17)	\$ 68,582,492

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, 2008**

	General	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 54,347,251	\$ 27,653,830	\$ -	\$ -	\$ 82,001,081
Specific ownership taxes	6,047,704	-	-	-	6,047,704
Investment income	906,357	551,283	2,546,761	320,464	4,324,865
Charges for services	1,245,190	-	-	3,704,141	4,949,331
Pupil activities	-	-	-	2,949,444	2,949,444
Miscellaneous	1,229,140	-	-	575,551	1,804,691
Local intergovernmental	-	-	-	33,559	33,559
State intergovernmental	92,322,443	345,568	-	4,101,986	96,769,997
Federal intergovernmental	416,265	-	-	7,303,780	7,720,045
Total revenues	156,514,350	28,550,681	2,546,761	18,988,925	206,600,717
Expenditures					
Current					
Instruction	100,147,190	-	274,995	9,955,045	110,377,230
Supporting services	52,381,112	-	3,218,616	3,620,483	59,220,211
Capital outlay	443,866	-	49,157,803	5,196,010	54,797,679
Debt service					
Principal	-	18,835,000	-	-	18,835,000
Interest and fiscal charges	-	15,222,489	-	-	15,222,489
Total expenditures	152,972,168	34,057,489	52,651,414	18,771,538	258,452,609
Excess (deficiency) of revenues over (under) expenditures	3,542,182	(5,506,808)	(50,104,653)	217,387	(51,851,892)
Other Financing Sources (Uses)					
Transfers in	265,802	-	-	439,623	705,425
Transfers out	(434,173)	-	-	(271,252)	(705,425)
Total other financing sources (uses)	(168,371)	-	-	168,371	-
Net change in fund balances	3,373,811	(5,506,808)	(50,104,653)	385,758	(51,851,892)
Fund balances, beginning	12,089,557	32,506,943	70,707,810	8,525,542	123,829,852
Fund balances, ending	\$ 15,463,368	\$ 27,000,135	\$ 20,603,157	\$ 8,911,300	\$ 71,977,960

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, 2008

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

Net change in fund balances of governmental funds (page 21) \$ (51,851,892)

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	\$ (9,194,058)	
	Capital Outlay - Capitalized	<u>52,741,015</u>	43,546,957

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

	Current year amortization of premium on bond issue	569,761	
	Current year amortization of deferred charges	(882,360)	
	Change in deferred property tax accrual	<u>207,687</u>	(104,912)

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	(231,605)	
	Accrued vacation earned during the year	(521,101)	
	Amount paid during the year	<u>622,126</u>	(130,580)

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 principal payments	18,835,000	
	Accrued interest expense on bonds	34,528	
	Long-term lease payments	<u>614,627</u>	19,484,155

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.

(2,480,526)

Change in net assets of governmental activities (page 19) \$ 8,463,202

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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance to Budget Positive (Negative)
Revenues				
Local				
Property taxes	\$ 52,914,000	\$ 54,134,800	\$ 54,347,251	\$ 212,451
Specific ownership taxes	6,150,000	5,685,242	6,047,704	362,462
Investment income	830,000	830,000	906,357	76,357
Charges for service	727,000	1,073,000	1,245,190	172,190
Miscellaneous	568,000	568,000	1,229,140	661,140
Total local revenues	<u>61,189,000</u>	<u>62,291,042</u>	<u>63,775,642</u>	<u>1,484,600</u>
State				
Equalization, net	87,882,114	86,779,032	86,167,080	(611,952)
Special Education	2,782,000	3,010,647	3,153,791	143,144
Vocational Education	880,000	880,000	886,253	6,253
Transportation	941,000	913,000	969,642	56,642
Gifted and Talented	197,995	206,364	206,365	1
English Language Proficiency Act	100,000	100,000	260,423	160,423
Senior Property Tax Exemption	-	-	678,889	678,889
Total state revenues	<u>92,783,109</u>	<u>91,889,043</u>	<u>92,322,443</u>	<u>433,400</u>
Federal				
Adult Education	154,000	154,000	191,874	37,874
BOCES	252,662	281,092	224,391	(56,701)
Total federal revenues	<u>406,662</u>	<u>435,092</u>	<u>416,265</u>	<u>(18,827)</u>
Total revenues	<u>154,378,771</u>	<u>154,615,177</u>	<u>156,514,350</u>	<u>1,899,173</u>
Expenditures, encumbered basis				
Current				
Salaries	97,642,205	100,830,367	100,415,824	414,543
Benefits	21,690,821	22,622,063	22,880,249	(258,186)
Purchased services	10,168,739	10,376,364	8,995,854	1,380,510
Supplies and materials	9,878,006	10,003,847	11,105,409	(1,101,562)
Loss on claims	1,056,000	1,056,000	473,322	582,678
Other	579,639	518,982	505,391	13,591
Charter schools	9,235,205	8,025,873	8,477,020	(451,147)
Capital outlay	508,558	691,224	502,567	188,657
Total expenditures, encumbered basis	<u>150,759,173</u>	<u>154,124,720</u>	<u>153,355,636</u>	<u>769,084</u>
Excess of revenues over expenditures before transfers	<u>3,619,598</u>	<u>490,457</u>	<u>3,158,714</u>	<u>2,668,257</u>
Other Financing (Uses)				
Transfers in	-	-	265,802	265,802
Transfers out	(276,434)	(276,434)	(434,173)	(157,739)
Total other financing sources (uses)	<u>(276,434)</u>	<u>(276,434)</u>	<u>(168,371)</u>	<u>108,063</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 3,343,164</u>	<u>\$ 214,023</u>	<u>\$ 2,990,343</u>	<u>\$ 2,776,320</u>
Reconciliation of expenditures				
Expenditures, encumbered basis			\$ 153,355,636	
Plus: prior year encumbrances			974,885	
Less: current year encumbrances			<u>(1,358,353)</u>	
Expenditures, US GAAP basis			<u>\$ 152,972,168</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, 2008**

	Business-type Activities	Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 758,981	\$ 183,033
Accounts receivable	266,336	-
Due from other funds	-	11,817
Inventories	<u>308,073</u>	<u>-</u>
Total current assets	<u>1,333,390</u>	<u>194,850</u>
Capital assets		
Machinery and equipment	2,324,322	-
Accumulated depreciation	<u>(1,397,420)</u>	<u>-</u>
Total capital assets, net	<u>926,902</u>	<u>-</u>
 Total assets	 <u>2,260,292</u>	 <u>194,850</u>
Liabilities		
Current liabilities		
Due to other funds	316,157	176,502
Claims payable	-	77,182
Accrued salaries and benefits	200,008	-
Deferred revenues	<u>122,022</u>	<u>-</u>
 Total liabilities	 <u>638,187</u>	 <u>253,684</u>
Net Assets		
Invested in capital assets	926,902	-
Unrestricted	<u>695,203</u>	<u>(58,834)</u>
 Total net assets	 <u>\$ 1,622,105</u>	 <u>\$ (58,834)</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, 2008**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating Revenues		
Charges for services	\$ 3,547,157	\$ 1,888,610
Miscellaneous	<u>27,111</u>	<u>-</u>
Total operating revenues	<u>3,574,268</u>	<u>1,888,610</u>
Operating Expenses		
Salaries and benefits	3,201,071	100,198
Purchased services	418,407	-
Supplies and materials	3,054,166	-
Repairs and maintenance	78,514	-
Other	173,121	-
Depreciation	144,278	-
Claims paid	<u>-</u>	<u>4,294,939</u>
Total operating expenses	<u>7,069,557</u>	<u>4,395,137</u>
Operating loss	<u>(3,495,289)</u>	<u>(2,506,527)</u>
Nonoperating Revenues (Expenses)		
Investment income	23,926	26,001
State match	90,248	-
National School Lunch/Breakfast Program	2,740,728	-
Commodities	<u>275,918</u>	<u>-</u>
Total nonoperating revenues	<u>3,130,820</u>	<u>26,001</u>
Changes in net assets	(364,469)	(2,480,526)
Net assets, beginning	<u>1,986,574</u>	<u>2,421,692</u>
Net assets, ending	<u>\$ 1,622,105</u>	<u>\$ (58,834)</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, 2008**

	Business-type Activities	Governmental Activities
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities		
Cash received from customers	\$ 3,603,406	\$ 1,914,748
Cash paid to suppliers	(3,536,962)	(3,630,354)
Cash paid to employees	<u>(3,187,100)</u>	<u>(100,198)</u>
Net cash used by operating activities	<u>(3,120,656)</u>	<u>(1,815,804)</u>
Cash Flows from Noncapital Financing Activities		
Cash received from State of Colorado	90,248	-
Cash received from Federal government	2,491,458	-
Cash loaned from other funds	<u>316,157</u>	<u>164,685</u>
Net cash provided by noncapital financing activities	<u>2,897,863</u>	<u>164,685</u>
Cash Flows from Capital and Related Financing Activities		
Purchases of equipment	<u>(11,662)</u>	<u>-</u>
Cash Flows from Investing Activities		
Investment income	<u>23,926</u>	<u>26,001</u>
Decrease in cash and cash equivalents	(210,529)	(1,625,118)
Cash and cash equivalents, beginning of the year	<u>969,510</u>	<u>1,808,151</u>
Cash and cash equivalents, end of the year	<u>\$ 758,981</u>	<u>\$ 183,033</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating loss	\$ (3,495,289)	\$ (2,506,527)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation	144,278	-
Commodities	275,918	-
Changes in Assets and Liabilities		
Accounts receivable	-	26,138
Prepaid expenses	-	759,407
Inventories	(88,487)	-
Accounts payable	(185)	(172,004)
Accrued salaries and benefits	13,971	-
Claims payable	-	77,182
Deferred revenues	<u>29,138</u>	<u>-</u>
Net cash used by operating activities	<u>\$ (3,120,656)</u>	<u>\$ (1,815,804)</u>
Noncash Transactions		
Commodities received	<u>\$ 275,918</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, 2008**

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
Assets		
Cash and investments	\$ 213,750	\$ 1,280,216
Accounts receivable	-	9,984
Total assets	<u>213,750</u>	<u>\$ 1,290,200</u>
Liabilities		
Accounts payable	-	\$ 100,771
Accrued salaries and benefits	-	5,675
Undistributed monies	-	1,183,754
Total liabilities	-	<u>\$ 1,290,200</u>
Net Assets		
Held in trust	<u>\$ 213,750</u>	

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

St. Vrain Valley School District RE-1J

**Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2008**

	<u>Private Purpose Trust - Student Scholarship</u>
Additions	
Investment income	\$ 5,272
Contributions	<u>63,352</u>
Total additions	<u>68,624</u>
Deductions	
Scholarships	<u>28,375</u>
Total deductions	<u>28,375</u>
Change in net assets	40,249
Net assets, beginning	<u>173,501</u>
Net assets, ending	<u><u>\$ 213,750</u></u>

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

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St. Vrain Valley School District RE-1J

Notes to Financial Statements

June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

St. Vrain Valley School District RE-1J is a political subdivision and corporate body of the State of Colorado. The District operates under a seven-member publicly elected board of education. Geographically diverse, the 411 square miles served by the District extends from the Continental Divide out into the agriculture plains. Parts of four counties (Boulder, Broomfield, Larimer and Weld) fall within the District's boundaries. The District also serves thirteen different communities: eastern Boulder, Broomfield, Dacono, Erie, Firestone, Frederick, Hygiene, Longmont, Lyons, Mead, Niwot, Peaceful Valley and Raymond. The District has 22 elementary, 9 middle, 3 charter, 1 middle/senior, and 6 high schools serving approximately 24,500 students.

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

Discretely Presented Component Units – Charter Schools

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

The District's Board of Education has approved three charter school applications, Carbon Valley Academy, grades K-8; Flagstaff Academy, grades K-8; and Twin Peaks Charter Academy, grades K-8. Although a fourth charter school application, Imagine Charter School at Firestone, pre-K to 8, was approved by the District's Board of Education, the school was not operational during the fiscal year. 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, 2008

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), the servicing of long-term debt (debt service fund), and the construction of new schools (capital projects fund). 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 and Kindergarten Program (CPKP) Fund* and *Risk Management Fund* are reported as sub-funds of the General Fund. Moneys allocated to the *CPKP Fund* from the General Fund are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District's preschool program pursuant to C.R.S. 22-28-102. Moneys allocated to the *Risk Management Fund* from the General Fund are used to account for the payment of loss or damage to the property of the District, workers' compensation, property and liability claims, and the payment of related administration expenses.

Expenditures include all costs associated with the daily operation of the schools, except for programs funded by grants from federal and state governments, school construction, certain capital outlay expenditures, debt service, food service operations, and extracurricular athletic and other pupil activities.

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.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Special Revenue Funds consist of *Capital Reserve Fund, Community Education Fund, Fair Contributions Fund, Government Designated-Purpose Grants Fund, Student Activity, and Vance Brand Civic Auditorium Fund.*

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

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

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

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

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, 2008

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 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, 2008

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, 2008

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.

Effective fiscal year 2008, sick leave was modified and referred to as annual leave. The accumulated sick leave as of July 1, 2007, carried over as annual leave without any recalculation or adjustment. Employees may accumulate annual leave. Accumulated annual leave is payable upon leaving the District if certain criteria are met. Classified employees with 10 or more years of service with the District will receive 50% of the employee's current daily rate for unused sick leave above 20 days, up to a maximum of 150 paid days. Any licensed employee who retires with 10 years of continuous service or who terminates with 20 years of service will be paid \$35 per day for all unused sick leave over 30 days, up to a maximum of 125 paid days. The unpaid liability for vested annual leave is recorded in the government-wide financial statements.

Deferred Revenues/Charges – Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenues is removed and revenue is recognized. Deferred revenues include grants that have been collected, but corresponding expenditures have not been incurred; property taxes earned but not available; and amounts received but not yet earned under the terms of certain investment agreements. Deferred charges include the difference between the reacquisition price and the net carrying amount of the old debt in a refunding of debt.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

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. Reserved fund balances include, but are not limited to, deposits, inventories, and prepaid items; debt service; capital projects; required carryover of unexpended instructional supplies and materials; the Superintendent’s 12-month employment contract; TABOR; and encumbrances as of June 30, 2008.

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 2008 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, 2008

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 in governmental funds and in the period for which the taxes are levied in the government-wide statements. The District has deferred revenue from property tax collection at June 30, 2008 in the amount of \$2,280,319. 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 Nutrition Services Fund includes the related revenues and expenses of commodities and depreciation. All annual appropriations lapse at fiscal year end.

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

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

Although the General Fund's encumbered basis expenditures of \$151,170,312 exceed budgeted expenditures of \$150,850,636 (excluding sub-funds), the total appropriation of \$158,921,077 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, 2008

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

However, the Building Fund's expenditures of \$52,651,414 exceed budgeted appropriations of \$51,385,000. In addition, the Nutrition Services Fund's expenses of \$6,648,729 exceed budgeted expenses of \$6,446,283. Although both funds had ample fund balance and net assets, they could not be appropriated after October 15 per statute. Finally, the Minimum Medical Insurance Liability Fund's expenses of \$4,395,137 exceed budgeted expenses of \$4,317,955. While these are violations of the annual appropriated budget, they are not considered material.

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, 2008, the District complied with the statutory requirement to budget \$180 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 2008 and prior is \$1,895,855 and is fully reserved in fund balance as part of the statutory requirement.

For the year ended June 30, 2008, a combined minimum of \$292 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 2007 enrollment figures to determine the per pupil appropriation amount. The following summarizes District compliance with the requirement.

	Primary Government			
	Capital Reserve Fund	Risk Management Fund	Component Units	Total
State equalization	\$ 4,097,830	\$ 2,200,000	\$ 377,994	\$ 6,675,824
Funded enrollment Oct 2007 (unaudited)	21,544.5	21,544.5	1,294.5	22,839.0
Per pupil expenditure	\$ 190	\$ 102	\$ 292	\$ 292

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 3: DEPOSITS AND INVESTMENTS

At June 30, 2008, the District and component units, exclusive of fiduciary funds, had cash and investments with the following carrying balances:

	<u>District</u>	<u>Component Units</u>
Cash on hand	\$ 24,690	\$ 1,650
Cash held by the District	-	381,508
Cash with County Treasurer	718,718	-
Cash held by Building Corp	-	1,032,615
Deposits	30,465,890	304,555
Investments	<u>68,461,658</u>	<u>3,649,937</u>
	<u>\$ 99,670,956</u>	<u>\$ 5,370,265</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, 2008, 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, 2008 are not deemed to be exposed to custodial credit risk under the provisions of GASB 40. As of June 30, 2008, the District had deposits with a carrying balance of \$30,465,890 and a bank balance of \$31,127,158. Likewise, the component units had deposits with a carrying balance of \$304,555 and a bank balance of \$320,987.

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, 2008, 4.0% 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

The repurchase agreement is a collateralized flexible repurchase agreement that can only invest in certain authorized securities. This agreement, which must be collateralized at no less than one hundred five percent of U.S. Treasury or U.S. Agency Securities, is provided by Morgan Stanley & Co., Inc. (MSCO). MSCO is a subsidiary of Morgan Stanley which is rated A+ by Standard & Poor's (S&P).

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2008, the District and its component units invested in the Colorado Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE), which are money market investment pools established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to \$1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. The District had the following investments as of June 30, 2008:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less Than 1</u>	<u>1-5</u>
U.S. Agency Securities	AAA	\$ 2,836,681	\$ 2,836,681	\$ -
Repurchase agreement	A+	27,487,778	-	27,487,778
Money Market Funds	AAA	17,104	17,104	-
Money Market Investment Pools	AAAm	38,120,095	38,120,095	-
Total Investments		<u>\$ 68,461,658</u>	<u>\$ 40,973,880</u>	<u>\$ 27,487,778</u>

The component units had the following investments as of June 30, 2008:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
			<u>Less Than 1</u>	<u>1-5</u>
Money Market Investment Pools	AAA	<u>\$ 3,649,937</u>	<u>\$ 3,649,937</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. At June 30, 2008, the repurchase agreement and money market investment pools were 40 and 56 percent, respectively, of the District's total investments.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 4: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Amounts owed to one fund or business-type activity by another which are due within one year are reported as due to other funds or business-type activities. These balances arise during the normal course of business and the District's use of pooled cash. Due to/from other funds/component units as of June 30, 2008 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Colo Preschool Kindergarten Fund (a sub-fund of the General Fund)	\$ 88,446
General Fund	Community Education Fund	24,752
General Fund	Grants Fund	1,482,271
General Fund	Minimum Medical Insur Liab Fund	176,502
Building Fund	General Fund	60,222
Capital Reserve Fund	General Fund	6,836
Capital Reserve Fund	Community Education Fund	155,118
Capital Reserve Fund	Component Units	2,885
Capital Reserve Fund	Nutrition Services Fund	1,636
Capital Reserve Fund	Student Activities Fund	32,263
Community Education Fund	Component Units	15,380
Component Units	General Fund	3,357
Fair Contributions Fund	Student Activities Fund	141,420
Minimum Medical Insur Liab Fund	General Fund	11,817
Risk Management Fund (a sub-fund of the General Fund)	Nutrition Services Fund	314,521
Student Activities Fund	Component Units	435
Vance Brand Civic Auditorium Fund	Student Activities Fund	61,427
Total		\$ 2,579,288

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 2008 were as follows:

Transfer Out	Transfer In	Amount
General Fund	Vance Brand Civic Auditorium Fund	\$ 67,000
General Fund	Community Education Fund	150,000
General Fund	Student Activities Fund	217,173
Community Education Fund	Student Activities Fund	5,450
Community Education Fund	General Fund	265,802
Total		\$ 705,425

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the District's capital assets for the year ended June 30, 2008:

	<u>Balance 7/1/07</u>	<u>Additions</u>	<u>Deletions & Adjustments</u>	<u>Transfers</u>	<u>Balance 6/30/08</u>
Governmental Activities					
Non-depreciable assets					
Land	\$ 18,564,441	\$ 320,000	\$ -	\$ 908,098	\$ 19,792,539
Projects in progress	8,658,126	51,346,315	-	(1,023,633)	58,980,808
Water rights	4,089,516	32,891	-	-	4,122,407
Total non-depreciable assets	<u>31,312,083</u>	<u>51,699,206</u>	<u>-</u>	<u>(115,535)</u>	<u>82,895,754</u>
Depreciable assets					
Land Improvements	19,261,023	-	-	-	19,261,023
Buildings	178,542,911	-	-	81,851	178,624,762
Building improvements	99,556,995	145,063	-	23,000	99,725,058
Equipment	25,213,066	896,746	-	10,684	26,120,496
Total depreciable assets	<u>322,573,995</u>	<u>1,041,809</u>	<u>-</u>	<u>115,535</u>	<u>323,731,339</u>
Less Accumulated Depreciation for					
Land Improvements	6,579,135	897,964	-	-	7,477,099
Buildings	39,654,107	3,222,938	-	-	42,877,045
Building Improvements	26,385,211	3,087,180	-	-	29,472,391
Equipment	14,658,269	1,985,976	-	-	16,644,245
Total accumulated depreciation	87,276,722	9,194,058	-	-	96,470,780
Total depreciable assets, net	<u>235,297,273</u>	<u>(8,152,249)</u>	<u>-</u>	<u>115,535</u>	<u>227,260,559</u>
Governmental Activities Total capital assets, net	<u>\$ 266,609,356</u>	<u>\$ 43,546,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,156,313</u>
	<u>Balance 7/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance 6/30/08</u>
Business-type Activities					
Depreciable assets					
Equipment	\$ 2,312,660	\$ 11,662	\$ -	\$ -	\$ 2,324,322
Less accumulated depreciation for					
Equipment	1,253,142	144,278	-	-	\$ 1,397,420
Business-type Activities Total capital assets, net	<u>\$ 1,059,518</u>	<u>\$ (132,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 926,902</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 5: CAPITAL ASSETS (Continued)

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

Governmental Activities

Instruction	\$ 8,082,163
Supporting Services	<u>1,111,895</u>
Total	<u><u>\$ 9,194,058</u></u>

Business-Type Activities

Food Service	<u><u>\$ 144,278</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, 2008:

	<u>Balance 7/1/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/08</u>
Component unit activities				
Governmental activities				
Land	\$ 1,062,443	\$ 20,000	\$ -	\$ 1,082,443
Construction in progress	<u>-</u>	<u>10,223</u>	<u>-</u>	<u>10,223</u>
Total non-depreciable assets	1,062,443	30,223	-	1,092,666
Depreciable assets				
Land improvements	155,910	185,385	-	341,295
Building	3,015,992	88,450	-	3,104,442
Leasehold improvements	327,059	-	-	327,059
Furniture & Equipment	<u>256,889</u>	<u>28,309</u>	<u>-</u>	<u>285,198</u>
Total depreciable assets	<u>3,755,850</u>	<u>302,144</u>	<u>-</u>	<u>4,057,994</u>
Less accumulated depreciation	<u>79,162</u>	<u>119,626</u>	<u>-</u>	<u>198,788</u>
Total depreciable assets, net	<u>3,676,688</u>	<u>182,518</u>	<u>-</u>	<u>3,859,206</u>
Governmental activities				
Total capital assets, net	<u><u>\$ 4,739,131</u></u>	<u><u>\$ 212,741</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,951,872</u></u>

Depreciation has been charged to the Supporting Services programs of the Component Units.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

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, 2008 are determined to be as follows:

General Fund	\$ 13,211,464
Other Funds	1,191,049
Total Governmental Funds	<u>14,402,513</u>
Proprietary Funds	200,008
Total Primary Government	<u>\$ 14,602,521</u>
Component Units	<u>\$ 445,841</u>

NOTE 7: SALE OF FUTURE INVESTMENT INCOME

Investment Agreement

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

The amount received under the agreement is being amortized over the term of the agreement for US GAAP purposes, rather than being recognized in full when received. For fiscal year ended June 30, 2008, \$231,489 of the deferred amount has been recognized. Income recognized was \$158,481 by the General Fund, \$23,080 by the Building Fund, \$2,683 by the Capital Reserve Fund, and \$47,245 by the Fair Contributions Fund. The remaining balances by fund of \$1,307,417, \$190,406, \$22,133, and \$389,752 respectively, are deferred revenues as of June 30, 2008.

NOTE 8: LONG-TERM DEBT

The District's long-term debt changed as follows during the year ended June 30, 2008.

Governmental activities	Balance 7/1/2007	Additions	Payments/ Amortization	Balance 6/30/2008	Due within One Year
General Obligation Bonds	\$ 317,870,000	\$ -	\$ (18,835,000)	\$ 299,035,000	\$ 11,045,000
Deferred bond premium	15,385,707	-	(569,761)	14,815,946	-
Capital leases	1,628,544	-	(614,627)	1,013,917	390,648
Vacation payable	416,296	521,101	(416,296)	521,101	521,101
Annual leave payable	1,589,887	231,605	(205,830)	1,615,662	147,103
Total	<u>\$ 336,890,434</u>	<u>\$ 752,706</u>	<u>\$ (20,641,514)</u>	<u>\$ 317,001,626</u>	<u>\$ 12,103,852</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 8: LONG-TERM DEBT

General Obligation Bonds

<u>Description, Interest Rates, and Maturity Dates</u>	<u>Balance due at June 30, 2008</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. Final installment made during fiscal year 2008.	\$ 0
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.	21,325,000
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.	87,005,000
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.	45,685,000
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.	10,850,000
Refunding Bonds (Series 2005B), original amount of \$42,815,000, interest payments beginning December 15, 2006; due in varying installments beginning December 15, 2010, 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.	42,655,000
Building Bonds (Series 2006B), original amount of \$56,800,000, due in varying installments through December 15, 2026, interest from 3.8% to 5.0%. Premium of \$3,622,791 received upon issuance is being amortized based on maturity of bonds.	<u>48,700,000</u>
Total general obligation bonds payable	<u>\$ 299,035,000</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

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	
2009	\$ 11,045,000	\$ 14,550,070	\$ 25,595,070
2010	11,595,000	14,036,076	25,631,076
2011	12,460,000	13,466,536	25,926,536
2012	12,840,000	12,845,184	25,685,184
2013	13,480,000	12,178,265	25,658,265
2014-2018	78,305,000	49,713,080	128,018,080
2019-2023	99,810,000	27,474,831	127,284,831
2024-2027	59,500,000	6,130,750	65,630,750
	<u>\$ 299,035,000</u>	<u>\$ 150,394,792</u>	<u>\$ 449,429,792</u>

Advance Refunding

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. These bonds were redeemed during the current fiscal year and, at June 30, 2008, there were no outstanding bonds considered defeased.

Capital Lease Agreement s

The District has entered into capital lease agreements for energy performance contracts, telephone systems, computer systems, and land. The assets, which cost approximately \$6,000,000 and have accumulated depreciation estimated at \$2,200,000, have been recorded as capital assets in the statement of net assets. Amortization of the capital leases is included in depreciation. Payments are made from the General and Capital Reserve Funds.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 8: LONG-TERM DEBT (Continued)

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>
2009	\$ 390,648	\$ 46,017	\$ 436,665
2010	275,854	28,508	304,362
2011	244,915	13,762	258,677
2012	<u>102,500</u>	<u>2,501</u>	<u>105,001</u>
Totals	<u>\$ 1,013,917</u>	<u>\$ 90,788</u>	<u>\$ 1,104,705</u>

Compensated Absences

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

Unused annual leave is accumulated and carried over from year to year. When an eligible employee retires, qualified annual leave up to a maximum of 150 days is paid at a pre-determined rate depending on the classification of the employee. The amount payable as of June 30, 2008 includes qualified annual leave for all eligible employees as of June 30, 2008.

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

Component Units Long-Term Debt

On December 1, 2006, a charter school's Building Corporation issued \$5,305,000 of revenue bonds. The loan is secured by a mortgage on the facility and a pledge of revenues in trust accounts referred to in the agreement.

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 matured October 2007.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 8: LONG-TERM DEBT (Continued)

Component Units Long-Term Debt (Continued)

Following is a summary of the component units' long-term debt transactions for the year ended June 30, 2008.

	<u>Balance 7/1/07</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 6/30/08</u>	<u>Due in one year</u>
Component unit activities					
Revenue bonds	\$ 5,305,000	\$ -	\$ 70,000	\$ 5,235,000	\$ 75,000
Capital lease	11,542	-	11,542	-	-
Total	<u>\$ 5,316,542</u>	<u>\$ -</u>	<u>\$ 81,542</u>	<u>\$ 5,235,000</u>	<u>\$ 75,000</u>

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 75,000	\$ 292,359	\$ 367,359
2010	80,000	288,000	368,000
2011	80,000	283,500	363,500
2012	85,000	278,859	363,859
2013	90,000	273,938	363,938
2014-2018	540,000	1,284,750	1,824,750
2019-2023	720,000	1,108,125	1,828,125
2024-2028	955,000	874,547	1,829,547
2029-2033	1,275,000	563,203	1,838,203
2034-2037	1,335,000	157,359	1,492,359
Totals	<u>\$ 5,235,000</u>	<u>\$ 5,404,640</u>	<u>\$ 10,639,640</u>

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, 2008, was as follows:

<u>Beginning Balance 7/1/07</u>	<u>Draws</u>	<u>Payments</u>	<u>Ending Balance 6/30/08</u>
\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

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.

Risk Management Fund

The Risk Management Fund, a sub-fund of the General Fund, is used to account for the payment of loss or damage to the property of the school district, liability claims, workers' compensation claims, and related administrative expenses. The main source of revenue is defined by the School Finance Act and is an allocation from the General Fund. Some of the risk is retained, and insurance is purchased to transfer part of the risk.

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

Since July 1, 2002, the District has been a member of the Colorado School Districts Self Insurance Pool for property and liability insurance. During the fiscal year ended June 30, 2008, the District had insurance deductibles of \$50,000 (property), \$150,000 (general liability), and \$25,000 (vehicle liability) per claim. At June 30, 2008, the District's property and liability claims payable was \$196,655.

Prior to July 1, 2002, the District purchased its property insurance from the Northern Colorado School Districts Property Self Insurance Pool, and its liability insurance from the Northern Colorado School Districts Liability Self Insurance Pool, respectively. These two pools have since been dissolved. The property pool funds were distributed to the former members in June 2006. The remaining assets from the liability pool are now held in a joint account with the other former members (Park School District and Thompson School District) to meet the run-off obligations as described in the dissolution plan. The remaining assets are sufficient to meet these run-off obligations, according to the actuarial reports dated June 11, 2003, and July 12, 2004.

Since July 1, 1985, the District has been a member of the Northern Colorado School Districts Workers' Compensation Self Insurance Pool. The other current pool members are Park School District (Estes Park) and Windsor School District. The workers' compensation pool discontinued insurance operations effective July 1, 1998, and resumed insurance operations on July 1, 2003. During the intervening years, insurance coverage was obtained outside the pool. The District's deductible was \$50,000 per claim for the year ended June 30, 2008. At June 30, 2008, the District's workers' compensation claims payable was \$543,806.

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 10: RISK FINANCING (Continued)

Risk Management Fund (Continued)

Claims Liability – Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. 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, 2007 and 2008 were as follows:

	<u>2008</u>	<u>2007</u>
Beginning fiscal year liability	\$ 831,751	\$ 718,743
Current year claims and adjustments	381,932	1,073,554
Claims paid	<u>(473,322)</u>	<u>(960,546)</u>
Ending fiscal year liability	<u>\$ 740,361</u>	<u>\$ 831,751</u>

Employee Medical Insurance Plan

The District entered into a limited liability contract with CIGNA HealthCare, which was an insured contract, not a self-insured or administrative service only agreement. This agreement limited the District's maximum liability to the total of its premiums. This contract was subject to Colorado State Insurance Regulations. Activity relating to the Plan is accounted for in the Minimum Medical Insurance Liability Internal Service Fund. On June 13, 2007, the District approved to terminate its contract with CIGNA HealthCare effective September 30, 2007. As of June 30, 2008, the run-off obligations through September 30, 2008 are estimated to be \$77,182 which is included in the Minimum Medical Insurance Liability Fund's claims payable.

Claims payable as of and for the years ending June 30, 2007 and 2008 were as follows:

	<u>2008</u>	<u>2007</u>
Beginning fiscal year liability	\$ -	\$ -
Current year claims and adjustments	4,372,121	12,195,626
Claims paid	<u>(4,294,939)</u>	<u>(12,195,626)</u>
Ending fiscal year liability	<u>\$ 77,182</u>	<u>\$ -</u>

Effective October 1, 2007, the District changed insurance providers from CIGNA HealthCare to United Healthcare, entering into a fully-insured plan. The activities in the new plan are accounted for in the General Fund.

NOTE 11: DEFINED BENEFITS PENSION PLAN

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

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

NOTE 11: DEFINED BENEFITS PENSION PLAN (Continued)

Plan Description (Continued)

The SDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (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 SDTF. That report may be obtained online at www.copera.org or 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% of covered salary. A portion of the District's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (see Note 12). If the District rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree, however no member contributions are required. The District is also required to pay an amortization equalization disbursement (AED) equal to 1.4% of the total payroll for the calendar year 2008, (1% for calendar year 2007) and 0.5% supplemental AED (not applicable for calendar year 2007). For the years ending June 30, 2008, 2007, and 2006, the District's employer contributions for the SDTF were \$11,530,585, \$10,308,310, and \$9,021,975, respectively, equal to its 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 HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy – The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the years ending June 30, 2008, 2007, and 2006, the District's employer contributions to the HCTF were \$1,111,083, \$1,063,827, and \$980,748, respectively, equal to their required contributions for each year.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

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 \$1,333,280 for services provided during the year ended June 30, 2008. 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, 2008, 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, 2008. Contract commitments at June 30, 2008, as a result of these projects, totaled \$4,756,697.

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, 2008.

<u>Year Ending June 30,</u>	
2009	<u><u>\$ 80,703</u></u>

Rental expense for the year ended June 30, 2008, was \$104,495.

St. Vrain Valley School District RE-1J

Notes to Financial Statements (Continued)

June 30, 2008

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, 2008, 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, 2008, the District has complied with this policy.

NOTE 15: ACCOUNTING CHANGE

Effective July 1, 2007, the District adopted Governmental Accounting Standards Board Statement No. 48, *Sales and Pledges of Receivable and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. GASB 48 modifies disclosure requirements related to forward delivery agreements. Adoption of GASB 48 had no effect on beginning net assets as of July 1, 2007, or change in net assets for the year ended June 30, 2008.

NOTE 16: RESTATEMENT FOR CHANGE IN REPORTING ENTITY

The dissolution of the Ute Creek Secondary Academy was effective July 1, 2007. The component unit's net assets of \$12,742 have been reduced to reflect the change in the reporting entity.

NOTE 17: CHARTER SCHOOL EVENT

On June 13, 2007, the District Board of Education approved a new charter school application, Imagine Charter School at Firestone, grades K-8, pending approval of the contract between the District and Imagine. On August 22, 2007, the District Board approved the contract effective July 1, 2008. The charter school received \$289,934 in revenues through the Colorado Department of Education during the fiscal year ended June 30, 2008.

NOTE 18: SUBSEQUENT EVENT

Due to the volatility of financial markets subsequent to June 30, 2008, the District's access to approximately 37% or \$2.7 million of its CSAFE investment was considered restricted. As of September 30, 2008, the District considers this portion of investments restricted.

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 and Kindergarten Program Fund* is reported as a sub-fund of the General Fund. Moneys allocated to this fund from the General Fund are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District's preschool program. The *Risk Management Fund*, also a sub-fund of the General Fund, is used to account for the payment of loss or damage to the property of the District, workers' compensation, property and liability claims, and the payment of related administration expenses

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

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

St. Vrain Valley School District RE-1J

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General, Colorado Preschool and Kindergarten Program, and Risk Management Funds
For the Year Ended June 30, 2008**

	General Fund				Colorado Preschool and Kindergarten Fund (A sub-fund of the General Fund)			
	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)
Revenues								
Local								
Property taxes	\$ 52,914,000	\$ 54,134,800	\$ 54,347,251	\$ 212,451	\$ -	\$ -	\$ -	\$ -
Specific ownership taxes	6,150,000	5,685,242	6,047,704	362,462	-	-	-	-
Investment income	608,000	608,000	720,678	112,678	2,000	2,000	8,334	6,334
Charges for service	727,000	1,073,000	1,245,190	172,190	-	-	-	-
Miscellaneous	568,000	568,000	1,163,222	595,222	-	-	-	-
Total local revenues	<u>60,967,000</u>	<u>62,069,042</u>	<u>63,524,045</u>	<u>1,455,003</u>	<u>2,000</u>	<u>2,000</u>	<u>8,334</u>	<u>6,334</u>
State								
Equalization, net	85,135,166	83,875,713	83,288,530	(587,183)	546,948	703,319	678,550	(24,769)
Special Education	2,782,000	3,010,647	3,153,791	143,144	-	-	-	-
Vocational Education	880,000	880,000	886,253	6,253	-	-	-	-
Transportation	941,000	913,000	969,642	56,642	-	-	-	-
Gifted and Talented	197,995	206,364	206,365	1	-	-	-	-
English Language Proficiency Act	100,000	100,000	260,423	160,423	-	-	-	-
Senior Property Tax Exemption	-	-	678,889	678,889	-	-	-	-
Total state revenues	<u>90,036,161</u>	<u>88,985,724</u>	<u>89,443,893</u>	<u>458,169</u>	<u>546,948</u>	<u>703,319</u>	<u>678,550</u>	<u>(24,769)</u>
Federal								
Adult Education	154,000	154,000	191,874	37,874	-	-	-	-
BOCES	252,662	281,092	224,391	(56,701)	-	-	-	-
Total federal revenues	<u>406,662</u>	<u>435,092</u>	<u>416,265</u>	<u>(18,827)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>151,409,823</u>	<u>151,489,858</u>	<u>153,384,203</u>	<u>1,894,345</u>	<u>548,948</u>	<u>705,319</u>	<u>686,884</u>	<u>(18,435)</u>
Expenditures, encumbered basis								
Current								
Salaries	97,336,205	100,524,367	100,100,565	423,802	129,000	129,000	152,026	(23,026)
Benefits	21,617,821	22,549,063	22,812,476	(263,413)	31,000	31,000	36,450	(5,450)
Purchased services	8,471,592	8,590,280	7,689,443	900,837	577,147	666,084	405,945	260,139
Supplies and materials	9,841,006	9,966,847	11,090,225	(1,123,378)	37,000	37,000	9,662	27,338
Loss on claims	-	-	-	-	-	-	-	-
Other	574,639	502,982	498,016	4,966	-	11,000	5,975	5,025
Charter schools	9,235,205	8,025,873	8,477,020	(451,147)	-	-	-	-
Capital outlay	508,558	691,224	502,567	188,657	-	-	-	-
Total expenditures, encumbered basis	<u>147,585,026</u>	<u>150,850,636</u>	<u>151,170,312</u>	<u>(319,676)</u>	<u>774,147</u>	<u>874,084</u>	<u>610,058</u>	<u>264,026</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>3,824,797</u>	<u>639,222</u>	<u>2,213,891</u>	<u>1,574,669</u>	<u>(225,199)</u>	<u>(168,765)</u>	<u>76,826</u>	<u>245,591</u>
Other Financing Sources (Uses)								
Transfers in	-	-	265,802	265,802	-	-	-	-
Transfers out	(276,434)	(276,434)	(434,173)	(157,739)	-	-	-	-
Total other financing sources (uses)	<u>(276,434)</u>	<u>(276,434)</u>	<u>(168,371)</u>	<u>108,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 3,548,363</u>	<u>\$ 362,788</u>	<u>\$ 2,045,520</u>	<u>\$ 1,682,732</u>	<u>\$ (225,199)</u>	<u>\$ (168,765)</u>	<u>\$ 76,826</u>	<u>\$ 245,591</u>
Reconciliation of expenditures								
Expenditures, encumbered basis			\$ 151,170,312				\$ 610,058	
Plus: prior year encumbrances			974,885				-	
Less: current year encumbrances			(1,358,353)				-	
Expenditures, US GAAP basis			<u>\$ 150,786,844</u>				<u>\$ 610,058</u>	

Risk Management Fund (A sub-fund of the General Fund)				Total			
Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 52,914,000	\$ 54,134,800	\$ 54,347,251	\$ 212,451
-	-	-	-	6,150,000	5,685,242	6,047,704	362,462
220,000	220,000	177,345	(42,655)	830,000	830,000	906,357	76,357
-	-	-	-	727,000	1,073,000	1,245,190	172,190
-	-	65,918	65,918	568,000	568,000	1,229,140	661,140
<u>220,000</u>	<u>220,000</u>	<u>243,263</u>	<u>23,263</u>	<u>61,189,000</u>	<u>62,291,042</u>	<u>63,775,642</u>	<u>1,484,600</u>
2,200,000	2,200,000	2,200,000	-	87,882,114	86,779,032	86,167,080	(611,952)
-	-	-	-	2,782,000	3,010,647	3,153,791	143,144
-	-	-	-	880,000	880,000	886,253	6,253
-	-	-	-	941,000	913,000	969,642	56,642
-	-	-	-	197,995	206,364	206,365	1
-	-	-	-	100,000	100,000	260,423	160,423
-	-	-	-	-	-	678,889	678,889
<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>	<u>92,783,109</u>	<u>91,889,043</u>	<u>92,322,443</u>	<u>433,400</u>
-	-	-	-	154,000	154,000	191,874	37,874
-	-	-	-	252,662	281,092	224,391	(56,701)
-	-	-	-	406,662	435,092	416,265	(18,827)
<u>2,420,000</u>	<u>2,420,000</u>	<u>2,443,263</u>	<u>23,263</u>	<u>154,378,771</u>	<u>154,615,177</u>	<u>156,514,350</u>	<u>1,899,173</u>
177,000	177,000	163,233	13,767	97,642,205	100,830,367	100,415,824	414,543
42,000	42,000	31,323	10,677	21,690,821	22,622,063	22,880,249	(258,186)
1,120,000	1,120,000	900,466	219,534	10,168,739	10,376,364	8,995,854	1,380,510
-	-	5,522	(5,522)	9,878,006	10,003,847	11,105,409	(1,101,562)
1,056,000	1,056,000	473,322	582,678	1,056,000	1,056,000	473,322	582,678
5,000	5,000	1,400	3,600	579,639	518,982	505,391	13,591
-	-	-	-	9,235,205	8,025,873	8,477,020	(451,147)
-	-	-	-	508,558	691,224	502,567	188,657
<u>2,400,000</u>	<u>2,400,000</u>	<u>1,575,266</u>	<u>824,734</u>	<u>150,759,173</u>	<u>154,124,720</u>	<u>153,355,636</u>	<u>769,084</u>
20,000	20,000	867,997	847,997	3,619,598	490,457	3,158,714	2,668,257
-	-	-	-	-	-	265,802	265,802
-	-	-	-	(276,434)	(276,434)	(434,173)	(157,739)
-	-	-	-	(276,434)	(276,434)	(168,371)	108,063
<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 867,997</u>	<u>\$ 847,997</u>	<u>\$ 3,343,164</u>	<u>\$ 214,023</u>	<u>\$ 2,990,343</u>	<u>\$ 2,776,320</u>
		\$ 1,575,266				\$ 153,355,636	
		-				974,885	
		-				(1,358,353)	
		<u>\$ 1,575,266</u>				<u>\$ 152,972,168</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, 2008**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Property taxes	\$ 25,658,000	\$ 25,658,000	\$ 27,653,830	\$ 1,995,830
Investment income	705,000	705,000	551,283	(153,717)
Senior property tax exemption	-	-	345,568	345,568
Total revenues	<u>26,363,000</u>	<u>26,363,000</u>	<u>28,550,681</u>	<u>2,187,681</u>
Expenditures				
Debt principal	18,835,000	18,835,000	18,835,000	-
Debt interest	15,215,239	15,215,239	15,215,239	-
Fiscal charges	8,000	8,000	7,250	750
Total expenditures	<u>34,058,239</u>	<u>34,058,239</u>	<u>34,057,489</u>	<u>750</u>
Net change in fund balance	<u>\$ (7,695,239)</u>	(7,695,239)	(5,506,808)	<u>\$ 2,188,431</u>
Fund balance, beginning		<u>32,506,943</u>	<u>32,506,943</u>	
Fund balance, ending		<u>\$ 24,811,704</u>	<u>\$ 27,000,135</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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	<u>\$ 1,991,000</u>	<u>\$ 1,991,000</u>	<u>\$ 2,546,761</u>	<u>\$ 555,761</u>
Total revenues	<u>1,991,000</u>	<u>1,991,000</u>	<u>2,546,761</u>	<u>555,761</u>
Expenditures				
Salaries	481,000	481,000	480,003	997
Benefits	111,000	111,000	98,322	12,678
Purchased services	2,000,000	2,000,000	2,296,715	(296,715)
Supplies and materials	4,000,000	4,000,000	318,387	3,681,613
Capital outlay	44,583,000	44,583,000	49,157,802	(4,574,802)
Other	160,000	160,000	263,448	(103,448)
Interest expense	<u>50,000</u>	<u>50,000</u>	<u>36,737</u>	<u>13,263</u>
Total expenditures	<u>51,385,000</u>	<u>51,385,000</u>	<u>52,651,414</u>	<u>(1,266,414)</u>
Net change in fund balance	<u>\$ (49,394,000)</u>	<u>(49,394,000)</u>	<u>(50,104,653)</u>	<u>\$ (710,653)</u>
Fund balance, beginning		<u>70,707,810</u>	<u>70,707,810</u>	
Fund balance, ending		<u>\$ 21,313,810</u>	<u>\$ 20,603,157</u>	

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SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

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.
- *Student Activity Fund* – This fund is used to record financial transactions related to school-sponsored pupil intrascholastic and interscholastic athletic and other related activities. Revenues of this fund are primarily from student fees, gate receipts, and gifts.
- *Vance Brand Civic Auditorium Fund* – As a joint effort between the District and the City of Longmont, this fund accounts for the general operating revenues, operating expenditures, and capital improvements of the auditorium.

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COMBINING NONMAJOR FUND FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

**Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2008**

	Special Revenue Funds						
	Capital Reserve	Community Education	Fair Contributions	Governmental Designated-Purpose Grants	Student Activity Fund	Vance Brand Civic Auditorium	Total Nonmajor Governmental Funds
Assets							
Cash and investments	\$ 2,180,127	\$ 2,404,898	\$ 3,103,635	\$ 1,674	\$ 2,201,825	\$ 106,465	\$ 9,998,624
Accounts receivable	55,087	11,765	645	-	9,105	-	76,602
Grants receivable	-	-	-	2,552,873	-	-	2,552,873
Due from other funds	195,853	-	141,420	-	-	61,427	398,700
Due from component units	2,885	15,380	-	-	435	-	18,700
Prepaid expenses	14,257	-	-	-	-	-	14,257
Deposits	28,000	-	-	-	-	-	28,000
Total assets	<u>\$ 2,476,209</u>	<u>\$ 2,432,043</u>	<u>\$ 3,245,700</u>	<u>\$ 2,554,547</u>	<u>\$ 2,211,365</u>	<u>\$ 167,892</u>	<u>\$ 13,087,756</u>
Liabilities							
Accounts payable	\$ 411,642	\$ 7,349	\$ -	\$ 57,671	\$ 5,351	\$ -	\$ 482,013
Due to other funds	-	179,870	-	1,482,271	235,110	-	1,897,251
Accrued salaries and benefits	-	331,926	-	849,428	29	8,790	1,190,173
Deferred revenues	22,133	29,957	389,752	165,177	-	-	607,019
Total liabilities	<u>433,775</u>	<u>549,102</u>	<u>389,752</u>	<u>2,554,547</u>	<u>240,490</u>	<u>8,790</u>	<u>4,176,456</u>
Fund Balances							
Reserved for deposits and prepaids	42,257	-	-	-	-	-	42,257
Unreserved, designated for contingencies	-	72,000	-	-	-	-	72,000
Unreserved, designated for subsequent year expenditures	392,946	-	-	-	215,000	39,793	647,739
Unreserved	1,607,231	1,810,941	2,855,948	-	1,755,875	119,309	8,149,304
Total fund balances	<u>2,042,434</u>	<u>1,882,941</u>	<u>2,855,948</u>	<u>-</u>	<u>1,970,875</u>	<u>159,102</u>	<u>8,911,300</u>
Total liabilities and fund balances	<u>\$ 2,476,209</u>	<u>\$ 2,432,043</u>	<u>\$ 3,245,700</u>	<u>\$ 2,554,547</u>	<u>\$ 2,211,365</u>	<u>\$ 167,892</u>	<u>\$ 13,087,756</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, 2008**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Capital Reserve	Community Education	Fair Contributions	Governmental Designated- Purpose Grants	Student Activity Fund	Vance Brand Civic Auditorium	
Revenues							
Intergovernmental	\$ 4,097,830	\$ -	\$ -	\$ 7,341,495	\$ -	\$ -	\$ 11,439,325
Investment income	75,980	68,092	169,817	-	2,597	3,978	320,464
Charges for services	-	3,616,027	-	-	-	88,114	3,704,141
Pupil activities	-	-	-	-	2,949,444	-	2,949,444
Miscellaneous	13,796	-	507,755	-	-	54,000	575,551
Total revenues	4,187,606	3,684,119	677,572	7,341,495	2,952,041	146,092	18,988,925
Expenditures							
Instruction	-	3,310,991	-	3,897,925	2,746,129	-	9,955,045
Supporting services	-	-	32,464	3,334,431	93,705	159,883	3,620,483
Capital outlay	4,728,908	-	354,076	109,139	-	3,887	5,196,010
Total expenditures	4,728,908	3,310,991	386,540	7,341,495	2,839,834	163,770	18,771,538
Excess (deficiency) of revenues over (under) expenditures	(541,302)	373,128	291,032	-	112,207	(17,678)	217,387
Other Financing Sources							
Transfers in	-	150,000	-	-	222,623	67,000	439,623
Transfers out	-	(271,252)	-	-	-	-	(271,252)
Total other financing sources	-	(121,252)	-	-	222,623	67,000	168,371
Net change in fund balances	(541,302)	251,876	291,032	-	334,830	49,322	385,758
Fund balances, beginning	2,583,736	1,631,065	2,564,916	-	1,636,045	109,780	8,525,542
Fund balances, ending	\$ 2,042,434	\$ 1,882,941	\$ 2,855,948	\$ -	\$ 1,970,875	\$ 159,102	\$ 8,911,300

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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Equalization	\$ 4,032,886	\$ 4,032,886	\$ 4,097,830	\$ 64,944
Investment income	30,000	30,000	75,980	45,980
Miscellaneous	-	-	13,796	13,796
Total revenues	<u>4,062,886</u>	<u>4,062,886</u>	<u>4,187,606</u>	<u>124,720</u>
Expenditures				
Capital outlay	<u>6,282,573</u>	<u>6,282,573</u>	<u>4,728,908</u>	<u>1,553,665</u>
Total expenditures	<u>6,282,573</u>	<u>6,282,573</u>	<u>4,728,908</u>	<u>1,553,665</u>
Net change in fund balance	<u>\$ (2,219,687)</u>	(2,219,687)	(541,302)	1,678,385
Fund balance, beginning		<u>2,583,736</u>	<u>2,583,736</u>	<u>-</u>
Fund balance, ending		<u>\$ 364,049</u>	<u>\$ 2,042,434</u>	<u>\$ 1,678,385</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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	\$ 77,000	\$ 77,000	\$ 68,092	\$ (8,908)
Charges for services	3,500,000	3,500,000	3,616,027	116,027
Total revenues	<u>3,577,000</u>	<u>3,577,000</u>	<u>3,684,119</u>	<u>107,119</u>
Expenditures				
Instruction	<u>3,577,000</u>	<u>3,577,000</u>	<u>3,310,991</u>	<u>266,009</u>
Total expenditures	<u>3,577,000</u>	<u>3,577,000</u>	<u>3,310,991</u>	<u>266,009</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	373,128	373,128
Other Financing Sources				
Transfers in	-	-	150,000	150,000
Transfers out	<u>-</u>	<u>-</u>	<u>(271,252)</u>	<u>(271,252)</u>
Total other financing sources	-	-	(121,252)	(121,252)
Net change in fund balance	<u>\$ -</u>	<u>-</u>	251,876	<u>\$ 251,876</u>
Fund balance, beginning		<u>1,631,065</u>	<u>1,631,065</u>	
Fund balance, ending		<u>\$ 1,631,065</u>	<u>\$ 1,882,941</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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	\$ 143,000	\$ 143,000	\$ 169,817	\$ 26,817
Cash in lieu	568,000	568,000	487,296	(80,704)
Miscellaneous	-	-	20,459	20,459
Total revenues	<u>711,000</u>	<u>711,000</u>	<u>677,572</u>	<u>(33,428)</u>
Expenditures				
Purchased services	24,000	24,000	32,464	(8,464)
Capital outlay	<u>3,512,458</u>	<u>3,512,458</u>	<u>354,076</u>	<u>3,158,382</u>
Total expenditures	<u>3,536,458</u>	<u>3,536,458</u>	<u>386,540</u>	<u>3,149,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,825,458)</u>	(2,825,458)	291,032	3,116,490
Fund balance, beginning		<u>2,564,916</u>	<u>2,564,916</u>	<u>-</u>
Fund balance, ending		<u>\$ (260,542)</u>	<u>\$ 2,855,948</u>	<u>\$ 3,116,490</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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Local grants	\$ 40,000	\$ 40,000	\$ 33,559	\$ (6,441)
State grants	50,000	50,000	4,156	(45,844)
Federal grants	<u>8,000,000</u>	<u>8,000,000</u>	<u>7,303,780</u>	<u>(696,220)</u>
Total revenues	<u>8,090,000</u>	<u>8,090,000</u>	<u>7,341,495</u>	<u>(748,505)</u>
Expenditures				
Salaries	5,613,000	5,613,000	5,079,092	533,908
Benefits	1,127,000	1,127,000	1,050,193	76,807
Purchased services	705,000	705,000	490,686	214,314
Supplies and materials	297,000	297,000	309,480	(12,480)
Capital outlay	43,000	43,000	109,139	(66,139)
Other	<u>305,000</u>	<u>305,000</u>	<u>302,905</u>	<u>2,095</u>
Total expenditures	<u>8,090,000</u>	<u>8,090,000</u>	<u>7,341,495</u>	<u>748,505</u>
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
Student Activity Fund
For the Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	\$ 2,000	\$ 2,000	\$ 2,597	\$ 597
Athletic activities	1,032,000	1,032,000	848,172	(183,828)
Pupil activities	1,061,000	1,061,000	1,653,863	592,863
PTO/Gift activities	441,000	441,000	183,307	(257,693)
Charter activities	<u>364,000</u>	<u>364,000</u>	<u>269,029</u>	<u>(94,971)</u>
Total revenues	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,956,968</u>	<u>56,968</u>
Expenditures				
Athletic activities	3,149,150	3,150,584	1,136,565	2,014,019
Pupil activities	2,078,000	2,079,000	1,555,743	523,257
PTO/Gift activities	72,000	72,000	147,526	(75,526)
Charter activities	<u>280,000</u>	<u>280,000</u>	<u>74,719</u>	<u>205,281</u>
Total expenditures	<u>5,579,150</u>	<u>5,581,584</u>	<u>2,914,553</u>	<u>2,667,031</u>
Excess (deficiency) of revenues over (under) expenditures	(2,679,150)	(2,681,584)	42,415	2,723,999
Other Financing Sources				
Transfers in	227,000	229,434	222,623	(6,811)
Transfers from agency fund	<u>757,000</u>	<u>757,000</u>	<u>264,102</u>	<u>(492,898)</u>
Total other financing sources	984,000	986,434	486,725	(499,709)
Net change in fund balance	<u>\$ (1,695,150)</u>	(1,695,150)	529,140	<u>\$ 2,224,290</u>
Fund balance, beginning		<u>1,847,150</u>	<u>1,847,150</u>	
Fund balance, ending		<u>\$ 152,000</u>	<u>\$ 2,376,290</u>	
Reconciliation excluding charter school activities which are included on the component unit statement				
Net change in fund balance			\$ 529,140	
Less: charter revenues			(269,029)	
Plus: charter expenditures			<u>74,719</u>	
Change in fund balance			334,830	
Fund balance, beginning excluding charter schools			<u>1,636,045</u>	
Fund balance, ending excluding charter schools			<u>\$ 1,970,875</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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	\$ 4,000	\$ 4,000	\$ 3,978	\$ (22)
Charges for services	74,399	74,399	88,114	13,715
Contributions	<u>54,000</u>	<u>74,000</u>	<u>54,000</u>	<u>(20,000)</u>
Total revenues	<u>132,399</u>	<u>152,399</u>	<u>146,092</u>	<u>(6,307)</u>
Expenditures				
Salaries	128,028	128,028	121,680	6,348
Benefits	29,053	29,053	24,676	4,377
Purchased services	25,500	25,500	1,313	24,187
Supplies and materials	9,500	9,500	12,214	(2,714)
Capital outlay	<u>22,000</u>	<u>22,000</u>	<u>3,887</u>	<u>18,113</u>
Total expenditures	<u>214,081</u>	<u>214,081</u>	<u>163,770</u>	<u>50,311</u>
Excess (deficiency) of revenues over (under) expenditures	(81,682)	(61,682)	(17,678)	44,004
Other Financing Sources				
Transfers in	<u>47,000</u>	<u>47,000</u>	<u>67,000</u>	<u>20,000</u>
Net change in fund balance	<u><u>\$ (34,682)</u></u>	(14,682)	49,322	64,004
Fund balance, beginning		<u>109,780</u>	<u>109,780</u>	<u>-</u>
Fund balance, ending		<u><u>\$ 95,098</u></u>	<u><u>\$ 159,102</u></u>	<u><u>\$ 64,004</u></u>

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SUPPLEMENTARY SCHEDULES – PROPRIETARY FUNDS

Enterprise Fund

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

Internal Service 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 one internal service fund, the *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
Nutrition Services Fund
For the Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	\$ 16,000	\$ 16,000	\$ 23,926	\$ 7,926
Charges for service	3,500,000	3,552,000	3,547,157	(4,843)
Miscellaneous	33,000	33,000	27,111	(5,889)
State match	80,000	80,000	90,248	10,248
National School Lunch/Breakfast Program	2,400,000	2,748,000	2,740,728	(7,272)
Total revenues	<u>6,029,000</u>	<u>6,429,000</u>	<u>6,429,170</u>	<u>170</u>
Expenses				
Salaries	2,275,000	2,425,710	2,554,828	(129,118)
Benefits	560,000	620,541	646,243	(25,702)
Purchased services	400,000	432,094	418,407	13,687
Supplies and materials	2,460,000	2,816,000	2,777,616	38,384
Repairs and maintenance	60,000	76,938	78,514	(1,576)
Other	100,000	75,000	173,121	(98,121)
Total expenses	<u>5,855,000</u>	<u>6,446,283</u>	<u>6,648,729</u>	<u>(202,446)</u>
Net loss, cash basis	174,000	(17,283)	(219,559)	(202,276)
Noncash Revenues (Expenses)				
Depreciation	(151,000)	(151,000)	(144,278)	6,722
Commodities received	340,000	322,000	275,918	(46,082)
Commodities used	<u>(340,000)</u>	<u>(322,000)</u>	<u>(276,550)</u>	<u>45,450</u>
Change in net assets	<u>\$ 23,000</u>	(168,283)	(364,469)	<u>\$ (196,186)</u>
Net assets, beginning		<u>1,986,574</u>	<u>1,986,574</u>	
Net assets, ending		<u>\$ 1,818,291</u>	<u>\$ 1,622,105</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, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues				
Investment income	\$ 25,000	\$ 25,000	\$ 26,001	\$ 1,001
Charges for service	-	1,878,828	1,888,610	9,782
Total revenues	<u>25,000</u>	<u>1,903,828</u>	<u>1,914,611</u>	<u>10,783</u>
Expenses				
Salaries	78,000	78,000	83,761	(5,761)
Benefits	19,000	19,000	16,437	2,563
Supplies and materials	1,000	1,000	-	1,000
Claims paid	<u>2,341,127</u>	<u>4,219,955</u>	<u>4,294,939</u>	<u>(74,984)</u>
Total expenses	<u>2,439,127</u>	<u>4,317,955</u>	<u>4,395,137</u>	<u>(77,182)</u>
Change in net assets	<u>\$ (2,414,127)</u>	(2,414,127)	(2,480,526)	(66,399)
Net assets, beginning		<u>2,421,692</u>	<u>2,421,692</u>	-
Net assets, ending		<u>\$ 7,565</u>	<u>\$ (58,834)</u>	<u>\$ (66,399)</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 Activity Fund* which is used to record financial transactions related to school-sponsored pupil and athletic events. Additions to this fund are primarily from student fund-raising activities.

St. Vrain Valley School District RE-1J

**Schedule of Additions, Deductions and Changes in Net Assets - Budget and Actual
Student Scholarship Fund
For the Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Additions				
Investment income	\$ 6,600	\$ 6,600	\$ 5,272	\$ (1,328)
Contributions	<u>70,000</u>	<u>70,000</u>	<u>63,352</u>	<u>(6,648)</u>
Total additions	<u>76,600</u>	<u>76,600</u>	<u>68,624</u>	<u>(7,976)</u>
Deductions				
Scholarships	<u>81,000</u>	<u>81,000</u>	<u>28,375</u>	<u>52,625</u>
Total deductions	<u>81,000</u>	<u>81,000</u>	<u>28,375</u>	<u>52,625</u>
Change in net assets	<u>\$ (4,400)</u>	(4,400)	40,249	44,649
Net assets, beginning		<u>173,501</u>	<u>173,501</u>	<u>-</u>
Net assets, ending		<u>\$ 169,101</u>	<u>\$ 213,750</u>	<u>\$ 44,649</u>

St. Vrain Valley School District RE-1J

**Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Transfers	Balance June 30, 2008
<u>Student Activity (Agency) Fund</u>					
Assets					
Cash and investments	\$ 1,924,035	\$ 2,543,407	\$ 2,923,124	\$ 264,102	\$ 1,280,216
Accounts receivable	9,366	9,984	9,366	-	9,984
Total assets	<u>\$ 1,933,401</u>	<u>\$ 2,553,391</u>	<u>\$ 2,932,490</u>	<u>\$ 264,102</u>	<u>\$ 1,290,200</u>
Liabilities					
Accounts payable	\$ 142,788	\$ 100,771	\$ 142,788	\$ -	\$ 100,771
Due to governmental funds	301,005	-	301,005	-	-
Accrued salaries and benefits	503	5,675	503	-	5,675
Undistributed monies	1,489,105	2,446,945	2,488,194	264,102	1,183,754
Total liabilities	<u>\$ 1,933,401</u>	<u>\$ 2,553,391</u>	<u>\$ 2,932,490</u>	<u>\$ 264,102</u>	<u>\$ 1,290,200</u>

St. Vrain Valley School District RE-1J

**Schedule of Additions, Deductions and Changes in Undistributed Monies - Budget and Actual
Student Activity (Agency) Fund
For the Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Additions				
Elementary Schools	\$ 508,000	\$ 508,000	\$ 416,934	\$ (91,066)
Middle Schools	875,000	875,000	828,837	(46,163)
High Schools	2,264,000	2,264,000	1,178,518	(1,085,482)
Charter Schools	247,000	247,000	184	(246,816)
Other additions	710,000	710,000	22,656	(687,344)
	<u>4,604,000</u>	<u>4,604,000</u>	<u>2,447,129</u>	<u>(2,156,871)</u>
Deductions				
Elementary Schools	796,541	706,141	426,268	279,873
Middle Schools	1,029,811	912,936	878,209	34,727
High Schools	3,128,113	2,773,100	1,150,146	1,622,954
Charter Schools	267,962	237,551	3,953	233,598
Other deductions	1,447,690	1,283,389	33,571	1,249,818
	<u>6,670,117</u>	<u>5,913,117</u>	<u>2,492,147</u>	<u>3,420,970</u>
Change in undistributed monies including charter schools before transfers out	(2,066,117)	(1,309,117)	(45,018)	1,264,099
Transfers to special revenue fund	<u>-</u>	<u>(757,000)</u>	<u>(264,102)</u>	<u>492,898</u>
Change in undistributed monies including charter schools after transfers out	<u>\$ (2,066,117)</u>	(2,066,117)	(309,120)	<u>\$ 1,756,997</u>
Undistributed monies, beginning		<u>1,492,489</u>	<u>1,492,489</u>	
Undistributed monies, ending		<u>\$ (573,628)</u>	<u>\$ 1,183,369</u>	
Reconciliation excluding charter school activities which are included on the component unit statement				
Change in undistributed monies			\$ (309,120)	
Less: charter additions			(184)	
Plus: charter deductions			3,953	
Change in undistributed monies			<u>(305,351)</u>	
Undistributed monies, beginning excluding charter schools			<u>1,489,105</u>	
Undistributed monies, ending excluding charter schools			<u>\$ 1,183,754</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 8.

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).

St. Vrain Valley School District RE-1J

**Combining Balance Sheet
Component Units
Charter Schools
June 30, 2008**

	Carbon Valley Academy	Flagstaff Academy	Twin Peaks Charter Academy	Totals
Assets				
Cash and investments	\$ 404,809	\$ 822,334	\$ 3,110,507	\$ 4,337,650
Accounts receivable	6,851	48	6	6,905
Due from primary government	911	1,084	1,362	3,357
Other current assets	-	-	16,136	16,136
Deposits	17,490	50,000	150,000	217,490
Total assets	<u>\$ 430,061</u>	<u>\$ 873,466</u>	<u>\$ 3,278,011</u>	<u>\$ 4,581,538</u>
Liabilities				
Accounts payable	\$ 43,316	\$ 25,135	\$ 89,107	\$ 157,558
Accrued salaries and benefits	102,947	126,662	216,232	445,841
Due to primary government	18,700	-	-	18,700
Deferred revenues	5,628	-	58,238	63,866
Total liabilities	<u>170,591</u>	<u>151,797</u>	<u>363,577</u>	<u>685,965</u>
Fund Balances				
Reserved for TABOR	60,602	60,041	70,679	191,322
Designated for emergencies	7,740	19,352	-	27,092
Unreserved	191,128	642,276	2,843,755	3,677,159
Total fund balances	<u>259,470</u>	<u>721,669</u>	<u>2,914,434</u>	<u>3,895,573</u>
Total liabilities and fund balances	<u>\$ 430,061</u>	<u>\$ 873,466</u>	<u>\$ 3,278,011</u>	<u>\$ 4,581,538</u>
Amounts reported for component units' statement of net assets are different because				
Total fund balance	\$ 259,470	\$ 721,669	\$ 2,914,434	\$ 3,895,573
Add: capital assets	302,143	95,709	-	397,852
building corporation net assets	509,874	-	-	509,874
Less: accumulated depreciation	(25,698)	(47,144)	-	(72,842)
Net assets of component units	<u>\$ 1,045,789</u>	<u>\$ 770,234</u>	<u>\$ 2,914,434</u>	<u>\$ 4,730,457</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, 2008**

	Carbon Valley Academy	Flagstaff Academy	Twin Peaks Charter Academy	Total
Revenues				
Intergovernmental	\$ 2,321,440	\$ 2,684,881	\$ 3,470,700	\$ 8,477,021
Investment income	19,253	15,533	93,286	128,072
Charges for services	247,345	2,900	62,923	313,168
Student activities	19,786	246,360	85,518	351,664
Miscellaneous	126,430	94,715	33,933	255,078
State revenues	41,041	47,466	31,347	119,854
Federal grants	133,247	57,510	720	191,477
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	2,908,542	3,149,365	3,778,427	9,836,334
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current				
Instruction	1,584,566	1,856,958	2,123,183	5,564,707
Supporting services	1,623,309	1,119,899	674,316	3,417,524
Capital outlay	-	7,237	125,131	132,368
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,207,875	2,984,094	2,922,630	9,114,599
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(299,333)	165,271	855,797	721,735
	<hr/>	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)				
Transfers in	71,769	84,870	-	156,639
Transfers out	(71,769)	(84,870)	-	(156,639)
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(299,333)	165,271	855,797	721,735
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning	558,803	556,398	2,058,637	3,173,838
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, ending	\$ 259,470	\$ 721,669	\$ 2,914,434	\$ 3,895,573
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts reported for component units' statement of activities are different because				
Net change in fund balance	\$ (299,333)	\$ 165,271	\$ 855,797	\$ 721,735
Less: depreciation expense	(15,107)	(19,307)	-	(34,414)
Add: building corporation net revenue	384,672	-	-	384,672
payment of long-term liabilities	-	11,542	-	11,542
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	\$ 70,232	\$ 157,506	\$ 855,797	\$ 1,083,535
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**STATISTICAL SECTION
(UNAUDITED)**

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

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	
The schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	88 – 99
Revenue Capacity	
The schedules contain information to help the reader assess the District's most significant local and state revenue sources.	100 – 104
Debt Capacity	
The schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	105 – 109
Demographic and Economic Information	
The schedules offer demographic and economic indicators to help the reader understand the environment with which the District's financial activities take place.	110 – 115
Operating Information	
The schedules contain information to help the reader understand the staffing of the District, student population it serves, and capital asset data.	116 – 121

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

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

Last Seven Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 9,591,783	\$ 18,202,783	\$ 21,648,995
Restricted	15,637,082	23,339,644	27,840,057
Unrestricted	<u>(6,229,946)</u>	<u>(17,198,783)</u>	<u>(14,404,003)</u>
Total governmental net assets	<u>18,998,919</u>	<u>24,343,644</u>	<u>35,085,049</u>
Business-type activities			
Invested in capital assets, net of related debt	861,216	821,843	727,684
Restricted	-	138,799	-
Unrestricted	<u>1,060,020</u>	<u>810,767</u>	<u>1,126,201</u>
Total business-type net assets	<u>1,921,236</u>	<u>1,771,409</u>	<u>1,853,885</u>
Primary government			
Invested in capital assets, net of related debt	10,452,999	19,024,626	22,376,679
Restricted	15,637,082	23,478,443	27,840,057
Unrestricted	<u>(5,169,926)</u>	<u>(16,388,016)</u>	<u>(13,277,802)</u>
Total primary government net assets	<u>\$ 20,920,155</u>	<u>\$ 26,115,053</u>	<u>\$ 36,938,934</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 22,549,614	\$ 10,755,304	\$ 7,423,781	\$ 17,752,278
32,545,940	36,607,570	37,328,637	32,120,067
<u>(9,995,867)</u>	<u>4,080,873</u>	<u>15,366,872</u>	<u>18,710,147</u>
<u>45,099,687</u>	<u>51,443,747</u>	<u>60,119,290</u>	<u>68,582,492</u>
981,771	1,143,171	1,059,518	926,902
-	-	-	-
<u>1,225,914</u>	<u>1,067,695</u>	<u>927,056</u>	<u>695,203</u>
<u>2,207,685</u>	<u>2,210,866</u>	<u>1,986,574</u>	<u>1,622,105</u>
23,531,385	11,898,475	8,483,299	18,679,180
32,545,940	36,607,570	37,328,637	32,120,067
<u>(8,769,953)</u>	<u>5,148,568</u>	<u>16,293,928</u>	<u>19,405,350</u>
<u>\$ 47,307,372</u>	<u>\$ 53,654,613</u>	<u>\$ 62,105,864</u>	<u>\$ 70,204,597</u>

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

Last Seven Fiscal Years

	2002	2003	2004
Expenses			
Governmental activities:			
Instruction	\$ 86,474,269	\$ 93,572,030	\$ 85,427,185
Supporting services	43,277,026	42,042,464	49,858,273
Interest	7,266,870	9,599,755	11,647,151
Total governmental activities expenses	<u>137,018,165</u>	<u>145,214,249</u>	<u>146,932,609</u>
Business-type activities:			
Food services	4,221,985	4,254,543	4,410,830
Total primary government expenses	<u>\$ 141,240,150</u>	<u>\$ 149,468,792</u>	<u>\$ 151,343,439</u>
Program Revenues			
Governmental activities:			
Charges for services			
Tuition and fees	\$ 1,923,489	\$ 2,121,666	\$ 2,101,479
District-provided transportation for field trips (1)	-	-	-
Operating grants and contributions	8,240,959	8,069,583	9,513,660
Capital grants and contributions	978,337	1,650,635	1,402,614
Total governmental activities program revenues	<u>11,142,785</u>	<u>11,841,884</u>	<u>13,017,753</u>
Business-type activities:			
Charges for services	2,819,921	2,734,550	2,820,846
Operating grants and contributions	1,420,269	1,504,411	1,667,815
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>
Total primary government program revenues	<u>\$ 15,569,387</u>	<u>\$ 16,080,845</u>	<u>\$ 17,506,414</u>
Net (expense) / revenue			
Governmental activities	\$(125,875,380)	\$(133,372,365)	\$(133,914,856)
Business-type activities	204,617	(15,582)	77,831
Total primary government net expense	<u>\$(125,670,763)</u>	<u>\$(133,387,947)</u>	<u>\$(133,837,025)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837
Specific ownership taxes	5,215,842	5,437,653	5,980,112
Senior property tax exemption	-	-	-
State equalization	57,635,616	64,987,668	68,733,866
Investment income	727,029	451,322	1,374,794
Other	1,571,116	4,534,822	1,366,652
Transfers	140,000	26,446	-
Total governmental activities	<u>119,625,805</u>	<u>140,287,702</u>	<u>144,656,261</u>
Business-type activities:			
Investment income	14,274	5,755	4,645
Transfers	(140,000)	(140,000)	-
Total business-type activities	<u>(125,726)</u>	<u>(134,245)</u>	<u>4,645</u>
Total primary government	<u>\$ 119,500,079</u>	<u>\$ 140,153,457</u>	<u>\$ 144,660,906</u>
Change in Net Assets			
Governmental activities	\$ (6,249,575)	\$ 6,915,337	\$ 10,741,405
Business-type activities	78,891	(149,827)	82,476
Total primary government	<u>\$ (6,170,684)</u>	<u>\$ 6,765,510</u>	<u>\$ 10,823,881</u>

(1) The classification of District-provided transportation for field trips was changed in FY05.

2005	2006	2007	2008
\$ 95,661,489	\$ 113,735,114	\$ 115,031,293	\$ 122,240,743
49,653,089	53,304,184	58,113,258	60,629,900
<u>12,247,793</u>	<u>14,320,914</u>	<u>16,010,493</u>	<u>15,500,560</u>
<u>157,562,371</u>	<u>181,360,212</u>	<u>189,155,044</u>	<u>198,371,203</u>
4,885,656	5,873,965	6,368,635	7,069,557
<u>\$ 162,448,027</u>	<u>\$ 187,234,177</u>	<u>\$ 195,523,679</u>	<u>\$ 205,440,760</u>
\$ 2,659,299	\$ 3,280,966	\$ 6,299,455	\$ 7,167,010
526,506	576,681	634,386	731,765
10,930,997	13,090,706	12,329,701	13,200,675
<u>1,041,182</u>	<u>1,053,746</u>	<u>591,496</u>	<u>507,755</u>
<u>15,157,984</u>	<u>18,002,099</u>	<u>19,855,038</u>	<u>21,607,205</u>
2,978,095	3,098,897	3,363,892	3,574,268
1,905,055	2,442,897	2,754,834	3,106,894
-	-	-	-
<u>4,883,150</u>	<u>5,541,794</u>	<u>6,118,726</u>	<u>6,681,162</u>
<u>\$ 20,041,134</u>	<u>\$ 23,543,893</u>	<u>\$ 25,973,764</u>	<u>\$ 28,288,367</u>
\$(142,404,387)	\$(163,358,113)	\$(169,300,006)	\$(176,763,998)
(2,506)	(332,171)	(249,909)	(388,395)
<u>\$(142,406,893)</u>	<u>\$(163,690,284)</u>	<u>\$(169,549,915)</u>	<u>\$(177,152,393)</u>
\$ 71,791,304	\$ 74,977,182	\$ 76,597,816	\$ 82,208,768
5,976,580	5,987,316	5,997,044	6,047,704
-	-	957,978	1,024,457
72,261,580	77,794,994	85,049,954	90,264,910
2,285,218	2,511,220	4,805,951	4,350,866
444,753	941,954	3,471,495	1,330,495
<u>(340,410)</u>	<u>(310,317)</u>	<u>1,095,313</u>	<u>-</u>
<u>152,419,025</u>	<u>161,902,349</u>	<u>177,975,551</u>	<u>185,227,200</u>
15,896	25,035	25,617	23,926
340,410	310,317	-	-
<u>356,306</u>	<u>335,352</u>	<u>25,617</u>	<u>23,926</u>
<u>\$ 152,775,331</u>	<u>\$ 162,237,701</u>	<u>\$ 178,001,168</u>	<u>\$ 185,251,126</u>
\$ 10,014,638	\$ (1,455,764)	\$ 8,675,545	\$ 8,463,202
353,800	3,181	(224,292)	(364,469)
<u>\$ 10,368,438</u>	<u>\$ (1,452,583)</u>	<u>\$ 8,451,253</u>	<u>\$ 8,098,733</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 Seven Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental activities:			
Property taxes	\$ 54,336,202	\$ 64,849,791	\$ 67,200,837
Specific ownership taxes	5,215,842	5,437,653	5,980,112
State equalization	<u>57,635,616</u>	<u>64,987,668</u>	<u>68,733,866</u>
Total finance act revenues	<u>\$ 117,187,660</u>	<u>\$ 135,275,112</u>	<u>\$ 141,914,815</u>
Total governmental activities revenues (1)	\$ 130,768,590	\$ 152,129,586	\$ 157,674,014
Public School Finance Act revenues as percentage of total governmental activities revenues	89.6%	88.9%	90.0%

(1) Governmental activities revenues are a combination of program revenues and general revenues as shown on page 90-91

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 71,791,304	\$ 74,977,182	\$ 76,597,816	\$ 82,208,768
5,976,580	5,987,316	5,997,044	6,047,704
<u>72,261,580</u>	<u>77,794,994</u>	<u>85,049,954</u>	<u>90,264,910</u>
<u>\$ 150,029,464</u>	<u>\$ 158,759,492</u>	<u>\$ 167,644,814</u>	<u>\$ 178,521,382</u>
\$ 167,577,009	\$ 179,904,448	\$ 197,830,589	\$ 206,834,405
89.5%	88.2%	84.7%	86.3%

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

Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$ 3,188,781	\$ 3,525,586	\$ 334,443	\$ 409,975
Unreserved				
Designated	-	-	-	-
Undesignated	<u>2,436,434</u>	<u>1,556,556</u>	<u>334,979</u>	<u>(10,754,933)</u>
Total General Fund	<u>\$ 5,625,215</u>	<u>\$ 5,082,142</u>	<u>\$ 669,422</u>	<u>\$ (10,344,958)</u>
All Other Governmental Funds				
Reserved	\$ 10,777,318	\$ 11,307,320	\$ 11,195,114	\$ 78,000
Unreserved:				
Designated, reported in:				
Capital projects fund	73,546,677	33,182,386	-	-
Special revenue funds	3,079,065	3,178,870	-	-
Undesignated, reported in:				
Capital projects fund	-	-	7,932,700	668,302
Debt service fund	-	-	-	11,415,777
Special revenue funds	<u>1,606,658</u>	<u>1,975,787</u>	<u>5,115,345</u>	<u>4,498,278</u>
Total all other governmental funds	<u>\$ 89,009,718</u>	<u>\$ 49,644,363</u>	<u>\$ 24,243,159</u>	<u>\$ 16,660,357</u>

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 366,855	\$ 338,576	\$ 3,963,869	\$ 5,591,445	\$ 8,253,775	\$ 8,704,876
-	-	-	86,665	2,794,463	3,134,288
<u>(14,295,533)</u>	<u>(4,617,697)</u>	<u>-</u>	<u>2,055,576</u>	<u>1,041,319</u>	<u>3,624,204</u>
<u>\$ (13,928,678)</u>	<u>\$ (4,279,121)</u>	<u>\$ 3,963,869</u>	<u>\$ 7,733,686</u>	<u>\$ 12,089,557</u>	<u>\$ 15,463,368</u>
\$ 37,823,604	\$ 98,956,894	\$ 66,434,593	\$ 42,936,664	\$ 97,403,309	\$ 39,087,412
60,077,668	-	-	-	-	-
618,111	4,415,700	4,414,000	4,857,420	6,504,330	719,739
-	-	-	-	-	-
9,452,454	-	4,224,358	7,389,406	5,853,701	8,558,137
<u>4,034,598</u>	<u>1,397,256</u>	<u>1,124,842</u>	<u>83,586</u>	<u>1,978,955</u>	<u>8,149,304</u>
<u>\$ 112,006,435</u>	<u>\$ 104,769,850</u>	<u>\$ 76,197,793</u>	<u>\$ 55,267,076</u>	<u>\$ 111,740,295</u>	<u>\$ 56,514,592</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

	1999	2000	2001	2002
Revenues				
Property taxes	\$ 45,575,578	\$ 47,332,883	\$ 49,728,660	\$ 53,893,252
Specific ownership taxes	4,117,446	4,518,589	4,840,145	5,215,842
Investment income	6,569,857	4,408,488	2,705,613	706,332
Charges for service	1,484,935	1,490,324	1,734,421	1,923,489
Student activities (1)	2,258,914	2,992,825	3,494,052	-
Miscellaneous	1,147,820	1,293,154	2,100,650	1,622,459
Local intergovernmental	-	-	36,054	117,222
State intergovernmental	48,322,335	50,275,984	55,304,813	62,022,703
Federal intergovernmental	2,658,431	3,118,694	3,341,144	4,037,615
Total revenues	<u>\$ 112,135,316</u>	<u>\$ 115,430,941</u>	<u>\$ 123,285,552</u>	<u>\$ 129,538,914</u>
Expenditures				
Instruction	\$ 52,898,379	\$ 59,514,383	\$ 68,155,625	\$ 82,668,776
Supporting services	35,869,892	37,073,648	37,931,163	39,687,187
Student activities (1)	2,256,810	3,070,241	3,421,869	-
Capital outlay	26,472,845	43,036,219	31,480,196	13,216,858
Debt service				
Principal	4,982,937	5,530,653	5,869,000	6,377,460
Accrued interest	-	-	-	-
Interest and fiscal charges	7,435,805	7,422,112	7,355,904	7,266,870
Total expenditures	<u>\$ 129,916,668</u>	<u>\$ 155,647,256</u>	<u>\$ 154,213,757</u>	<u>\$ 149,217,151</u>
Excess of revenues over (under) expenditures	<u>(17,781,352)</u>	<u>(40,216,315)</u>	<u>(30,928,205)</u>	<u>(19,678,237)</u>
Other financing sources (uses)				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Premium received on issuance of bonds	-	-	-	-
Paid to bond agent	-	-	-	-
Proceeds from sale of land	-	-	-	-
Lease proceeds	-	452,352	974,281	2,461,606
Lease obligations	-	-	-	-
Contributions	10,195	-	-	-
Transfers in (2)	420,242	429,242	780,513	491,871
Transfers out (2)	(250,242)	(289,242)	(640,513)	(351,871)
Total other financing sources (uses)	<u>\$ 180,195</u>	<u>\$ 592,352</u>	<u>\$ 1,114,281</u>	<u>\$ 2,601,606</u>
Net change in fund balances	<u>\$ (17,601,157)</u>	<u>\$ (39,623,963)</u>	<u>\$ (29,813,924)</u>	<u>\$ (17,076,631)</u>
Debt service as percentage of noncapital expenditures	<u>13.6%</u>	<u>13.0%</u>	<u>12.1%</u>	<u>11.2%</u>

(1) Student Activities was a governmental fund (special revenue fund) until fiscal year 2002; however, based on reassessment, the Agency Fund was split into a Special Revenue type and Agency type in fiscal year 2007.

(2) Transfers in may not equal transfers out due to transfers between governmental funds and other fund types.

2003	2004	2005	2006	2007	2008
\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205	\$ 75,761,142	\$ 82,001,081
5,437,653	5,980,112	5,976,580	5,987,316	5,997,044	6,047,704
693,051	1,328,350	2,023,366	2,386,324	4,758,927	4,324,865
2,121,666	2,101,479	3,185,805	3,857,647	4,505,478	4,949,331
-	-	-	-	2,428,363	2,949,444
2,387,357	2,696,524	1,470,585	1,670,385	1,760,662	1,804,691
68,884	72,397	8,350	22,619	32,296	33,559
68,712,530	72,329,913	75,947,775	82,136,479	90,760,436	96,769,997
4,344,721	5,917,613	7,244,802	8,749,221	7,577,197	7,720,045
<u>\$ 148,468,305</u>	<u>\$ 158,973,733</u>	<u>\$ 167,029,363</u>	<u>\$ 179,844,196</u>	<u>\$ 193,581,545</u>	<u>\$ 206,600,717</u>
\$ 82,695,300	\$ 81,655,292	\$ 91,027,699	\$ 97,521,908	\$ 104,130,405	\$ 110,377,230
40,270,867	48,298,522	46,484,881	50,716,187	56,428,030	59,220,211
-	-	-	-	-	-
14,994,818	58,421,911	44,165,547	25,050,564	12,796,447	54,797,679
2,123,000	4,200,000	2,850,000	10,680,000	11,700,000	18,835,000
-	4,380,000	4,380,000	-	-	-
12,764,301	11,132,546	13,095,314	13,047,785	14,638,580	15,222,489
<u>\$ 152,848,286</u>	<u>\$ 208,088,271</u>	<u>\$ 202,003,441</u>	<u>\$ 197,016,444</u>	<u>\$ 199,693,462</u>	<u>\$ 258,452,609</u>
<u>(4,379,981)</u>	<u>(49,114,538)</u>	<u>(34,974,078)</u>	<u>(17,172,248)</u>	<u>(6,111,917)</u>	<u>(51,851,892)</u>
\$ 131,090,000	\$ 50,100,000	\$ 56,815,000	\$ 43,455,000	\$ 56,800,000	\$ -
5,813,003	1,427,510	4,057,901	2,520,719	3,622,791	-
(40,300,000)	-	(47,074,703)	(45,964,371)	(479,707)	-
-	-	846,813	-	2,309,767	-
-	-	-	-	-	-
-	-	-	-	(473,254)	-
-	-	-	-	-	-
529,710	46,614	47,000	126,455	5,585,026	705,425
(503,264)	(46,614)	(47,000)	(126,455)	(423,614)	(705,425)
<u>\$ 96,629,449</u>	<u>\$ 51,527,510</u>	<u>\$ 14,645,011</u>	<u>\$ 11,348</u>	<u>\$ 66,941,009</u>	<u>\$ -</u>
<u>\$ 92,249,468</u>	<u>\$ 2,412,972</u>	<u>\$ (20,329,067)</u>	<u>\$ (17,160,900)</u>	<u>\$ 60,829,092</u>	<u>\$ (51,851,892)</u>
<u>12.1%</u>	<u>15.2%</u>	<u>14.8%</u>	<u>15.0%</u>	<u>16.2%</u>	<u>19.9%</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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Governmental activities:				
Property taxes	\$ 45,575,578	\$ 47,332,883	\$ 49,728,660	\$ 53,893,252
Specific ownership taxes	4,117,446	4,518,589	4,840,145	5,215,842
State equalization	<u>45,127,475</u>	<u>47,208,976</u>	<u>51,470,640</u>	<u>57,635,616</u>
Total finance act revenues	<u>\$ 94,820,499</u>	<u>\$ 99,060,448</u>	<u>\$ 106,039,445</u>	<u>\$ 116,744,710</u>
Total revenues (1)	\$ 112,135,316	\$ 115,430,941	\$ 123,285,552	\$ 129,538,914
Public School Finance Act revenues as percentage of total governmental funds revenues	84.6%	85.8%	86.0%	90.1%

(1) As shown on the Changes in Fund Balances of Governmental Funds schedule, pages 96-97

2003	2004	2005	2006	2007	2008
\$ 64,702,443	\$ 68,547,345	\$ 71,172,100	\$ 75,034,205	\$ 75,761,142	\$ 82,001,081
5,437,653	5,980,112	5,976,580	5,987,316	5,997,044	6,047,704
<u>64,987,668</u>	<u>68,733,866</u>	<u>72,261,580</u>	<u>77,794,994</u>	<u>85,049,954</u>	<u>90,264,910</u>
<u>\$ 135,127,764</u>	<u>\$ 143,261,323</u>	<u>\$ 149,410,260</u>	<u>\$ 158,816,515</u>	<u>\$ 166,808,140</u>	<u>\$ 178,313,695</u>
\$ 148,468,305	\$ 158,973,733	\$ 167,029,363	\$ 179,844,196	\$ 193,581,545	\$ 206,600,717
91.0%	90.1%	89.5%	88.3%	86.2%	86.3%

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)

Levy Year	Collection Year	Residential Property (1)	Commercial Property (1)	Industrial Property (1)	Vacant Property (1)	Oil & Gas (1)	Public Utilities (1)
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
2006	2007	1,081,625	394,898	241,150	111,786	145,259	31,491
2007	2008	1,182,053	431,564	263,541	122,165	158,746	34,415

- (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>
		\$ 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%
13,499	4,880	2,024,588	38.035	16,152,649	12.53%
14,752	5,333	2,212,569	37.798	17,713,708	12.49%

-

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
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
2006	2007	38.035	22.467	16.804	22.410	28.968	90.649	13.420
2007	2008	37.798	22.467	16.804	22.414	28.968	90.653	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
Principal Taxpayers of the Boulder/Longmont Area
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	1999			2008		
	1998 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (1)	2007 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (2)
Kerr-McGee Rocky Mtn. Corp.				\$ 57,612,400	1	2.60%
Amgen Inc.				37,304,720	2	1.69%
Encana Oil & Gas (USA) Inc.				32,728,590	3	1.48%
Noble Energy, Inc.				27,964,670	4	1.26%
Seagate Technology LLC	\$ 5,251,970	6	0.56%	24,396,630	5	1.10%
Circle Capital Longmont LLC				20,105,830	6	0.91%
Pratt Land Limited Liability Co.	17,804,040	1	1.91%			
Southwestern Portland	13,806,820	2	1.48%			
IBM Corporation	11,015,690	3	1.18%			
Xilinx Inc.				9,919,740	7	0.45%
Qwest Corporation				9,801,200	8	0.44%
Cemex, Inc.				9,023,180	9	0.41%
Twin Peaks Mall Associated Ltd.	7,488,260	4	0.81%	8,812,720	10	0.40%
Longmont Turkey Processors	5,388,700	5	0.58%			
Adaptec, Inc.	5,126,980	7	0.55%			
K/B Fund IV	4,948,380	8	0.53%			
Public Service Co. of Colorado	4,947,240	9	0.53%			
Maxtor Corporation	4,661,140	10	0.50%			
Total	\$ 80,439,220		8.65%	\$ 237,669,680		10.75%

(1) Based on a 1998 certified assessed valuation of \$929,981,486

(2) Based on a 2007 certified assessed valuation of \$2,211,838,260

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

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

Levy Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collection to Levy	Outstanding Delinquent Taxes (1)
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)
2006	2007	76,540,145	73,647,406	96.22%	1,847,549	75,494,955	98.63%	2,892,740 (2)
2007	2008	83,603,063	80,083,112	95.79%	1,766,634	81,849,746	97.90%	3,519,950 (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		
1999	\$ 147,338,917	\$ 2,891,635	\$ 150,230,552	2.1%	\$ 1,411
2000	143,606,264	2,634,882	146,241,146	1.8%	1,256
2001	141,309,000	3,771,041	145,080,041	1.7%	1,177
2002	139,368,000	5,601,382	144,969,382	2.2%	1,139
2003	228,035,000	4,156,709	232,191,709	3.5%	1,768
2004	273,935,000	3,380,517	277,315,517	4.0%	2,026
2005	283,890,000	2,827,263	286,717,263	3.9%	2,043
2006	272,770,000	2,244,163	275,014,163	3.5%	1,934
2007	317,870,000	1,628,544	319,498,544	(1)	2,185
2008	299,035,000	1,013,917	300,048,917	(1)	2,015

(1) Personal Income data for 2007 and 2008 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
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
2006	2007	317,870,000	32,506,943	285,363,057	1.77%	1,952
2007	2008	299,035,000	27,000,135	272,034,865	1.54%	1,827

- (1) Refer to Assessed and Estimated Actual Values of Taxable Property schedule on page 100-101
(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, 2008
(Unaudited)

Name of Overlapping Entity	2007 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District	
			Percent	Amount
Berthoud Fire Protection District	\$ 157,953,902	\$ 1,655,000	9.04%	\$ 149,612
City & County of Broomfield	969,073,671	1,955,000	0.27%	5,279
Carbon Valley Park & Recreation District	266,160,810	6,429,300	92.61%	5,954,175
Central Colorado Water Conservancy - Groundwater Management	1,285,989,290	-	0.03%	-
City of Dacono	35,041,290	5,630,000	100.00%	5,630,000
Town of Erie	194,943,805	19,871,095	74.28%	14,760,249
Erie Commons Metro District, Nos 1 & 2	6,822,680	-	100.00%	-
Town of Firestone	114,332,430	365,000	100.00%	365,000
Town of Frederick	132,277,580	5,952,781	100.00%	5,952,781
Frederick-Firestone Fire Protection Dist.	266,487,790	3,610,000	100.00%	3,610,000
Gunbarrel Estates Metro Park & Rec.	10,040,970	63,475	100.00%	63,475
Left Hand Water & Sanitation District	5,934,430	244,538	100.00%	244,538
City of Longmont	1,001,889,530	5,505,000	100.00%	5,505,000
Lyons Fire Protection District	56,743,010	92,392	100.00%	92,392
Mountain View Fire Protection District	756,995,125	105,000	100.00%	105,000
North Metro Fire Rescue Authority	973,905,090	24,850,000	0.20%	49,700
Northern Colorado Water Cons. District	12,736,979,020	4,064,830	15.85%	644,276
St. Vrain Sanitation District	275,182,080	1,735,000	98.00%	1,700,300
Sweetgrass Metro District, Nos 2 & 3	6,012,980	3,346,128	0.25%	8,365
Vista Ridge Metropolitan District	48,026,400	36,177,836	100.00%	36,177,836
Wyndham Hill Metropolitan District No. 2	4,758,610	10,900,000	100.00%	10,900,000
Total				\$ 91,917,978

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2007, 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

	1999	2000	2001	2002
Debt Limit	\$ 185,996,297	\$ 215,746,374	\$ 236,869,804	\$ 299,759,366
Total net debt applicable to limit	147,338,917	143,606,264	141,309,000	139,368,000
Legal debt margin	<u>\$ 38,657,380</u>	<u>\$ 72,140,110</u>	<u>\$ 95,560,804</u>	<u>\$ 160,391,366</u>
Total net debt applicable to the limit as a percentage of debt limit	79.2%	66.6%	59.7%	46.5%

Fiscal Year 2008 Calculation

Under the Colorado Public School Finance Act of 1994, the limitation on bonded indebtedness is the greater of 20 percent of assessed value or 6 percent of actual value.

	Assessed Value	Actual Value
Assessed or Estimated Actual Value	\$ 2,211,838,260 (1)	\$ 17,713,708,272
Debt Limit Percentage	<u>20.00%</u> (2)	<u>6.00%</u>
Legal debt limit	442,367,652	1,062,822,496
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2008	<u>299,035,000</u>	
Legal debt margin	<u>\$ 143,332,652</u>	

(1) The assessed valuation shown here includes \$11,940,730 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.

(2) Although the District qualifies for the legal debt margin based on 6% of the actual value, it has taken a conservative posture by limiting its debt based on 20% of the assessed value.

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

2003	2004	2005	2006	2007	2008 (2)
\$ 397,395,385	\$ 826,522,526	\$ 860,996,213	\$ 915,527,849	\$ 969,158,919	\$ 442,367,652
232,693,967	278,315,000	283,890,000	272,770,000	317,870,000	299,035,000
<u>\$ 164,701,418</u>	<u>\$ 548,207,526</u>	<u>\$ 577,106,213</u>	<u>\$ 642,757,849</u>	<u>\$ 651,288,919</u>	<u>\$ 143,332,652</u>
58.6%	33.7%	33.0%	29.8%	32.8%	67.6%

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

Last Ten Fiscal Years (as available)

Population District-wide

	1999	2000	2001	2002
	106,488	116,414	123,295	127,223

Source: Estimates compiled by District Planning Office using data from the Colorado Department of Local Affairs, Denver Regional Council of Governments, US Census Bureau, and various local governments.

Personal Income (expressed in thousands) by County

	1999	2000	2001	2002
Boulder	\$ 10,304,130	\$ 11,825,466	\$ 12,085,925	\$ 11,295,248
Broomfield (1)	n/a	n/a	n/a	1,359,569
Larimer	6,756,866	7,657,065	8,164,809	8,387,267
Weld	4,167,443	4,586,448	4,950,093	5,021,256
Average	\$ 7,076,146	\$ 8,022,993	\$ 8,400,276	\$ 6,515,835

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2007 and beyond.

Annual Per Capita Personal Income by County

	1999	2000	2001	2002
Boulder	\$ 36,041	\$ 40,360	\$ 40,435	\$ 40,590
Broomfield (1)	n/a	n/a	n/a	33,293
Larimer	27,369	30,274	31,449	31,793
Weld	23,904	25,038	25,575	24,571
Average	\$ 29,105	\$ 31,891	\$ 32,486	\$ 32,562

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2007 and beyond.

- (1) City and County of Broomfield was formed in 2001. Personal income and annual per capita personal income not available for 2001.
- (2) Prior years have been modified by the Bureau based on updated information. However, data above is shown as it has been reported in previous CAFRs.

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
131,310	136,910	140,363	142,172	146,193	148,920

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 11,406,648	\$ 12,199,592	\$ 12,815,298	\$ 14,192,102
1,410,324	1,550,901	1,550,383	1,694,754
8,541,462	8,846,874	9,330,387	9,953,554
5,144,211	5,374,013	5,668,873	5,919,700
<u>\$ 6,625,661</u>	<u>\$ 6,992,845</u>	<u>\$ 7,341,235</u>	<u>\$ 7,940,028</u>

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 41,110	\$ 43,640	\$ 45,849	\$ 49,628
33,376	36,530	35,743	32,949 (2)
32,037	32,893	34,323	35,397
24,279	24,432	24,846	26,002
<u>\$ 32,701</u>	<u>\$ 34,374</u>	<u>\$ 35,190</u>	<u>\$ 35,994</u>

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

Last Ten Fiscal Years

Median Age by County

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Boulder	33.5	33.5	33.6	33.9	34.2
Broomfield	n/a	n/a	33.3	33.4	33.6
Larimer	33.3	33.3	33.3	33.5	33.9
Weld	30.9	30.9	31.0	31.0	31.0

Source: Colorado Department of Local Affairs, Division of Local Government
Data subject to revision; not available for Broomfield County prior to 2001

Annual Unemployment Rate by County (1)

		<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Boulder	(2)	3.3%	2.6%	2.3%	3.5%	5.9%
Broomfield	(3)	n/a	n/a	2.3%	3.7%	5.8%
Larimer	(4)	3.8%	3.1%	2.4%	3.1%	4.8%
Weld	(5)	4.5%	3.6%	2.6%	3.2%	5.2%

- (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

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
34.6	35.1	35.5	35.8	36.1
33.9	34.2	34.5	34.7	34.9
34.2	34.5	34.9	35.1	35.2
31.0	31.2	31.3	31.5	31.7

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008 (6)</u>
5.8%	4.5%	4.1%	3.3%	4.8%
6.2%	4.7%	4.7%	3.8%	5.4%
5.3%	4.4%	4.2%	3.4%	4.7%
5.9%	5.1%	5.0%	4.2%	5.6%

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 Six Fiscal Years (1)
(Unaudited)

Employer	2003			2004		
	Estimated Number of Employees (2)	Rank	Percentage of Total Employment	Estimated Number of Employees (2)	Rank	Percentage of Total Employment
IBM Corp.	5,000	1	2.8%	4,800	1	2.6%
Ball Corp.	1,925	7	1.1%			
Sun Microsystems Inc.	3,250	2	1.8%			
Level 3 Communications Inc.	2,350	4	1.3%			
Covidien (parent of Valleylab)				920	6	0.5%
Seagate Technology	1,010	10	0.6%	1,080	4	0.6%
Wal-Mart Stores Inc.				625	10	0.3%
Safeway Inc. (3)				1,000	5	0.6%
Hunter Douglas Inc., Amgen, Inc.						
Target Corp.						
Storage Technology Corp.	3,000	3	1.7%	2,000	2	1.1%
ConAgra Foods				1,200	3	0.7%
Boulder Community Hospital	2,102	5	1.2%			
EDS Corp.	2,000	6	1.1%			
Longmont Foods	1,200	8	0.7%			
Maxtor Corp.	1,200	9	0.7%	828	7	0.5%
Kable Fulfillment Services, Inc.				675	8	0.4%
Micro Motion Inc.				640	9	0.4%
	<u>23,037</u>		<u>13.0%</u>	<u>13,768</u>		<u>7.6%</u>

- (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.
- (5) Information is based on mid-calendar year calculation, not annual averages

Source: 2008 data from The Daily Camera, "Top 50 Local Businesses 2008", July 13, 2008
2007 data from The Daily Camera, "Top 50 Local Businesses - 2007", July 2, 2007
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			2006			2007			2008		
Estimated Number of Employees (2)	Rank	Percentage of Total Employment	Estimated Number of Employees (2)	Rank	Percentage of Total Employment	Estimated Number of Employees (2)	Rank	Percentage of Total Employment	Estimated Number of Employees (2)	Rank	Percentage of Total Employment (5)
4,700	1	2.5%	4,500	1	2.4%	3,400	2	1.7%	3,000	1	1.5%
2,600	3	1.4%	2,975	2	1.6%	2,880	3	1.5%	2,800	2	1.4%
3,100	2	1.7%	2,700	3	1.4%	3,471	1	1.8%	2,593	3	1.3%
2,200	4	1.2%	2,150	4	1.1%	2,100	4	1.1%	2,000	4	1.0%
900	10	0.5%	1,000	8	0.5%	1,347	6	0.7%	1,775	5	0.9%
1,200	6	0.6%	1,200	7	0.6%	1,500	5	0.8%	1,600	6	0.8%
						1,197	7	0.6%	1,300	7	0.7%
1,049	7	0.6%	1,245	6	0.7%				1,250	8	0.6%
968	8	0.5%	934	9	0.5%	1,000	10	0.5%	968	9	0.5%
						1,100	8	0.6%	950	10	0.5%
						1,066	9	0.5%			
1,800	5	1.0%	2,000	5	1.0%						
950	9	0.5%	920	10	0.5%						
<hr/>			<hr/>			<hr/>			<hr/>		
19,467		10.5%	19,624		10.3%	19,061		9.8%	18,236		9.3%

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

<u>Function</u>	<u>Description</u>	<u>2005 FTE</u>	<u>2006 FTE</u>	<u>2007 FTE</u>	<u>2008 FTE</u>
Direct Instruction	Classroom teachers, special education and English as a Second Language teachers, teachers' aides	1,534	1,515	1,571	1,753
Classroom Support	Librarians, counselors, school principals and assistant principals, support staff including speech services, attendance, and extra-curricular activities	386	381	395	441
Building Support	Student transportation, utilities, maintenance, custodial services, printing, purchasing, technology services, etc.	311	307	319	356
Central Support/ Administration	Human resources, finance, payroll, budgeting, legal, clerical support, supervision of instruction, public information, superintendent's office, etc.	30	30	31	34
Total		<u>2,261</u>	<u>2,234</u>	<u>2,316</u>	<u>2,584</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)
1999	18,009.0	17,156.0
2000	18,310.0	17,469.0
2001	19,113.0	18,232.5
2002	20,038.0	19,209.5
2003	20,631.0	19,783.5
2004	20,913.0	20,174.0
2005	21,467.0	20,724.5
2006	22,482.0	21,631.5
2007	23,630.0	22,263.0
2008	24,216.0	22,836.5

- (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.

Source: District's Records Management

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

Fiscal Year	Expenses (1)	Enrollment (2)	Cost per Pupil	Pupil Teacher Ratio (3)	Number of Free and Reduced Students	Percent of Free and Reduced Students in Lunch Program (4)
2002	\$ 137,018,165	20,038.0	\$ 6,838	23.5:1	3,741	18.7%
2003	145,214,249	20,631.0	7,039	23.5:1	4,236	20.5%
2004	146,932,609	20,913.0	7,026	23.5:1	4,516	21.6%
2005	157,562,371	21,467.0	7,340	23.5:1	5,007	23.3%
2006	181,360,212	22,482.0	8,067	24.1:1	6,249	27.8%
2007	189,155,044	23,630.0	8,005	24.1:1	6,940	29.4%
2008	198,294,023	24,216.0	8,189	24.1:1	7,325	30.2%

- (1) Expenses for governmental activities from Changes in Net Assets schedule which is presented for six 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 Seven Fiscal Years
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008
Elementary schools	20	20	20	22	22	22	22
Total square feet	968,072	968,072	968,072	1,072,642	1,072,642	1,072,642	1,072,642
Total program capacity	9,331	9,331	9,331	10,411	10,411	10,411	10,411
Enrollment	8,909	9,079	9,188	9,494	9,632	9,778	9,971
Percent capacity	95%	97%	98%	91%	93%	94%	96%
Middle schools	6	6	6	6	9	9	9
Total square feet	569,712	569,712	569,712	569,712	905,153	905,153	905,153
Total program capacity	4,054	4,054	4,054	4,054	6,331	6,331	6,331
Enrollment	3,611	3,766	3,850	3,873	4,872	4,956	4,992
Percent capacity	89%	93%	95%	96%	77%	78%	79%
High schools	7	7	7	7	7	7	7
Total square feet	916,071	916,071	916,071	920,371	1,083,994	1,083,994	1,083,994
Total program capacity	6,995	6,995	6,995	6,995	6,995	6,995	6,995
Enrollment	6,431	6,698	6,831	7,123	6,461	6,728	7,019
Percent capacity	92%	96%	98%	102%	92%	96%	100%
Alternative schools	2	2	2	2	2	2	2
Total square feet	97,032	97,032	97,032	97,032	97,032	97,032	97,032
Enrollment	485	544	534	483	554	572	556
Charter schools	2	2	2	2	4	4	3
Enrollment	602	656	669	645	1,120	1,420	1,397
Other District Facilities							
Total square feet	132,853	132,853	132,853	132,853	132,853	144,106	144,106

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

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

Last Ten Fiscal Years

	1999	2000	2001	2002
General Fixed Assets Group / Governmental Activities				
Land/Sites	\$ 7,039,672	\$ 7,646,977	\$ 7,970,477	\$ 10,963,016
Projects in progress	-	-	-	-
Water rights	450,306	450,306	473,306	2,612,516
Capital assets not depreciated	<u>7,489,978</u>	<u>8,097,283</u>	<u>8,443,783</u>	<u>13,575,532</u>
Land Improvements	-	-	-	11,205,967
Buildings	110,817,439	131,730,048	152,318,422	103,752,158
Building Improvements	-	-	-	75,795,663
Improvements	8,255,187	8,597,633	10,785,673	-
Equipment	32,362,710	33,485,689	34,912,821	14,839,302
Capital assets depreciated	<u>151,435,336</u>	<u>173,813,370</u>	<u>198,016,916</u>	<u>205,593,090</u>
Less: accumulated depreciation				
Land Improvements	-	-	-	3,050,927
Buildings	-	-	-	27,592,543
Building Improvements	-	-	-	13,700,056
Improvements	-	-	-	-
Equipment	-	-	-	8,507,722
Total accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,851,248</u> (1)
Capital assets depreciated, net	<u>151,435,336</u>	<u>173,813,370</u>	<u>198,016,916</u>	<u>152,741,842</u>
Total capital assets,				
General Fixed Assets Group / Governmental Activities	<u>\$ 158,925,314</u>	<u>\$ 181,910,653</u>	<u>\$ 206,460,699</u>	<u>\$ 166,317,374</u>
Enterprise Fund / Business-type Activities				
Equipment	\$ 1,649,268	\$ 1,914,638	\$ 1,283,304	\$ 1,477,203
Less: accumulated depreciation	1,127,620	1,161,272	510,089	615,987
Total	<u>\$ 521,648</u>	<u>\$ 753,366</u>	<u>\$ 773,215</u>	<u>\$ 861,216</u>

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

2003	2004	2005	2006	2007	2008
\$ 11,700,106	\$ 13,101,777	\$ 16,868,344	\$ 17,281,724	\$ 18,564,441	\$ 19,792,539
3,701,002	47,988,336	20,455,309	5,072,230	8,658,126	58,980,808
2,612,516	2,612,516	2,612,516	4,089,516	4,089,516	4,122,407
18,013,624	63,702,629	39,936,169	26,443,470	31,312,083	82,895,754
11,643,568	13,803,835	16,362,434	16,974,890	19,261,023	19,261,023
104,563,622	104,563,622	163,650,732	176,858,388	178,542,911	178,624,762
76,042,521	83,590,019	87,209,911	99,353,087	99,556,995	99,725,058
-	-	-	-	-	-
15,397,086	17,487,102	23,182,130	23,950,193	25,213,065	26,120,496
207,646,797	219,444,578	290,405,207	317,136,558	322,573,994	323,731,339
3,566,526	4,222,100	4,840,750	5,681,171	6,579,135	7,477,099
29,444,832	31,298,614	33,136,901	35,314,984	39,654,107	42,877,045
15,746,468	18,049,170	19,791,865	23,283,112	26,385,211	29,472,391
-	-	-	-	-	-
9,731,386	10,746,973	11,550,228	12,658,701	14,658,269	16,644,245
58,489,212	64,316,857	69,319,744	76,937,968	87,276,722	96,470,780
149,157,585	155,127,721	221,085,463	240,198,590	235,297,272	227,260,559
<u>\$ 167,171,209</u>	<u>\$ 218,830,350</u>	<u>\$ 261,021,632</u>	<u>\$ 266,642,060</u>	<u>\$ 266,609,355</u>	<u>\$ 310,156,313</u>
\$ 1,559,536	\$ 1,576,109	\$ 1,953,186	\$ 2,249,157	\$ 2,312,660	\$ 2,324,322
737,693	848,425	971,415	1,105,986	1,253,142	1,397,420
<u>\$ 821,843</u>	<u>\$ 727,684</u>	<u>\$ 981,771</u>	<u>\$ 1,143,171</u>	<u>\$ 1,059,518</u>	<u>\$ 926,902</u>

