St. Vrain Valley
School District

Student Achievement è Well-Being è Partnerships

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

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, 2009

Dr. Randy Zila
Former Superintendent of Schools

Mr. Don Haddad
Superintendent of Schools

Prepared by: Financial Services Department

Therese M. Schueler
Chief Financial Officer

Mark E. Pillmore, CPA
Budget Director and
Former Chief Financial Officer

Jane Frederick Schein, CPA
District Accountant

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St. Vrain Valley School District RE-1J

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INTRODUCTORY SECTION

St. Vrain Valley School District RE-1J

OUR VISION

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

OUR MISSION

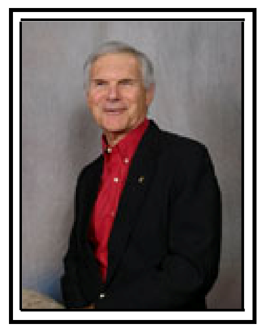
To educate each student in a safe learning environment so that they may develop to their highest potential and become contributing citizens

St. Vrain Valley School District RE-1J

BOARD OF EDUCATION
2008-2009





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 28, 2009

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

We are pleased to submit to the Board of Education, parents, taxpayers, and members the Comprehensive Annual Financial Report (CAFR) of the St. Vrain Valley School District RE-1J (the District) for the year ended June 30, 2009. State law requires that the District publish within six months of the close of each fiscal year a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (US GAAS), by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the accuracy, completeness and fairness of presentation, including all disclosures, presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the District's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the District as measured by the financial activity of its various funds, and contains all disclosures necessary to enable the reader to gain an understanding of the District's financial activities for the year ended June 30, 2009.

The District's financial statements have been audited by Bondi & Co., LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with US GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This is in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the Independent Auditors' Reports related thereto, and a schedule of findings and questioned costs are included in this document.

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

PROFILE OF THE GOVERNMENT – The District and Its Services

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

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

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 151,000 residents. Serving approximately 25,300 students, it is the tenth largest of the 178 school districts in the state. The District's Board of Education is empowered to levy a property tax on both real and personal properties located within its boundaries.

The District is the reporting entity for financial reporting purposes and is not included in any other governmental reporting entity. The financial statements of the District include all funds that are controlled by the publicly elected Board of Education. The Board of Education adopts the budget, authorizes expenditures, selects management, significantly influences operations, and is primarily accountable for fiscal matters.

The annual budget serves as the foundation of the District's financial planning and control. The District maintains extensive budgetary controls to ensure compliance with legal requirements, Board of Education policies and District administration guidelines. The legal level of budgetary control is the fund level. The District's budget must be adopted by June 30 prior to the budget year, but may be revised for any reason prior to January 31st of the budget year. Budgets are developed and monitored for compensation costs, utilities and other fixed costs at the District level, and for discretionary (site based) spending at the department or school level.

Staffing levels are authorized for each site and are tracked monthly to ensure usage within budgeted limits. On-line budget inquiry access is provided to each site's administrative staff, to allow monitoring of their discretionary budgets.

Budgetary control is also maintained through the use of an encumbrance accounting system. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for US GAAP purposes, but are reported as reservations of fund balance for subsequent years' expenditures based on the encumbered appropriation authority carried over. This system fosters responsible spending and allows site management to develop longer range spending plans. Schools' discretionary budgets also include a share of revenues generated from building rentals, and budgets contingent upon site management's compliance with District accountability policies. Under state law, each school is required to involve each employee group, the Board of Education, and the District Accountability Committee in the budget development process.

As required by accounting principles generally accepted in the United States of America, these financial statements present St. Vrain Valley School District RE-1J (the primary government) and its component units. As of June 30, 2009 there were four component units (Charter Schools). The inclusion or exclusion of component units is based on a determination of the elected official's accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

As of June 30, 2009, the District's Board of Education has approved four charter schools: Carbon Valley Academy, Flagstaff Academy, Imagine Charter School at Firestone, and Twin Peaks Charter Academy, all operational during the year ended June 30, 2009. A fifth charter school, St. Vrain Community Montessori School, is under contract effective July 1, 2009. 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.

The information included in the financial statements is perhaps best understood when it is considered from a broader perspective of the national, state and local environment within which the District operates.

ECONOMIC CONDITION AND OUTLOOK

National Economy

This summary of the national economic conditions is derived from information posted on the Congressional Budget Office (CBO) website at www.cbo.org. Specific documents cited are the *August 2009 The Budget and Economic Outlook: An Update*; and the *October 7, 2009 Monthly Budget Review*.

According to the Congressional Budget Office, although there are suggestions that the recession may have ended or is likely to end within the next few months, CBO's economic forecast anticipates a relatively slow and tentative recovery. A number of forces, including global economic weakness, continued strains in financial markets, and households' desire to rebuild their savings, are expected to restrain economic growth for the next few years.

The CBO estimates that the federal budget deficit was about $1.4 trillion in fiscal year 2009, $950 billion greater than the shortfall recorded in 2008. The 2009 deficit was equal to 9.9 percent of gross domestic product (GDP), up from 3.2 percent in 2008, and was the highest shortfall—relative to the size of the economy—since 1945. The substantial increase in the deficit resulted from both declining revenues and increased spending. Revenues in 2009 were almost $420 billion (or 17 percent) below receipts in 2008 and totaled about 15 percent of GDP, the lowest level in over 50 years. At the same time, outlays increased by over $530 billion (or 18 percent) in 2009, to nearly 25 percent of GDP, the highest level in over 50 years. Those estimates are based on data from the *Daily Treasury Statements* and CBO's projections; the Treasury Department will report the actual deficit in late October 2009. Almost half of the spending increase—$245 billion—resulted from outlays for the Troubled Asset Relief Program (TARP) and net payments to Fannie Mae and Freddie Mac. In addition, CBO estimates that spending increases and revenue reductions stemming from the American Recovery and Reinvestment Act of 2009 (ARRA) totaled almost $200 billion this year (excluding the impact on the budget from ARRA's effects on the economy).

Excluding the effects of ARRA, spending for unemployment compensation more than doubled in 2009, because of rising unemployment and increased benefits. Spending for Medicare rose by 10 percent, and outlays for Medicaid, (excluding ARRA) and Social Security benefits, grew by 9 percent. Defense spending increased by 7 percent in 2009 CBO estimates lower than the average growth rate of over 9 percent during the past decade.

The dramatic expansion of the deficit in 2009 (up from 3.2 percent of GDP in 2008) results from a projected rise in outlays of 24 percent (the largest percentage increase since 1952) and a drop in revenues of 17 percent from last year's levels (the largest percentage drop since 1932). Those changes have largely been the result of the severe economic downturn and the fiscal impact of federal policies enacted in response.

In CBO's forecast, the unemployment rate continues to rise, climbing from 9.3 percent this year to an average of 10.2 percent next year (peaking at 10.4 percent around the middle of the year), and then falls to 9.1 percent in 2011.

Interest rates are expected to remain at historically low levels for the next few years. In CBO's forecast, the interest rate on 3-month Treasury bills averages 0.2 percent in 2009 and 0.6 percent and 1.7 percent in 2010 and 2011, respectively; the rate on 10-year Treasury notes averages 3.3 percent in 2009, 4.1 percent in 2010, and 4.4 percent in 2011.

Beyond the 10-year baseline projection period, the budget remains on an unsustainable path. Unless changes are made to current policies, the nation will face a growing demand for budgetary resources caused by rising health care costs and the aging of the population. Continued large deficits and the resulting increases in federal debt over time would reduce long-term economic growth by lowering national saving and investment relative to what would otherwise occur, causing productivity and wage growth to gradually slow. Some combination of significant changes in benefit programs and other spending and tax policies will be necessary in order to attain long-term fiscal balance.

State Economy

The September 21, 2009 Office of State Planning and Budgeting (OSPB) report, the *Colorado Economic Forecast – State Revenue and Economic Quarterly Forecasts*, presents the OSPB forecast for Colorado economic and demographic indicators, including: employment and unemployment, inflation, wages and income, population and migration. A summary of this information is presented here. The full report can be found at www.colorado.gov.

The national downturn continues to influence the Colorado economy. The forecast for the Colorado economy suggests continued weakness through 2009 and a modest recovery in 2010. Among the weakest indicators for the near term are housing permits, labor market variables, and retail sales; improvement in these areas is expected to occur gradually. While expected to remain below 2008 levels in 2009, personal income and total housing permits issued are expected to increase in 2010. Improvement in most variables is expected in 2011.

Relative to the nation, Colorado, strengthened by its concentration of hi-tech companies, is anticipated to be among those states that lead the economic recovery. By comparison of several key variables, such as nonagricultural employment and personal income, Colorado has fared better than many other states during the current recession. In 2008, Colorado had the fourth-fastest growing GDP rate in the country and is anticipated to have among the strongest this year as well. Colorado added 5,400 payroll jobs in

July 2009 from June 2009, the first month-over-month increase since August 2008. In late July 2009, CNBC ranked Colorado the third top state in the nation for doing business in 2009.

Also in July 2009, the Colorado seasonally adjusted unemployment rate increased to 7.8 percent. Since March 2009, Colorado's unemployment rate has increased only 0.3 percent, which suggests potential stabilization in this variable.

Housing starts in Colorado were down 35.5 percent in 2008. The housing sector continues to remain sluggish as the economy slowly changes course. The OSPB forecast projects housing starts to decrease 42.3 percent in 2009. Retail sales remain weak both nationwide and in Colorado. As evidenced by diminished demand for both durable and non-durable goods, consumer activity has been highly responsive to the severity of the recession. High unemployment and decreased consumer spending have interacted to reduce Colorado retail trade sales, which contracted 0.8 percent in 2008. Retail trade sales are forecast to decline further in 2009 by 11.8 percent before increasing slightly in 2010.

In 2008, net in-migration to Colorado was approximately 50.0 thousand and total population growth was 2.0 percent. Colorado benefits from a broad economic base and unique tourist attractions, which make the state appealing to both businesses and people. Additionally, because Colorado is positioned as a state likely to lead the recovery, population growth is expected to increase as the state's economy recovers. This forecast projects the Colorado population to increase by 1.6 percent in 2009 and by 1.8 percent in 2010. The state's population growth, as it manifests in increased public school enrollment, creates additional pressure on the state's budget.

Expectations of a gradual economic recovery, coupled with expectations of persistent and significant slack in product and labor markets, minimize the likelihood of inflationary pressures through calendar year 2010. However, movement toward long-run rates is anticipated as the economy recovers. This OSPB forecast projects prices will decrease 1.6 percent in 2009 and 0.6 percent in 2010. Projected decline in Colorado's CPI relative to the national forecast is a reflection of continued job loss and reduced wages within the State for 2010.

As changes in consumer prices for 2009 influence the statutorily defined minimum rate of growth in per pupil funding for FY 2010-11, if deflation of this magnitude does materialize, some statewide budgetary relief would be experienced at the expense of K-12 education funding. Because personal income in Colorado is projected to decline by 0.9 percent in 2009, the 5.0 percent General Fund maintenance of effort requirement for K-12 total program is also anticipated to be suspended for FY 2010-11.

In summary, as of September 21, 2009, the OSPB is predicting that in Colorado's FY09-10 general fund there is $775 million less available for expenditure than in FY08-09. The forecasts also show $0 excess monies above the statutory reserve budgeted for at least the next three fiscal years, despite significant legislative budget cuts already implemented.

Local Economy

The largest community within the District is Longmont (the City). According to the City website, with a population of 86,194, the City has reached approximately 77% of residential build out, and 46% of its job capacity build out in commercial and industrial development.

The *2009 Financial Assessment Report*, published in September 2009, provides evidence that the local economy is mirroring the negative indicators on the state and national level.

Mid-year 2009 is showing a net decrease of 231 local jobs, many of them highly paid jobs from Seagate Corporation. This follows Longmont's net job losses in 2007 and 2008. Sales and use tax collections in 2009 are down through July while property tax collections are up slightly. Based on actual activity through July 2009, building permit revenue is down significantly from 2008 levels.

The foreclosure rate in Longmont has been increasing since 1998. Since 2004, greater than 50% of the foreclosed properties resulted in a sale of the property, but percentages sold in 2008 are down from 2007, and the value of those sold has decreased as well. As of July 31, 2009, 41% of the number of foreclosures filed has ended in a sale of the property.

Local unemployment rates increased for the first time since 2003, with Colorado's unemployment rate increasing from 3.8% to 4.9% and the Boulder-Longmont Metropolitan Statistical Area (MSA) increasing from 3.3% to 4.2%. In 2008, the unemployment rate in the Boulder-Longmont MSA continued to remain lower than the national average. As of July 31, 2009, the Boulder-Longmont MSA unemployment rate is 6.6%. One bright piece of local economic news is data from the Colorado Department of Labor and Employment shows both Boulder County and Weld County had a slight percentage gain of employees for 2008, 1.4% and .7% respectively.

The Weld County portion of the District includes the towns of Erie with a population of about 17,000, 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 2009 show an increase of more than 4 percent. Over the last 10 years, the enrollment growth has averaged approximately 690 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, was approximately 95% of the District's General Fund revenues for fiscal year 2008-2009.

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 2008, the inflation rate was 3.9% which, together with adjustments in at-risk funding, as well as increased funding for all-day kindergarten, should have resulted in an increase of 4.9% for the 2009-2010 fiscal year over 2008-2009. However, the State Legislators have mandated districts hold 1.9% of the 2009-10 per pupil funding in a fiscal emergency reserve until January 26th 2010, for potential rescission to meet shortfalls in the state budget.

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 pre-K to 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% (or 134/151) of the targets for fiscal year 2009 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 38%, which is approximately 6,900 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 three years, to nearly 29,000 by 2013.

Three new elementary schools opened in August 2008, each with strong enrollment. Black Rock Elementary opened over capacity. Four additional classrooms were added during summer 2009 to help ease the strong enrollment growth in the Erie community. Mead High School opened in the fall of 2009.

FINANCIAL INFORMATION

As of June 30, 2009, the District had a fund balance of $35.7 million in the General Fund (including its sub-funds). The increase is primarily the result of $15.9 million in 2008 mill levy revenues and $4.3 million in expenditures below budget in purchased services and supplies and materials. As a result of the required reserves of fund balance, the ending unreserved General Fund balance is $18.0 million, of which $3.7 million is designated for contingencies and $14.3 million for unexpended mill levy dollars. The District has no unreserved and undesignated ending fund balance as of June 30, 2009.

The Board placed two issues on the election ballot for November 2008 and both won voter approval. The successful 7.32 mill levy override generated nearly $16.5 million for seven designated purposes. These purposes were 1) recruitment and retention of staff, 2) focus school implementation, 3) expand instructional programming, 4) increased safety and security on school campuses, 5) enhance operations and maintenance services, 6) technology upgrades, and 7) additional funding support for charter existing schools. District voters also authorized bonds in the amount of $189 million to cover capital construction needs, including a new elementary and high school to meet enrollment growth demands.

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.

Due to a change in state statute, the District's budget adoption policy was modified to incorporate the legislative change. Instead of amending the adopted budget for any reason prior to October 31, statute now allows districts to amend at any time prior to January 31. After January 31, the Board may amend the budget only as authorized by state law.

AWARDS and ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the fifth consecutive year that the District has achieved these prestigious awards. In order to be awarded a Certificate of Achievement and a Certificate of Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report also satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the team of professionals in the Financial Services Department, as well as the independent auditors, and other administrative staff called upon to provide information and assistance. We would like to express our appreciation to all staff members who assisted and contributed to its preparation, with special thanks to 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,

Don Haddad
Superintendent of Schools

Therese M. Schueler
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, 2008

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

Angela Peterman

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, 2008

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

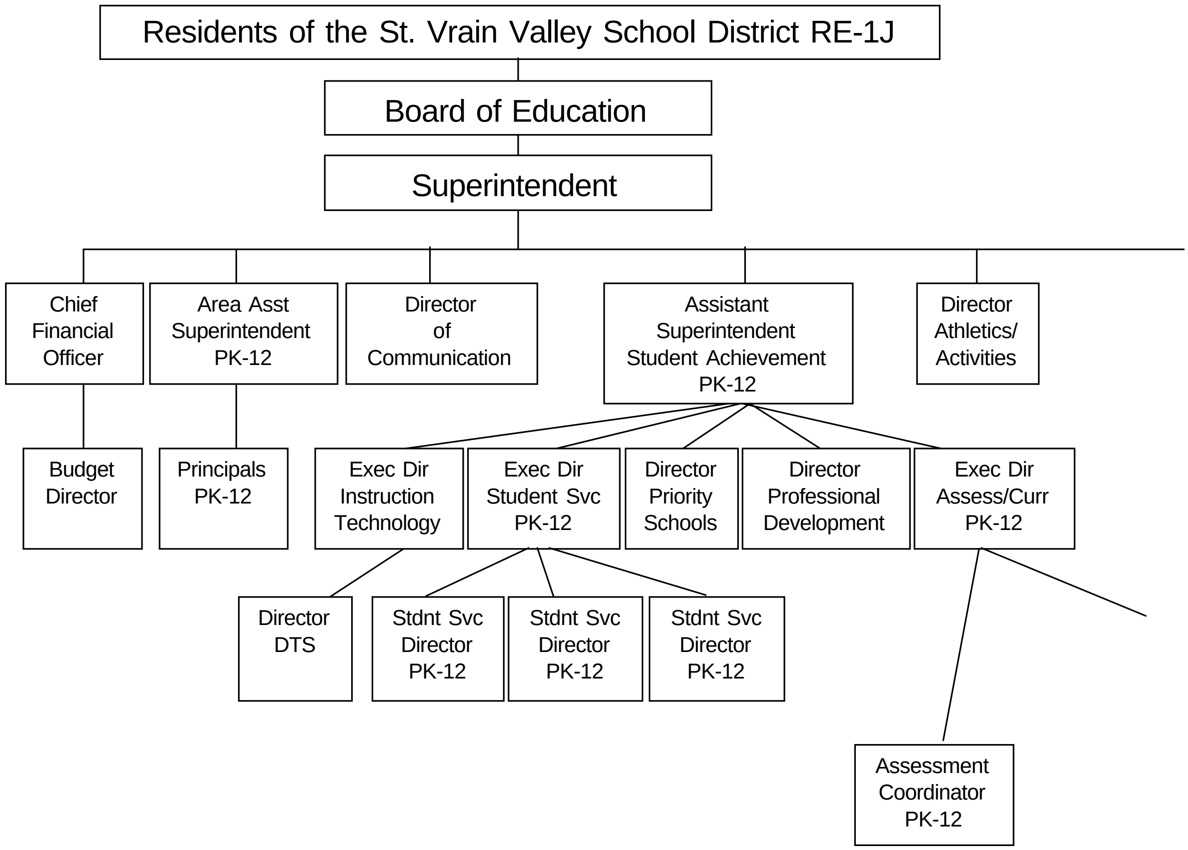
President

Executive Director

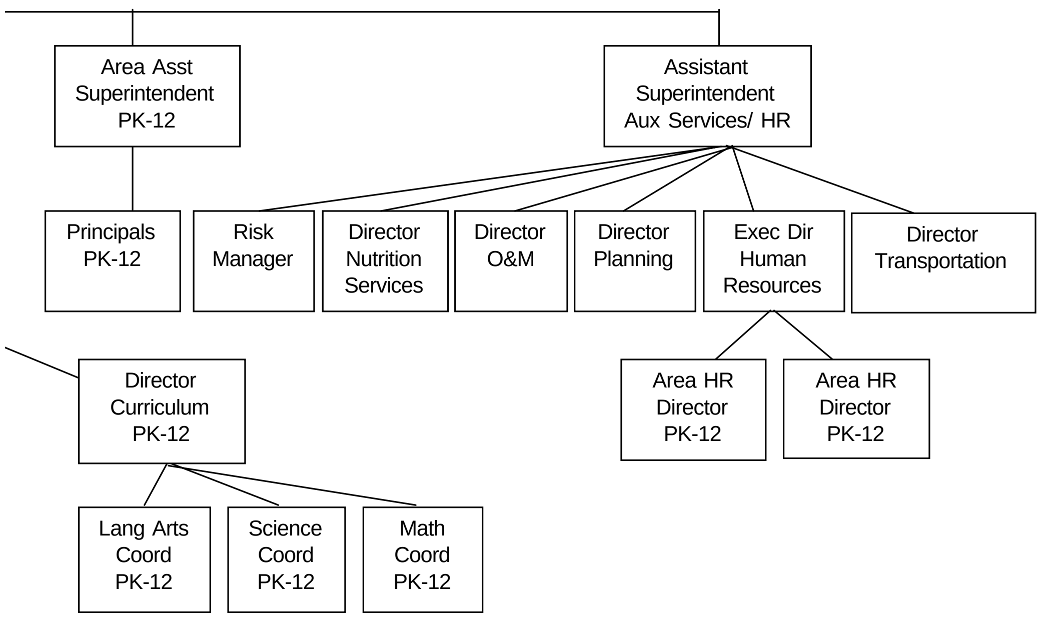
St. Vrain Valley School District RE-1J

ORGANIZATIONAL CHART

June 2009



Revised May 6, 2009


Area Asst Superintendent PK-12
Assistant Superintendent Aux Services/ HR
Principals PK-12
Risk Manager
Director Nutrition Services
Director O&M
Director Planning
Exec Dir Human Resources
Director Transportation
Director Curriculum PK-12
Area HR Director PK-12
Area HR Director PK-12
Lang Arts Coord PK-12
Science Coord PK-12
Math Coord PK-12

St. Vrain Valley School District RE-1J

Elected Officials

Board of Education as of June 2009

Board Member	Term of Office
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

Don Haddad .... Superintendent

Rick Ring .... Assistant Superintendent of Auxiliary Services

Connie Syferd .... Assistant Superintendent for Student Achievement

Terry Schueler .... Chief Financial Officer

Amy Weed .... Area Assistant Superintendent Pre-K to 12

Mark Mills .... Area Assistant Superintendent Pre-K to 12

Joe McBreen .... Executive Director of Instructional Technology

Jackie Whittington .... Executive Director of Student Services

Tori Teague .... Executive Director of Assessment and Curriculum

David Burnison .... Executive Director of Human Resources

FINANCIAL SECTION

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

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the St. Vrain Valley School District RE-1J (District), as of and for the year ended June 30, 2009, 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 Twin Peaks Charter Academy, Flagstaff Academy, Carbon Valley Academy, and Imagine Charter School at Firestone discretely presented component units, which represent 100% percent of the assets, net assets, and revenues of the District's discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the four separately authorized charter schools is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows, thereof 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

In accordance with *Government Auditing Standards,* we have also issued our report, dated October 20, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information, on pages 5 through 15 and pages 57 through 60, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors 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 introductory section; schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; combining and individual major and non-major fund financial statements and schedules; component unit financial statements; and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, combining and individual major and non-major fund financial statements and schedules, and component unit financial statements have been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Bondi & Co. LLC

October 20, 2009

BONDI & Co. LLC

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As management of the St. Vrain Valley School District RE-1J, Colorado (the District), we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. 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, 2009 by $97.3 million (net assets).

- Business-type activities have unrestricted net assets of $0.476 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 $27.1 million during the year ended June 30, 2009 which is principally attributable to the successful bond and mill levy elections in November 2008 and an increase in District's governmental activities.

- Fund balance of the District's governmental funds increased from an ending fund balance of $72.0 million for fiscal year ended June 30, 2008 to $187.7 million for fiscal year ended June 30, 2009. The increase is primarily the result of the influx of $104 million in bond proceeds into the building fund and unexpended revenues from the 2008 mill levy election.

- During the current year, the fund balance in the District's General Fund increased by $20.3 million leaving an ending fund balance of $35.7 million. The increase is primarily the result of $15.9 million in 2008 mill levy revenues and $4.3 million in expenditures below budget in purchased services and supplies and materials. As a result of the required reserves of fund balance, the ending unreserved General Fund balance is $18.0 million, of which $3.7 million is designated for contingencies and $14.3 million for unexpended mill levy dollars.

- The District's total liabilities increased $80.8 million to $430.7 million primarily due to the increase in long-term debt resulting from the issuance of the Series 2009 Building Bonds during the year.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements presented on pages 17-55 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 as of June 30, 2009 are the General Fund, the Governmental Designated-Purpose Grant 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 maintained 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. During the current fiscal year, the District liquidated its one internal service fund, Minimum Medical Insurance Liability Fund, which accounted for the collection of health and dental insurance from employees and the District from which the insurance company's retention and pooling fees were paid. However, prior to liquidation, the only activity in this fund during the current fiscal year related to run-out claims. The health and dental insurance activities are accounted for in the General Fund.

The basic proprietary fund financial statements are presented on pages 25-27 of this report.

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

The basic fiduciary fund financial statements are presented on pages 28-29 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found on pages 31-55 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information as well as 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 58-83 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 56% 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 2010. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2010.

As of June 30, 2009, the assets of the primary government's governmental activities exceed liabilities by $95.7 million with an unrestricted balance of $43.0 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 past two prior fiscal years.

The amount "invested in capital assets, net of related debt" increased as a result of activity in the Building Fund. A net investment of $17.5 million in land, buildings, and equipment to provide the services to the District's approximate 25,300 public school students represents 18% 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 $5.5 million as of June 30, 2009. Net assets restricted for debt service increased almost $4 million resulting in a total of $30.8 million.

As mentioned earlier, the $80.8 million increase in liabilities is primarily due to the increase of long-term liabilities resulting from the issuance of the 2009 series of bonds.

Table 1 provides a summary of the District's net assets as of June 30, 2009 compared to June 30, 2008.

Table 1
Comparative Summary of Net Assets
As of June 30, 2009 and 2008
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008 - 2009
Assets							
Current assets	$ 180,895	$ 79,612	$ 714	$ 1,017	$ 181,609	$ 80,629	125.24%
Noncurrent assets excluding capital assets	32,901	28,399	-	-	32,901	28,399	15.85%
Capital assets	312,365	310,156	1,076	927	313,441	311,083	0.76%
Total assets	526,161	418,167	1,790	1,944	527,951	420,111	25.67%
Liabilities							
Current liabilities	18,845	30,425	238	322	19,083	30,747	-37.94%
Long-term liabilities	411,591	319,160	-	-	411,591	319,160	28.96%
Total liabilities	430,436	349,585	238	322	430,674	349,907	23.08%
Net Assets							
Invested in capital assets - net of related debt	16,389	15,918	1,076	927	17,465	16,845	3.68%
Restricted for							
TABOR	5,513	5,120	-	-	5,513	5,120	7.68%
Debt service	30,802	27,000	-	-	30,802	27,000	14.08%
Unrestricted	43,021	20,544	476	695	43,497	21,239	104.80%
Total net assets	$ 95,725	$ 68,582	$ 1,552	$ 1,622	$ 97,277	$ 70,204	38.56%

Government-wide Activities

Governmental activities increased the net assets of the District by almost $27.2 million while Business-type Activities decreased the net assets by nearly $0.1 million, resulting in the overall increase of $27.1 million in the net assets of the District. Table 2 provides a summary of the District's change in net assets for 2009 compared to 2008.

Table 2
Comparative Schedule of Changes in Net Assets
For the Years Ended June 30, 2009 and 2008
(in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008 - 2009
Revenues							
Program revenues							
Charges for services	$ 10,075	$ 7,899	$ 3,776	$ 3,574	$ 13,851	$ 11,473	20.73%
Operating grants & contributions	14,558	13,201	3,661	3,107	18,219	16,308	11.72%
Capital grants & contributions	200	507	313	-	513	507	1.18%
General revenues							
Property, specific ownership, and mill levy override taxes	110,436	89,281	-	-	110,436	89,281	23.69%
State revenue	100,658	90,265	-	-	100,658	90,265	11.51%
Other	4,489	5,681	6	24	4,495	5,705	-21.21%
Total revenues	240,416	206,834	7,756	6,705	248,172	213,539	16.22%
Expenses							
Instruction	127,682	122,241	-	-	127,682	122,241	4.45%
Supporting services	69,746	60,630	7,826	7,070	77,572	67,700	14.58%
Interest expense	15,845	15,500	-	-	15,845	15,500	2.23%
Total expenses	213,273	198,371	7,826	7,070	221,099	205,441	7.62%
Increase (decrease) in net assets	27,143	8,463	(70)	(365)	27,073	8,098	234.32%
Net assets - 7/1	68,582	60,119	1,622	1,987	70,204	62,106	13.04%
Net assets - 6/30	$ 95,725	$ 68,582	$ 1,552	$ 1,622	$ 97,277	$ 70,204	38.56%

Total assets of governmental activities increased by $108.0 million attributed to the following elements:

Comparative Schedule of Assets of Governmental Activities
As of June 30, 2009 and 2008

	2009	2008	Increase (Decrease)
Cash and investments	$ 202,335,546	$ 98,911,975	$ 103,423,571
Accounts receivable	223,641	222,394	1,247
Internal balances	-	316,157	(316,157)
Due from component units	-	15,343	(15,343)
Grants receivable	3,617,650	2,552,873	1,064,777
Interest receivable	39,360	125,282	(85,922)
Taxes receivable	4,802,434	3,519,950	1,282,484
Prepaid expenses	14,257	14,257	-
Deposits	28,000	28,000	-
Inventories	279,157	470,427	(191,270)
Deferred charges	2,456,181	1,834,671	621,510
Capital assets			
Non-depreciable	25,944,643	82,895,754	(56,951,111)
Depreciable, net	286,420,143	227,260,559	59,159,584
Total assets	$ 526,161,012	$ 418,167,642	$ 107,993,370

The net increase in cash and investments (which includes unrestricted and restricted cash and investments) is primarily due to the increase in the building fund from the 2009 series bond issuance and the $15.9 million of 2008 mill levy revenue designated for specific purposes. 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. Taxes receivable jumped from an increase of $34,000 in 2006, to increases in 2007 and 2008 of over $600,000 annually. The doubling of this annual increase to $1.3 million reflects the impact of the national recession on the local economy. The increase in grants receivable is due to the delayed receipt of reimbursable spending within the fund. Interest receivable reflects interest earned through June 2009 that was not received until July 2009; the reduced amount is a result the severe drop in interest rates for secure investments. The increase in capital assets during the current year is due to the completion of three elementary schools, which opened in August 2008, and the construction of the new high school which opened in August 2009.

Total liabilities of governmental activities increased by $80.9 million as follows:

Comparative Schedule of Liabilities of Governmental Activities
As of June 30, 2009 and 2008

	2009	2008	Increase (Decrease)
Accounts payable	$ 4,047,783	$ 6,028,193	$ (1,980,410)
Due to component units	62,507	-	62,507
Retainage payable	216,130	3,756,657	(3,540,527)
Accrued salaries, benefits, withholdings	13,221,775	19,216,504	(5,994,729)
Accrued interest payable	797,278	606,311	190,967
Claims payable	499,005	817,543	(318,538)
Unearned revenues	1,973,736	2,158,316	(184,580)
Noncurrent liabilities			
Due within one year	12,716,800	12,103,851	612,949
Due in more than one year	396,900,594	304,897,775	92,002,819
Total liabilities	$ 430,435,608	$ 349,585,150	$ 80,850,458

Accounts payable decreased primarily due to the completion of construction projects that began during the spring of 2007. The decrease in retainage payable is also related to the completed construction projects. The decrease in accrued salaries, benefits and withholdings is primarily due to the change in employment contract terms from September to August in fiscal year 2008 to August to July in fiscal year 2009. The increase in accrued interest payable is the result of the 2009 series bond issuance. 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, 2009. Unearned revenues decreased as a result of income recognition for fiscal year 2009. Noncurrent liabilities due within one year was adjusted to bond amortization schedules as of June 30, 2008, resulting in a slight increase. Noncurrent liabilities due in more than one year also increased as a result of the 2009 series bond issuance of $104 million during fiscal year 2009.

Total assets of business-type activities decreased by $153,987 as follows:

Comparative Schedule of Assets of Business-Type Activities
As of June 30, 2009 and 2008

	2009	2008	Increase (Decrease)
Cash and investments	$ 375,673	$ 758,981	$ (383,308)
Accounts receivable	37,948	266,336	(228,388)
Internal balances	-	(316,157)	316,157
Inventories	300,896	308,073	(7,177)
Capital assets, net of accumulated depreciation	1,075,631	926,902	148,729
Total assets	$ 1,790,148	$ 1,944,135	$ (153,987)

Cash and investments decreased by $383,308 primarily due to the decrease of accounts receivable. Net capital assets have increased due to exceeding current year additions of capital assets, primarily from new construction, exceeding depreciation.

Total liabilities for business-type activities decreased by $83,612 to $238,418.

Comparative Schedule of Liabilities of Business-Type Activities
As of June 30, 2009 and 2008

	2009	2008	Increase (Decrease)
Accrued salaries and benefits	$ 124,993	$ 200,008	$ (75,015)
Unearned revenues	113,425	122,022	(8,597)
Total liabilities	$ 238,418	$ 322,030	$ (83,612)

The change in employee contract year mentioned previously contributed to the decreased accrued salaries and benefits of $75,015 at year end. Unearned revenues decreased by $8,597 from June 30, 2008 to June 30, 2009 as the result of the decrease in commodities inventories during the year.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA, the District received $6,742 per funded pupil. For the fiscal year ended June 30, 2009, the funded pupil count was 23,901. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and state equalization. The District receives approximately 62.5% 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, 2009 and 2008
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
Instruction	$ 127,682	$ 122,241	$ 108,357	$ 105,533
Supporting services	69,746	60,630	64,238	55,730
Interest expense	15,845	15,500	15,845	15,500
	$ 213,273	$ 198,371	$ 188,440	$ 176,763

Key elements of the governmental activities are as follows:

- The cost of all governmental activities this year was $213.3 million compared to $198.4 million last year. Over 36% of the increase was in instruction; the balance was attributed to supporting services primarily to implement 2008 bond and mill levy initiatives. Interest expense increased slightly from the prior year due to the issuance of bonds.

- Over $10.0 million of the cost was financed by the users of the District's programs in the form of charges for services, an increase of over $2 million from 2008. 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 $14.8 million, an increase over the $13.7 million received during fiscal year 2008.

- The majority of the District's net cost of services, $188.4 million, was financed by State and District taxpayers.

- General revenues accounted for $215.6 million in revenue which was 89.7% of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions, accounted for $24.8 million or 10.3% of total revenues of $240.4 million. These percentages remain consistent with 2008 revenues

Business-type activities consist of the Nutrition Services Fund. This program had revenues and transfers in totaling $7.75 million and expenses of $7.83 million. The operating deficit in fiscal year 2009 was 80% less than the operating deficit in fiscal year 2008. 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 $187.7 million, an increase of $115.7 million in comparison with the prior year. As noted earlier, this increase is due primarily to revenues from the successful 2008 mill levy and bond elections. The successful mill levy election also contributed to the General Fund's significant budgetary variance between the original budget and the final amended budget. Revenues, as amended, increased $18.7 million, or 11%, over the adopted budget.

Among major funds, the General Fund had $186.8 million in revenues, and $166.6 million in expenditures and other financing uses. The General Fund's fund balance increased by $20.3 million to $35.7 million. The increase is primarily the result of $15.9 million in 2008 mill levy revenues and $4.3 million in expenditures below budget in purchased services and supplies and materials. The General Fund is the chief operating fund of the District. As a result of the required reserves of fund balance, the ending unreserved General Fund balance is $18.0 million, of which $3.7 million is designated for contingencies and $14.3 million for unexpended mill levy dollars.

Fiscal year 2009 is the first year that Governmental Designated-Purpose Grants Fund met the qualifications to become a major fund. Revenues of $8.9 million were offset by equal expenditures

The fund balance of the Bond Redemption Fund increased by $3.8 million, resulting in a balance of $30.8 million as of June 30, 2009. This was the net result of revenues of $31.1 million, and current year payments of existing debt of $27.3 million. The Bond Redemption Fund has adequate resources accumulated to make the December 2009 principal and interest payments. The mill levy to accumulate resources for the June 2010 interest payment will be certified in December 2009.

The Building Fund is used to record the proceeds, interest revenue and corresponding construction expenditures for bonds. The Building Fund's fund balance increased by $90.5 million due to a $104 million net increase resulting from the issuance of new debt authorized by the successful 2008 bond election. The fund had total other revenues of $1 million and expenditures of $14 million in construction of schools and other capital improvements during the year.

Capital Assets and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2009 is $313.4 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 $2.4 million. Major capital events during the year included the completion of three new elementary schools, which opened in late summer of 2008, and one new high school, which opened in the fall of 2009.

Table 4 shows fiscal year 2009 capital assets compared to 2008.

Table 4
Comparative Schedule of Capital Assets
As of June 30, 2009 and 2008
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008 - 2009
Land	$ 19,793	$ 19,793	$ -	$ -	$ 19,793	$ 19,793	0.00%
Water rights	4,341	4,122	-	-	4,341	4,122	5.31%
Projects in progress	1,811	58,981	-	-	1,811	58,981	-96.93%
Land improvements	11,754	11,784	-	-	11,754	11,784	-0.25%
Buildings	198,896	135,748	-	-	198,896	135,748	46.52%
Building improvements	67,302	70,252	-	-	67,302	70,252	-4.20%
Equipment	8,468	9,476	1,076	927	9,544	10,403	-8.26%
Totals	$ 312,365	$ 310,156	$ 1,076	$ 927	$ 313,441	$ 311,083	0.76%

Additional information on the District's total capital assets can be found in Note 5 beginning on page 44.

Debt Administration. The District was assigned underlying ratings of AA- from Standard & Poor's and an A1 rating from Moody's Investors Service for its general obligation bond issue in 2009. 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, 2009 as compared to June 30, 2008 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 $454 million and the legal debt margin was $62 million.

Table 5
Comparative Schedule of Outstanding Debt
As of June 30, 2009 and 2008
(in Thousands)

	2009	2008	Increase (Decrease)
General obligation bonds	$ 391,990	$ 299,035	$ 92,955
Deferred bond premium	14,628	14,816	(188)
Capital leases	623	1,014	(391)
Benefits payable	2,376	2,137	239
Total debt	$ 409,617	$ 317,002	$ 92,615

Additional information on the District's total bonded debt can be found in Note 8 beginning on page 46 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 was expecting to receive $6,783 per full time pupil (FTE) for the 2008-2009 school year, which would have been an increase of 3.6% over the 2007-2008 funding of $6,548 per pupil. Instead, because of rescissions at the state level equating to $41 per pupil, 2008-09 per pupil funding from the school finance formula was $6,742, an increase of only 3%.

- These rescissions look to grow in the future as the state of Colorado struggles with serious deficits. School District per pupil revenue was expected to grow by 4.9% in fiscal year 2010, with an inflation rate of 3.9% and the additional 1% from Amendment 23. The state has mandated that 1.9% of this increase be held by the Districts until January 2010 for a possible rescission. This equates to $3.4 million for the District. State officials are warning of additional Pre-K to 12 cuts in 2010-2011 ranging from $140 - $250 million statewide.

- The successful mill levy election in November 2008 increased the District's per pupil revenue by $690 in 2008-2009, for total override revenues of $16.5 million.

- The District's assessed valuation is up 5% for 2009-2011 so the override revenue is expected to grow.

- The District continues to increase in enrollment each year, and the District's adopted budget estimated an additional 717 pupil FTE, which represents $5.1 million additional revenue included above.

In July 2009, Deputy Superintendent Don Haddad succeeded retiring Superintendent Dr. Randy Zila as the new Superintendent of Schools. He is currently establishing goals in student achievement, finances and communication for the next 5 years.

In order to provide adequate cash flow for operations during the year, the District has participated 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 fiscal year 2008 contract as well as the first month of the fiscal year 2009 contract. The successful mill levy override election generated a positive cash flow so the District did not have to use the loan program in fiscal year 2009 and is not expected to need to borrow from the state in fiscal year 2010.

The adopted General Fund budget for fiscal year 2009-2010 does not yet include compensation increases because negotiations with the Education Association have not concluded. The results of negotiations and the state financial shortfall will be deciding factors in the future of the District's 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 .

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

BASIC FINANCIAL STATEMENTS

St. Vrain Valley School District RE-1J

Statement of Net Assets
June 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Charter Schools
Assets				
Cash and investments	$ 171,890,760	$ 375,673	$ 172,266,433	$ 11,940,799
Accounts receivable	223,641	37,948	261,589	204,171
Due from primary government	-	-	-	62,507
Grants receivable	3,617,650	-	3,617,650	35,905
Interest receivable	39,360	-	39,360	3,965
Taxes receivable	4,802,434	-	4,802,434	-
Prepaid expenses	14,257	-	14,257	97,930
Deposits	28,000	-	28,000	1,500
Inventories	279,157	300,896	580,053	-
Deferred charges	2,456,181	-	2,456,181	715,491
Restricted cash and investments	30,444,786	-	30,444,786	-
Capital assets,				
Non-depreciable	25,944,643	-	25,944,643	1,092,666
Depreciable, net	286,420,143	1,075,631	287,495,774	27,128,547
Total assets	526,161,012	1,790,148	527,951,160	41,283,481
Liabilities				
Accounts payable	4,047,783	-	4,047,783	1,473,294
Due to component units	62,507	-	62,507	-
Retainage payable	216,130	-	216,130	458,616
Accrued salaries and benefits	7,903,809	124,993	8,028,802	599,271
Payroll withholdings	5,317,966	-	5,317,966	-
Accrued interest payable	797,278	-	797,278	24,190
Claims payable	499,005	-	499,005	-
Unearned revenues	1,973,736	113,425	2,087,161	156,770
Noncurrent liabilities				
Due within one year	12,716,800	-	12,716,800	80,000
Due in more than one year	396,900,594	-	396,900,594	32,820,000
Total liabilities	430,435,608	238,418	430,674,026	35,612,141
Net Assets				
Invested in capital assets, net of related debt	16,389,200	1,075,631	17,464,831	(4,678,787)
Restricted for				
TABOR	5,512,922	-	5,512,922	353,011
Debt service	30,801,518	-	30,801,518	512,154
Unrestricted	43,021,764	476,099	43,497,863	9,484,962
Total net assets	$ 95,725,404	$ 1,551,730	$ 97,277,134	$ 5,671,340

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, 2009

		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
Instruction	$ 127,681,937	$ 9,973,290	$ 9,351,430	$ -
Supporting services	69,745,866	101,610	5,206,828	199,537
Interest expense	15,845,498	-	-	-
Total governmental activities	213,273,301	10,074,900	14,558,258	199,537
Business-type activities				
Food services	7,825,813	3,776,079	3,661,169	312,655
Total business-type activities	7,825,813	3,776,079	3,661,169	312,655
Total primary government	$ 221,099,114	$ 13,850,979	$ 18,219,427	$ 512,192
COMPONENT UNITS				
Instruction	$ 7,208,747	$ 566,126	$ 219,745	$ -
Supporting services	5,585,536	195,273	-	119,853
Interest expense	1,194,875	-	-	-
Total component units	$ 13,989,158	$ 761,399	$ 219,745	$ 119,853

General Revenues
Property taxes
Specific ownership taxes
Mill levy override
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
$ (108,357,217)	$ -	$ (108,357,217)	$ -
(64,237,891)	-	(64,237,891)	-
(15,845,498)	-	(15,845,498)	-
(188,440,606)	-	(188,440,606)	-
-	(75,910)	(75,910)	-
-	(75,910)	(75,910)	-
(188,440,606)	(75,910)	(188,516,516)	-
-	-	-	(6,422,876)
-	-	-	(5,270,410)
-	-	-	(1,194,875)
-	-	-	(12,888,161)
88,457,619	-	88,457,619	-
6,054,107	-	6,054,107	-
15,923,875	-	15,923,875	-
100,658,351	-	100,658,351	13,252,098
1,690,910	5,535	1,696,445	150,293
2,798,656	-	2,798,656	393,843
215,583,518	5,535	215,589,053	13,796,234
27,142,912	(70,375)	27,072,537	908,073
68,582,492	1,622,105	70,204,597	4,730,457
-	-	-	32,810
68,582,492	1,622,105	70,204,597	4,763,267
$ 95,725,404	$ 1,551,730	$ 97,277,134	$ 5,671,340

St. Vrain Valley School District RE-1J

Balance Sheet
Governmental Funds
June 30, 2009

	General	Governmental Designated-Purpose Grants Fund	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments - unrestricted	$ 46,523,984	$ -	$ -	$ 114,068,030	$ 11,298,746	$ 171,890,760
Cash and investments - restricted	-	-	30,444,786	-	-	30,444,786
Accounts receivable	200,151	-	-	-	23,490	223,641
Due from other funds	3,488,225	-	-	-	-	3,488,225
Grants receivable	109,127	3,508,523	-	-	-	3,617,650
Interest receivable on investments	-	-	124	39,236	-	39,360
Taxes receivable	3,299,874	-	1,502,560	-	-	4,802,434
Prepaids	-	-	-	-	14,257	14,257
Deposits	-	-	-	-	28,000	28,000
Inventories	279,157	-	-	-	-	279,157
Total assets	$ 53,900,518	$ 3,508,523	$ 31,947,470	$ 114,107,266	$ 11,364,493	$ 214,828,270
Liabilities						
Accounts payable	$ 1,169,461	$ 89,240	$ 500	$ 2,586,425	$ 202,157	$ 4,047,783
Due to other funds	341,616	2,681,402	-	-	465,207	3,488,225
Due to component units	62,507		-	-	-	62,507
Retainage payable	-	-	-	216,130	-	216,130
Accrued salaries and benefits	7,112,183	520,942	-	1,135	269,549	7,903,809
Payroll withholdings	5,317,966	-	-	-	-	5,317,966
Claims payable	499,005	-	-	-	-	499,005
Deferred revenues	3,683,070	216,939	1,145,452	166,511	375,053	5,587,025
Total liabilities	18,185,808	3,508,523	1,145,952	2,970,201	1,311,966	27,122,450
Fund Balances						
Reserved for deposits, inventories, prepaids	279,157	-	-	-	42,257	321,414
Reserved for debt service	-	-	21,421,798	-	-	21,421,798
Reserved for capital projects	-	-	-	111,137,065	-	111,137,065
Reserved for statutory requirements	4,596,975	-	-	-	-	4,596,975
Reserved for TABOR	5,512,922	-	-	-	-	5,512,922
Reserved for encumbrances	2,281,244	-	-	-	-	2,281,244
Reserved for Colorado Preschool Program	374,331	-	-	-	-	374,331
Reserved for risk management activities	4,637,168	-	-	-	-	4,637,168
Unreserved, designated for contingencies,						
General Fund	3,675,281	-	-	-	-	3,675,281
Special Revenue Funds	-	-	-	-	-	-
Unreserved, designated for MLO						
General Fund	14,357,632	-	-	-	-	14,357,632
Unreserved, designated for subsequent year expenditures reported in						
General Fund						-
Special Revenue Funds	-	-	-	-	5,268,001	5,268,001
Unreserved, undesignated reported in						
General Fund	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	4,742,269	4,742,269
Debt Service Fund	-	-	9,379,720	-	-	9,379,720
Total fund balances	35,714,710	-	30,801,518	111,137,065	10,052,527	187,705,820
Total liabilities and fund balances	$ 53,900,518	$ 3,508,523	$ 31,947,470	$ 114,107,266	$ 11,364,493	$ 214,828,270

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

St. Vrain Valley School District RE-1J

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2009

Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds total fund balances (page 20)	$ 187,705,820
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	312,364,786
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.	3,613,289
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.	(14,627,793)
Bond reacquisition costs are not recognized in the governmental funds but are deferred in the statement of net assets	2,456,181
Long-term liabilities, including capital leases ($623,268), compensated absences ($2,376,333), and bonds payable ($391,990,000), as well as related accrued interest ($797,278) are not due and payable in the current period and, therefore, are not reported in the funds.	(395,786,879)
Net assets of governmental activities (page 17)	$ 95,725,404

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, 2009

	General	Governmental Designated-Purpose Grants Fund	Bond Redemption	Building	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 56,156,965	$ -	$ 30,967,684	$ -	$ -	$ 87,124,649
Specific ownership taxes	6,054,107	-	-	-	-	6,054,107
Mill levy override	15,923,875	-	-	-	-	15,923,875
Investment income	525,211	-	92,942	932,056	140,701	1,690,910
Charges for services	3,740,044	-	-	-	3,332,253	7,072,297
Pupil activities	-	-	-	-	3,002,603	3,002,603
Miscellaneous	2,339,884	-	-	44,201	259,448	2,643,533
Local intergovernmental	-	24,271	-	-	-	24,271
State intergovernmental	101,799,842	550,391	-	-	4,296,876	106,647,109
Federal intergovernmental	279,736	8,289,764	-	-	-	8,569,500
Total revenues	186,819,664	8,864,426	31,060,626	976,257	11,031,881	238,752,854
Expenditures						
Current						
Instruction	108,445,446	4,645,263	-	2,051,919	6,582,785	121,725,413
Supporting services	57,019,909	4,109,463	-	4,511,168	293,160	65,933,700
Capital outlay	776,461	109,700	-	7,632,114	3,358,949	11,877,224
Debt service						
Principal	-	-	11,045,000	-	-	11,045,000
Interest and fiscal charges	-	-	16,214,243	-	-	16,214,243
Total expenditures	166,241,816	8,864,426	27,259,243	14,195,201	10,234,894	226,795,580
Excess (deficiency) of revenues over (under) expenditures	20,577,848	-	3,801,383	(13,218,944)	796,987	11,957,274
Other Financing Sources (Uses)						
Issuance of debt	-	-	-	104,000,000	-	104,000,000
Premium received on bond issuance	-	-	-	504,199	-	504,199
Payment to bond escrow agent	-	-	-	(751,347)	-	(751,347)
Transfers from agency fund	-	-	-	-	17,734	17,734
Transfers in	-	-	-	-	360,091	360,091
Transfers out	(326,506)	-			(33,585)	(360,091)
Total other financing sources (uses)	(326,506)	-	-	103,752,852	344,240	103,770,586
Net change in fund balances	20,251,342	-	3,801,383	90,533,908	1,141,227	115,727,860
Fund balances, beginning	15,463,368	-	27,000,135	20,603,157	8,911,300	71,977,960
Fund balances, ending	$ 35,714,710	$ -	$ 30,801,518	$ 111,137,065	$ 10,052,527	$ 187,705,820

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, 2009

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

Net change in fund balances of governmental funds (page 22)		$ 115,727,860
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	$ (10,223,875)	
Capital outlay - capitalized	15,300,314	
Net effect of deleted assets	(2,867,966)	2,208,473
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	692,352	
Current year amortization of deferred charges	(132,640)	
Change in deferred property tax accrual	1,332,970	1,892,682
In the statement of activities, certain accrued sick leave and vacation benefits are measured by the amounts earned during the year. However, in the governmental funds, expenditures for this item are measured by the amount actually paid. This year, the amount of accrued sick and vacation leave increased as follows:		
Accrued annual leave earned during the year	(263,271)	
Accrued vacation earned during the year	(619,133)	
Amount paid during the year	642,834	(239,570)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Following are the net effect of these differences.		
Bond proceeds	(104,000,000)	
Premium received on issuance of bonds	(504,199)	
Bond principal payments	11,045,000	
Accrued interest expense on bonds	(190,967)	
Bond reacquisition costs	754,150	
Long-term lease payments	390,649	(92,505,367)
Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the statement of activities. The net revenue (expense) of the liquited internal service fund is reported with governmental activities.		58,834
Change in net assets of governmental activities (page 19)		$ 27,142,912

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 Fund
June 30, 2009

	Business-type Activities
	Enterprise Fund
Assets	
Current assets	
Cash and cash equivalents	$ 375,673
Accounts receivable	37,948
Inventories	300,896
Total current assets	714,517
Capital assets	
Machinery and equipment	2,634,246
Accumulated depreciation	(1,558,615)
Total capital assets, net	1,075,631
Total assets	1,790,148
Liabilities	
Current liabilities	
Accrued salaries and benefits	124,993
Deferred revenues	113,425
Total liabilities	238,418
Net Assets	
Invested in capital assets	1,075,631
Unrestricted	476,099
Total net assets	$ 1,551,730

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 Fund
For the Year Ended June 30, 2009

	Business-type Activities
	Enterprise Fund
Operating Revenues	
Charges for services	$ 3,694,543
Miscellaneous	81,536
Total operating revenues	3,776,079
Operating Expenses	
Salaries and benefits	3,670,528
Purchased services	374,982
Supplies and materials	3,380,230
Repairs and maintenance	44,521
Other	189,981
Depreciation	165,571
Total operating expenses	7,825,813
Operating loss	(4,049,734)
Nonoperating Revenues (Expenses)	
Investment income	5,535
State match	112,758
National School Lunch/Breakfast Program	3,179,954
Commodities	374,763
Loss on disposal of equipment	(6,306)
Total nonoperating revenues	3,666,704
(Loss) before contributions	(383,030)
Capital contributions	312,655
Changes in net assets	(70,375)
Net assets, beginning	1,622,105
Net assets, ending	$ 1,551,730

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

St. Vrain Valley School District RE-1J

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2009

	Business-type Activities
	Enterprise Fund
Cash Flows from Operating Activities	
Cash received from customers	$ 3,767,482
Cash paid to suppliers	(3,607,774)
Cash paid to employees	(3,745,543)
Net cash used in operating activities	(3,585,835)
Cash Flows from Noncapital Financing Activities	
Cash received from State of Colorado	112,758
Cash received from Federal government	3,408,342
Cash loaned from other funds	(316,157)
Net cash provided by noncapital financing activities	3,204,943
Cash Flows from Capital and Related Financing Activities	
Purchases of equipment	(7,951)
Cash Flows from Investing Activities	
Investment income	5,535
Decrease in cash and cash equivalents	(383,308)
Cash and cash equivalents, beginning of the year	758,981
Cash and cash equivalents, end of the year	$ 375,673
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating loss	$ (4,049,734)
Adjustments to reconcile operating loss to Net cash used by operating activities	
Depreciation	165,571
Commodities	374,763
Changes in assets and liabilities	
Inventories	7,177
Accrued salaries and benefits	(75,015)
Deferred revenues	(8,597)
Net cash used by operating activities	$ (3,585,835)
Noncash Transactions	
Commodities received	$ 374,763
Capital contributions	$ 312,655

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, 2009

	Private Purpose Trust - Student Scholarship	Agency - Student Activity
Assets		
Cash and investments	$ 218,457	$ 1,225,792
Accounts receivable	-	3,776
Total assets	218,457	$ 1,229,568
Liabilities		
Accounts payable	-	$ 164,123
Accrued salaries and benefits	-	85
Undistributed monies	-	1,065,360
Total liabilities	-	$ 1,229,568
Net Assets		
Held in trust	$ 218,457	

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, 2009

	Private Purpose Trust - Student Scholarship
Additions	
Investment income	$ 1,806
Contributions	63,029
Total additions	64,835
Deductions	
Scholarships	60,128
Total deductions	60,128
Change in net assets	4,707
Net assets, beginning	213,750
Net assets, ending	$ 218,457

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

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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 25 elementary, 9 middle, 4 charter, 1 middle/senior, and 6 high schools serving approximately 25,300 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 four charter school applications, Carbon Valley Academy, grades K-8; Flagstaff Academy, grades K-8; Imagine Charter School at Firestone, grades pre-K to 8; and Twin Peaks Charter Academy, grades K-8. Although a fifth charter school application, St. Vrain Community Montessori School, pre-K to 6, 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, Flagstaff Academy, Imagine Charter School at Firestone, and Twin Peaks Charter Academy are available from the individual charter schools.

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

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

Government Designated-Purpose Grants Fund – This special revenue fund is used to account for restricted state and federal grants that are obtained primarily to provide for specific instructional programs.

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

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

The remaining governmental funds are Special Revenue Funds that are considered nonmajor. These funds account for revenues derived from earmarked revenue sources, including transfers from the General Fund, charges for supporting educational services, and tuition. Special Revenue Funds consist of *Capital Reserve Fund, Community Education Fund, Fair Contributions Fund, 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. During the current fiscal year, the District liquidated its one internal service fund as follows: *Minimum Medical Insurance Liability Fund* – This fund accounted for the collection of health and dental insurance from employees and the District from which the insurance company's retention and pooling fees were paid. However, prior to liquidation, the only activity in this fund during the current fiscal year related to run-out claims. The health and dental insurance activities are accounted for in the General Fund.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting.* With this measurement focus, operating statements present increases and decreases in net current assets and 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (Continued)

donates surplus commodities to supplement the National School Lunch Program. Such commodities are recorded as nonoperating revenues when expended.

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

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

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

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

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

Employees may accumulate annual leave. Accumulated annual leave is payable upon leaving the District if certain criteria are met. Classified employees with 10 or more years of 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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Equity (Continued)

agreements. Deferred charges include the difference between the reacquisition price and the net carrying amount of the old debt in a refunding of debt.

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; Mill Levy Override; and encumbrances as of June 30, 2009.

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 2009 is as follows:

Tax Year

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

Collection Year

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

Property taxes are recorded initially at the budgeted collection rate as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected 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, 2009 in the amount of $3,613,289. 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.

The Bond Redemption Fund's expenditures of $27,259,243 exceed budgeted appropriations of $25,602,320. In February 2009, the District issued $104,000,000 general obligation building bonds of the $189,000,000 authorized by voters during the November 2008 election. This issuance required an interest payment of $1,658,623 in June 2009.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

Additionally, the Governmental Designated-Purpose Grants Fund's expenditures of $8,864,426 exceed budgeted appropriations of $8,507,000. Although the Grants Fund's revenues exceed budgeted revenues, these were not appropriated by June 30, 2009. These may be violations of the annual appropriated budget.

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, 2009, the District complied with the statutory requirement to budget $184 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 2009 and prior is $4,395,987 and is fully reserved in fund balance as part of the statutory requirement.

For the year ended June 30, 2009, a combined minimum of $298 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 2008 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	$ 4,296,876	$ 2,366,000	$ 527,549	$ 7,190,425
Funded enrollment Oct 2008 (unaudited)	22,135.8	22,135.8	1,765.3	23,901.1
Per pupil expenditure	$ 194	$ 107	$ 299	$ 301

NOTE 3: DEPOSITS AND INVESTMENTS

At June 30, 2009, the District's deposits and investments were reported in the financial statements as follows:

Governmental activities	$ 202,335,546
Business-type activities	375,673
Agency	1,225,792
Private purpose trust scholarship	218,457
	$ 204,155,468
Component units	$ 11,940,799

At June 30, 2009, the District and component units had cash and investments with the following carrying balances:

	District	Component Units
Cash	$ 38,564,763	$ 3,264,455
Investments	165,590,705	8,676,344
	$ 204,155,468	$ 11,940,799

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. The State regulatory commissioners regulate the eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the deposits. The District does not have a deposit policy. As of June 30, 2009, the District had bank deposits of $4,617,225 collateralized with securities held by the financial institutions' agent not in the District's name. Likewise, the component units had deposits with a bank balance of $2,301,852. On October 3, 2008, as part of the Economic Stabilization Act, Congress temporarily increased FDIC insurance from $100,000 to $250,000 per depositor.

Investments

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

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Local government investment pools

The District's investment policy does not further restrict its investment options.

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2009, the District had the following investments, excluding agency:

Investment Type	S&P Rating	Fair Value	Investment Maturities (in years) Less Than 1
U.S. Agency Securities	AAA	$ 2,101,161	$ 2,101,161
Repurchase agreement	A	9,187,529	9,187,529
Money market funds	AAA	898,713	898,713
Money market custodial account	AAA	30,229,195	30,229,195
Money market investment pools	AAA	123,174,107	123,174,107
Total investments		$ 165,590,705	$ 165,590,705

The component units had the following investments as of June 30, 2009:

Investment Type	S&P Rating	Fair Value	Investment Maturities (in years) Less Than 1
Money market investment pool-CSAFE	AAAm	$ 702,450	$ 702,450
Money market investment pool-ColoTrust	AAA	1,956,570	1,956,570
Money market funds	AAA	6,017,324	6,017,324
Total investments		8,676,344	8,676,344

Local Government Investment Pools – At June 30, 2009, the District invested in the Colorado Government Liquid Asset Trust (COLOTRUST) while its component units invested in COLOTRUST and the Colorado Surplus Asset Fund Trust (CSAFE), which are money market investment pools established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to $1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Substantially all securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool. To obtain more information, go to www.colotrust.com and www.csafe.org. On February 27, 2009, Standard & Poor's (S&P) placed the AAAm principal stability fund rating on CSAFE on Credit Watch with negative implications.

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The full amount of U.S. Agency Securities is exposed to custodial credit risk because they are uninsured, unregistered and held by the District's brokerage firm which is also the counterparty. The District does not have a policy for custodial credit risk. As of June 30, 2009, 7.0% of total investments was subject to this risk.

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 105% of U.S. Treasury or U.S. Agency Securities, is provided by Morgan Stanley & Co., Inc. (MSCO). MSCO is a subsidiary of Morgan Stanley for which its rating by Standard & Poor's (S&P) was A as of June 30, 2009.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to declines in fair value due to rising interest rates, the Board's investment policy requires that the majority of its investments be in cash and cash equivalents with maturity dates of 90 days or less. 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 – This 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 – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Given the small amount available for investment in securities, and the relative low risk of U.S. agency securities, the District has not established a policy limiting the amount of investment in this type of security and deems it unnecessary at this time. At June 30, 2009, the repurchase agreement, money market custodial account, and money market investment pool were 6%, 18%, and 75%, respectively, of the District's total investments.

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, 2009 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Colorado Preschool Fund (a sub-fund of the General Fund)	$ 341,616
General Fund	Grants Fund	2,681,402
General Fund	Student Activities Fund	465,207
Total governmental funds		$ 3,488,225
Component Units	General Fund	$ 62,507
General Fund	Student Activities (Agency) Fund	$ 128,037

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 2009 were as follows:

Transfer Out	Transfer In	Amount
General Fund	Vance Brand Civic Auditorium Fund	$ 79,000
General Fund	Community Education Fund	170,000
General Fund	Student Activities Fund	77,506
Community Education Fund	Student Activities Fund	33,585
Total governmental funds		$ 360,091
Student Activities (Agency) Fund	Student Activities Fund	$ 17,734

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in the District's capital assets for the year ended June 30, 2009:

	Balance 7/1/08	Additions	Deletions & Adjustments	Transfers	Balance 6/30/09
Governmental activities					
Non-depreciable assets					
Land	$ 19,792,539	$ -	$ -	$ -	$ 19,792,539
Projects in progress	58,980,808	14,656,804	(3,218,531)	(68,607,784)	1,811,297
Water rights	4,122,407	-	-	218,400	4,340,807
Total non-depreciable assets	82,895,754	14,656,804	(3,218,531)	(68,389,384)	25,944,643
Depreciable assets					
Land Improvements	19,261,023	-	-	902,491	20,163,514
Buildings	178,624,762	-	114,202	67,135,946	245,874,910
Building improvements	99,725,058	-	113,363	38,292	99,876,713
Equipment	26,120,496	956,165	123,000	-	27,199,661
Total depreciable assets	323,731,339	956,165	350,565	68,076,729	393,114,798
Less accumulated depreciation for					
Land Improvements	7,477,099	932,422	-	-	8,409,521
Buildings	42,877,045	4,113,910	(11,817)	-	46,979,138
Building Improvements	29,472,391	3,091,880	10,560	-	32,574,831
Equipment	16,644,245	2,241,796	(154,876)	-	18,731,165
Total accumulated depreciation	96,470,780	10,380,008	(156,133)	-	106,694,655
Total depreciable assets, net	227,260,559	(9,423,843)	506,698	68,076,729	286,420,143
Governmental activities			-		
Total capital assets, net	**$ 310,156,313**	**$ 5,232,961**	**$ (2,711,833)**	**$ (312,655)**	**$ 312,364,786**

	Balance 7/1/08	Additions	Deletions	Transfers	Balance 6/30/09
Business-type activities					
Depreciable assets					
Equipment	$ 2,324,322	$ 7,951	$ (10,682)	$ 312,655	$ 2,634,246
Less accumulated depreciation for					
Equipment	1,397,420	165,571	(4,376)	-	1,558,615
Business-type activities					
Total capital assets, net	**$ 926,902**	**$ (157,620)**	**$ (6,306)**	**$ 312,655**	**$ 1,075,631**

NOTE 5: CAPITAL ASSETS (Continued)

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

Governmental activities	
Instruction	$ 8,945,409
Supporting services	1,278,466
Total	$ 10,223,875
Business-type activities	
Food service	$ 161,195

The following is a summary of changes in the component units' capital assets for the year ended June 30, 2009:

	Balance 7/1/08	Additions	Deletions	Balance 6/30/09
Component units				
Non-depreciable assets				
Land	$ 1,082,443	$ 450,000	$ -	$ 1,532,443
Construction in progress	10,223	22,910,215	(10,223)	22,910,215
Total non-depreciable assets	1,092,666	23,360,215	(10,223)	24,442,658
Depreciable assets				
Land improvements	341,295	-	-	341,295
Building	3,094,219	-	-	3,094,219
Leasehold improvements	327,059	63,695	-	390,754
Furniture & equipment	285,198	-	(43,723)	241,475
Total depreciable assets	4,047,771	63,695	(43,723)	4,067,743
Less accumulated depreciation	198,788	110,023	(19,623)	289,188
Total depreciable assets, net	3,848,983	(46,328)	(24,100)	3,778,555
Total capital assets, net	$ 4,941,649	$23,313,887	$ (34,323)	$ 28,221,213

Depreciation has been charged to the instructional and supporting services programs of the component units.

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, 2009 are determined to be as follows:

General Fund	$	7,112,183
Other funds		791,626
Total governmental funds		7,903,809
Proprietary funds		124,993
Total primary government	$	8,028,802
Component units	$	599,271

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, 2009, $239,660 of the deferred amount has been recognized. Income recognized was $164,075 by the General Fund, $23,895 by the Building Fund, $2,778 by the Capital Reserve Fund, and $48,912 by the Fair Contributions Fund. The remaining balances by fund of $1,143,342, $166,511, $19,355, and $340,840 respectively, are deferred revenues as of June 30, 2009.

NOTE 8: LONG-TERM DEBT

The District's long-term debt changed as follows during the year ended June 30, 2009.

Governmental activities	Balance 7/1/2008	Additions	Payments/ Amortization	Balance 6/30/2009	Due within one year
General obligation bonds	$ 299,035,000	$ 104,000,000	$ (11,045,000)	$ 391,990,000	$ 11,695,000
Deferred bond premium	14,815,946	504,199	(692,352)	14,627,793	-
Capital leases	1,013,917	-	(390,649)	623,268	275,854
Vacation payable	521,101	619,133	(521,101)	619,133	619,133
Annual leave payable	1,615,662	263,271	(121,733)	1,757,200	126,813
Total	$ 317,001,626	$ 105,386,603	$ (12,770,835)	$ 409,617,394	$ 12,716,800

NOTE 8: LONG-TERM DEBT (Continued)

General Obligation Bonds

Description, Interest Rates, and Maturity Dates	Balance due at June 30, 2009
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.	$ 14,560,000
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.	85,940,000
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.	44,775,000
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.	10,300,000
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.	40,900,000
Building Bonds (Series 2006B), original amount of $56,800,000, due in varying installments through December 15, 2026, interest from 3.8% to 5.0%. Premium of $3,622,791 received upon issuance is being amortized based on maturity of bonds.	48,700,000
Building Bonds (Series 2009), original amount of $104,000,000, due in varying installments through December 15, 2033, interest from 2.0% to 5.0%. Premium of $504,199 received upon issuance is being amortized based on maturity of bonds.	104,000,000
Total general obligation bonds payable	$ 391,990,000

NOTE 8: LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Bond payments to maturity are as follows:

Year ending June 30	GO Bonds Principal	GO Bonds Interest	Total
2010	$ 11,695,000	$ 19,182,026	$ 30,877,026
2011	12,560,000	18,609,986	31,169,986
2012	12,940,000	17,986,634	30,926,634
2013	13,580,000	17,317,715	30,897,715
2014	14,260,000	16,613,140	30,873,140
2015-2019	82,705,000	71,337,753	154,042,753
2020-2024	96,725,000	48,217,231	144,942,231
2025-2029	73,200,000	27,274,475	100,474,475
2030-2034	74,325,000	9,652,875	83,977,875
Total	$ 391,990,000	$ 246,191,835	$ 638,181,835

Capital Lease Agreements

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 $2,400,000, 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.

NOTE 8: LONG-TERM DEBT (Continued)

Future Debt Service Requirements

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

Year ending June 30,	Principal	Interest	Total
2010	$ 275,854	$ 28,508	$ 304,362
2011	244,914	13,762	258,676
2012	102,500	2,501	105,001
Total	$ 623,268	$ 44,771	$ 668,039

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, 2009 includes qualified annual leave for all eligible employees as of June 30, 2009.

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, Carbon Valley Academy'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. In August 2008, Flagstaff Academy's Building Corporation issued $13,505,000 of revenue bonds. Proceeds of the bonds were used to construct Flagstaff Academy's building. The charter school is required to make lease payments to the Building Corporation for use of the building. In November 2008, Twin Peaks Charter Academy's Building Corporation issued $14,235,000 of revenue bonds. Proceeds of the bonds were used to construct Twin Peaks Charter Academy's building. The charter school is required to make lease payments to the Building Corporation for use of the building.

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, 2009.

	Balance 7/1/08	Additions	Payments	Balance 6/30/09	Due within one year
Component units					
Revenue bonds	$ 5,235,000	$ 27,740,000	$ 75,000	$ 32,900,000	$ 80,000

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

Year ending June 30,	Principal	Interest	Total
2010	$ 80,000	$ 2,180,329	$ 2,260,329
2011	80,000	2,179,850	2,259,850
2012	260,000	2,170,178	2,430,178
2013	460,000	2,148,662	2,608,662
2014	495,000	2,119,396	2,614,396
2015-2019	2,980,000	10,086,034	13,066,034
2020-2024	4,055,000	8,977,957	13,032,957
2025-2029	5,585,000	7,413,137	12,998,137
2030-2034	7,735,000	5,214,200	12,949,200
2035-2039	11,170,000	2,111,428	13,281,428
Total	$ 32,900,000	$ 44,601,171	$ 77,501,171

NOTE 9: RISK FINANCING

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

Risk Management Fund

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

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

Since July 1, 2002, the District has been a member of the Colorado School Districts Self Insurance Pool for property and liability insurance. During the fiscal year ended June 30, 2009, the District had insurance deductibles of $50,000 (property), $150,000 (general liability), and $25,000 (vehicle liability) per claim. At June 30, 2009, the District's property and liability claims payable was $253,581.

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, 2009. At June 30, 2009, the District's workers' compensation claims payable was $245,424.

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

NOTE 9: 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. In addition, the claims liability is considered payable from currently available funds. 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, 2008 and 2009 were as follows:

	2009	2008
Beginning fiscal year liability	$ 740,361	$ 831,751
Current year claims and adjustments	22,661	381,932
Claims paid	(264,017)	(473,322)
Ending fiscal year liability	$ 499,005	$ 740,361

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. The contract was subject to Colorado State Insurance Regulations. Activity relating to the Plan was 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. 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. As of June 30, 2009, the Minimum Medical Insurance Liability Fund was liquidated.

Claims payable as of and for the years ending June 30, 2008 and 2009 were as follows:

	2009	2008
Beginning fiscal year liability	$ 77,182	$ -
Current year claims and adjustments	(77,182)	4,372,121
Claims paid	-	(4,294,939)
Ending fiscal year liability	$ -	$ 77,182

NOTE 10: 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).

NOTE 10: DEFINED BENEFITS PENSION PLAN (Continued)

Plan Description (Continued)

The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (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 Colorado PERA, 1301 Pennsylvania 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. The contribution rate for members is 8.0% and for the District is 10.15% for of covered salary. A portion of the District's contribution (1.02% of covered salary) is allocated to the Health Care Trust Fund (see Note 11). The District is also required to pay an amortization equalization disbursement (AED) equal to 1.8% of the total payroll for the calendar year 2009, (1.4% for calendar year 2008 and 1% for calendar 2007). Additionally, the District is required to pay a supplemental amortization equalization disbursement (SAED) equal to 1.0 percent of the total payroll for the calendar year 2009 (0.5% for calendar year 2008). If the District rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions (including AED and SAED) on the amounts paid for the retiree; however no member contributions are required. For the years ending June 30, 2009, 2008, and 2007, the District's employer contributions for the SDTF were $14,137,945, $11,530,585, and $10,308,310, respectively, equal to its required contributions for each year.

NOTE 11: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description – The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the 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 Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy – The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statue. 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 CRS, as amended. For the years ending June 30, 2009, 2008, and 2007, the District's employer contributions to the HCTF were $1,257,547, $1,111,083, and $1,063,827, respectively, equal to their required contributions for each year.

NOTE 12: 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 $1,305,526 for services provided during the year ended June 30, 2009. The BOCES financial statements can be obtained at their administrative office located at 830 S. Lincoln Street, Longmont, Colorado 80501.

NOTE 13: 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, 2009, 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, 2009. Contract commitments at June 30, 2009, as a result of these projects, totaled $2,593,574.

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, 2009.

Year Ending June 30,	
2010	$ 107,604
2011	8,967
Total	$ 116,571

Rental expense for the year ended June 30, 2009, was $148,750.

NOTE 13: COMMITMENTS AND CONTINGENCIES (Continued)

TABOR Amendment

In November 1992, Colorado voters passed Article X, Section 20 (TABOR Amendment) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. In November 1998, electors within the District authorized the District to collect, retain and/or expend all revenues lawfully received by the District from any source during fiscal year 1999 and each year thereafter without regard to the limitations and conditions under the TABOR Amendment of the Colorado Constitution or any other law. The Amendment is complex and subject to judicial interpretation. The TABOR Amendment requires the District to establish a reserve for emergencies. At June 30, 2009, 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, 2009, the District has complied with this policy.

NOTE 14: RESTATEMENT FOR CHANGE IN REPORTING ENTITY

The addition of Imagine Charter School at Firestone was effective July 1, 2008. The Component Unit's net assets as of July 1, 2008, have been increased by $32,810 to reflect the change in the reporting entity.

NOTE 15: CHARTER SCHOOL EVENT

On October 27, 2008, the District Board of Education approved a new charter school application, St. Vrain Community Montessori School, grades pre-K to 6. The charter school received $115,466 in revenues through the Colorado Department of Education during the fiscal year ended June 30, 2009.

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REQUIRED SUPPLEMENTARY INFORMATION

General Fund – The *General Fund* is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The *Colorado Preschool Program* Fund is reported as a sub-fund of the General Fund. Moneys allocated to this fund from the General Fund are used to pay the costs of providing preschool services directly to qualified at-risk children enrolled in the District's preschool program. The *Risk Management Fund,* also a sub-fund of the General Fund, is used to account for the payment of loss or damage to the property of the District, workers' compensation, property and liability claims, and the payment of related administration expenses

Governmental Designated-Purpose Grants Fund – This major special revenue fund is used to account for restricted state or federal grants that are obtained primarily to provide for specific instructional programs.

St. Vrain Valley School District RE-1J

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General, Colorado Preschool Program, and Risk Management Funds
For the Year Ended June 30, 2009

	General Fund				Colorado Preschool Fund (A sub-fund of the General Fund)			
	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)	Original Budget	Amended Budget	Actual	Variance to Budget Positive (Negative)
Revenues								
Local								
Property taxes	$ 58,491,000	$ 56,666,860	$ 56,156,965	$ (509,895)	$ -	$ -	$ -	$ -
Specific ownership taxes	6,026,000	6,129,144	6,054,107	(75,037)	-	-	-	-
Mill levy override	-	16,499,226	15,923,875	(575,351)	-	-	-	-
Investment income	414,000	364,000	346,311	(17,689)	5,000	5,000	4,723	(277)
Charges for service	922,000	1,026,000	3,738,744	2,712,744	-	-	-	-
Miscellaneous	571,000	571,000	2,243,278	1,672,278	-	-	269	269
Total local revenues	66,424,000	81,256,230	84,463,280	3,207,050	5,000	5,000	4,992	(8)
State								
Equalization, net	90,294,000	93,506,443	93,116,288	(390,155)	726,000	916,737	879,187	(37,550)
Special Education	3,011,000	3,154,000	3,383,757	229,757	-	-	-	-
Vocational Education	880,000	886,000	452,955	(433,045)	-	-	-	-
Transportation	950,000	1,100,000	1,097,365	(2,635)	-	-	-	-
Gifted and Talented	211,000	206,000	215,907	9,907	-	-	-	-
English Language Proficiency Act	102,000	260,000	288,383	28,383	-	-	-	-
Total state revenues	95,448,000	99,112,443	98,554,655	(557,788)	726,000	916,737	879,187	(37,550)
Federal								
Adult Education	157,000	192,000	149,383	(42,617)	-	-	-	-
BOCES	258,000	224,000	130,353	(93,647)	-	-	-	-
Total federal revenues	415,000	416,000	279,736	(136,264)	-	-	-	-
Total revenues	162,287,000	180,784,673	183,297,671	2,512,998	731,000	921,737	884,179	(37,558)
Expenditures, encumbered basis								
Current								
Salaries	105,240,271	106,638,210	106,240,640	397,570	130,000	170,000	150,969	19,031
Benefits	23,696,076	24,058,076	24,164,650	(106,574)	30,000	41,000	38,986	2,014
Purchased services	9,053,300	10,614,300	9,119,612	1,494,688	557,000	878,520	560,917	317,603
Supplies and materials	11,161,918	12,993,765	10,974,885	2,018,880	6,000	10,000	7,439	2,561
Claims paid	-	-	-	-	-	-	-	-
Other	271,161	355,398	764,510	(409,112)	8,000	8,000	15,128	(7,128)
Charter schools	11,746,182	13,218,857	13,146,585	72,272	-	-	-	-
Capital outlay	328,691	686,691	720,267	(33,576)	-	-	-	-
Total expenditures, encumbered basis	161,497,599	168,565,297	165,131,149	3,434,148	731,000	1,107,520	773,439	334,081
Excess (deficiency) of revenues over (under) expenditures before transfe	789,401	12,219,376	18,166,522	5,947,146	-	(185,783)	110,740	296,523
Other Financing (Uses)								
Transfers out	(182,000)	(261,263)	(326,506)	(65,243)	-	-	-	-
Total other financing (uses)	(182,000)	(261,263)	(326,506)	(65,243)	-	-	-	-
Excess of revenues over (under) expenditures and other financing uses	$ 607,401	$ 11,958,113	17,840,016	$ 5,881,903	$ -	$ (185,783)	110,740	$ 296,523
Fund balance, beginning			10,749,052				263,591	
Fund balance, ending			$ 28,589,068				$ 374,331	
Reconciliation of expenditures								
Expenditures, encumbered basis			$ 165,131,149				$ 773,439	
Plus: prior year encumbrances			1,358,353				-	
Less: current year encumbrances			(2,281,244)				-	
Expenditures, US GAAP basis			164,208,258				773,439	
Excess revenues over expenditures (US GAAP)			18,762,907				110,740	
Fund balance, beginning			10,749,052				263,591	
Fund balance, ending			$ 29,511,959				$ 374,331	

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)
$ -	$ -	$ -	$ -	$ 58,491,000	$ 56,666,860	$ 56,156,965	$ (509,895)
-	-	-	-	6,026,000	6,129,144	6,054,107	(75,037)
-	-	-	-	-	16,499,226	15,923,875	(575,351)
120,000	180,000	174,177	(5,823)	539,000	549,000	525,211	(23,789)
-	-	1,300	1,300	922,000	1,026,000	3,740,044	2,714,044
-	-	96,337	96,337	571,000	571,000	2,339,884	1,768,884
120,000	180,000	271,814	91,814	66,549,000	81,441,230	84,740,086	3,298,856
2,366,000	2,366,000	2,366,000	-	93,386,000	96,789,180	96,361,475	(427,705)
-	-	-	-	3,011,000	3,154,000	3,383,757	229,757
-	-	-	-	880,000	886,000	452,955	(433,045)
-	-	-	-	950,000	1,100,000	1,097,365	(2,635)
-	-	-	-	211,000	206,000	215,907	9,907
-	-	-	-	102,000	260,000	288,383	28,383
2,366,000	2,366,000	2,366,000	-	98,540,000	102,395,180	101,799,842	(595,338)
-	-	-	-	157,000	192,000	149,383	(42,617)
-	-	-	-	258,000	224,000	130,353	(93,647)
-	-	-	-	415,000	416,000	279,736	(136,264)
2,486,000	2,546,000	2,637,814	91,814	165,504,000	184,252,410	186,819,664	2,567,254
223,000	223,000	174,751	48,249	105,593,271	107,031,210	106,566,360	464,850
47,000	47,000	36,233	10,767	23,773,076	24,146,076	24,239,869	(93,793)
1,145,000	1,145,000	769,336	375,664	10,755,300	12,637,820	10,449,865	2,187,955
-	60,000	10,827	49,173	11,167,918	13,063,765	10,993,151	2,070,614
1,066,000	1,066,000	264,017	801,983	1,066,000	1,066,000	264,017	801,983
5,000	5,000	4,955	45	284,161	368,398	784,593	(416,195)
-	-	-	-	11,746,182	13,218,857	13,146,585	72,272
-	-	-	-	328,691	686,691	720,267	(33,576)
2,486,000	2,546,000	1,260,119	1,285,881	164,714,599	172,218,817	167,164,707	5,054,110
-	-	1,377,695	1,377,695	789,401	12,033,593	19,654,957	7,621,364
-	-	-	-	(182,000)	(261,263)	(326,506)	(65,243)
-	-	-	-	(182,000)	(261,263)	(326,506)	(65,243)
$ -	$ -	1,377,695	$ 1,377,695	$ 607,401	$ 11,772,330	19,328,451	$ 7,556,121
		4,450,725				15,463,368	
		$ 5,828,420				$ 34,791,819	
		$ 1,260,119				167,164,707	
		-				1,358,353	
		-				(2,281,244)	
		1,260,119				166,241,816	
		1,377,695				20,251,342	
		4,450,725				15,463,368	
		$ 5,828,420				$ 35,714,710	

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Local grants	$ 38,000	$ 38,000	$ 24,271	$ (13,729)
State grants	84,000	561,000	550,391	(10,609)
Federal grants	7,908,000	7,908,000	8,289,764	381,764
Total revenues	8,030,000	8,507,000	8,864,426	357,426
Expenditures				
Salaries	5,747,000	5,750,000	5,643,413	106,587
Benefits	1,150,000	1,152,000	1,191,123	(39,123)
Purchased services	438,000	622,000	951,184	(329,184)
Supplies and materials	421,000	640,000	616,990	23,010
Capital outlay	58,000	163,000	109,700	53,300
Other	216,000	180,000	352,016	(172,016)
Total expenditures	8,030,000	8,507,000	8,864,426	(357,426)
Excess (deficiency) of revenues over (under) expenditures	$ -	-	-	$ -
Fund balance, beginning		-	-	
Fund balance, ending		$ -	$ -	

SUPPLEMENTARY SCHEDULES – GOVERNMENTAL FUNDS

Major Governmental Funds

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

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2009

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 28,200,938	$ 31,262,877	$ 30,967,684	$ (295,193)
Investment income	450,000	150,000	92,942	(57,058)
Total revenues	28,650,938	31,412,877	31,060,626	(352,251)
Expenditures				
Debt principal	11,045,000	11,045,000	11,045,000	-
Debt interest	14,550,070	14,550,070	16,208,693	(1,658,623)
Fiscal charges	5,000	7,250	5,550	1,700
Total expenditures	25,600,070	25,602,320	27,259,243	(1,656,923)
Net change in fund balance	$ 3,050,868	5,810,557	3,801,383	$ (2,009,174)
Fund balance, beginning		27,000,135	27,000,135	
Fund balance, ending		$ 32,810,692	$ 30,801,518	

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 479,000	$ 700,000	$ 932,056	$ 232,056
Miscellaneous	-	-	44,201	44,201
Total revenues	479,000	700,000	976,257	276,257
Expenditures				
Salaries	260,000	400,000	439,553	(39,553)
Benefits	60,000	96,000	92,425	3,575
Purchased services	2,419,000	4,000,000	3,301,179	698,821
Supplies and materials	306,000	3,000,000	2,129,231	870,769
Capital outlay	28,661,622	40,000,000	7,632,114	32,367,886
Other	94,000	1,000,000	570,016	429,984
Interest expense	31,000	31,000	30,683	317
Total expenditures	31,831,622	48,527,000	14,195,201	34,331,799
Excess (deficiency) of revenues over (under) expenditures	(31,352,622)	(47,827,000)	(13,218,944)	34,608,056
Other Financing Sources (Uses)				
Proceeds of bonds	-	104,000,000	104,000,000	-
Premium received on issuance of bonds	-	929,000	504,199	(424,801)
Bond issuance costs	-	(774,000)	(751,347)	22,653
Total other financing sources (uses)	-	104,155,000	103,752,852	(402,148)
Net change in fund balance	$ (31,352,622)	56,328,000	90,533,908	$ 34,205,908
Fund balance, beginning		20,603,157	20,603,157	
Fund balance, ending		$ 76,931,157	$ 111,137,065	

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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.
- *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, 2009

	Special Revenue Funds					
	Capital Reserve	Community Education	Fair Contributions	Student Activity Fund	Vance Brand Civic Auditorium	Total Nonmajor Governmental Funds
Assets						
Cash and investments	$ 3,176,147	$ 2,156,925	$ 3,488,065	$ 2,319,199	$ 158,410	$ 11,298,746
Accounts receivable	-	8,171	-	8,944	6,375	23,490
Prepaid expenses	14,257	-	-	-	-	14,257
Deposits	28,000	-	-	-	-	28,000
Total assets	$ 3,218,404	$ 2,165,096	$ 3,488,065	$ 2,328,143	$ 164,785	$ 11,364,493
Liabilities						
Accounts payable	$ 118,391	$ 11,613	$ 695	$ 71,230	$ 228	$ 202,157
Due to other funds	-	-	-	465,207	-	465,207
Accrued salaries and benefits	-	254,334	-	6,413	8,802	269,549
Deferred revenues	19,355	14,858	340,840	-	-	375,053
Total liabilities	137,746	280,805	341,535	542,850	9,030	1,311,966
Fund Balances						
Reserved for deposits and prepaids	42,257	-	-	-	-	42,257
Unreserved, designated for subsequent year expenditures	1,968,434	-	3,146,530	116,000	37,037	5,268,001
Unreserved	1,069,967	1,884,291	-	1,669,293	118,718	4,742,269
Total fund balances	3,080,658	1,884,291	3,146,530	1,785,293	155,755	10,052,527
Total liabilities and fund balances	$ 3,218,404	$ 2,165,096	$ 3,488,065	$ 2,328,143	$ 164,785	$ 11,364,493

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, 2009

	Special Revenue Funds					
	Capital Reserve	Community Education	Fair Contributions	Student Activity Fund	Vance Brand Civic Auditorium	Total Nomajor Governmental Funds
Revenues						
Intergovernmental	$ 4,296,876	$ -	$ -	$ -	$ -	$ 4,296,876
Investment income	24,807	22,729	91,871	-	1,294	140,701
Charges for services	-	3,230,643	-	-	101,610	3,332,253
Pupil activities	-	-	-	3,002,603	-	3,002,603
Miscellaneous	17,911	-	199,537	-	42,000	259,448
Total revenues	4,339,594	3,253,372	291,408	3,002,603	144,904	11,031,881
Expenditures						
Instruction	-	3,388,437	-	3,194,348	-	6,582,785
Supporting services	-	-	826	91,046	201,288	293,160
Capital outlay	3,301,370	-	-	31,616	25,963	3,358,949
Total expenditures	3,301,370	3,388,437	826	3,317,010	227,251	10,234,894
Excess (deficiency) of revenues over (under) expenditures	1,038,224	(135,065)	290,582	(314,407)	(82,347)	796,987
Other Financing Sources						
Transfer from Agency Fund	-	-	-	17,734	-	17,734
Transfers in	-	170,000	-	111,091	79,000	360,091
Transfers out	-	(33,585)	-	-	-	(33,585)
Total other financing sources	-	136,415	-	128,825	79,000	344,240
Net change in fund balances	1,038,224	1,350	290,582	(185,582)	(3,347)	1,141,227
Fund balances, beginning	2,042,434	1,882,941	2,855,948	1,970,875	159,102	8,911,300
Fund balances, ending	$ 3,080,658	$ 1,884,291	$ 3,146,530	$ 1,785,293	$ 155,755	$ 10,052,527

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Equalization	$ 4,212,000	$ 4,228,978	$ 4,296,876	$ 67,898
Investment income	30,000	80,000	24,807	(55,193)
Miscellaneous	-	7,000	17,911	10,911
Total revenues	4,242,000	4,315,978	4,339,594	23,616
Expenditures				
Capital outlay	4,634,946	5,158,412	3,301,370	1,857,042
Total expenditures	4,634,946	5,158,412	3,301,370	1,857,042
Net change in fund balance	$ (392,946)	(842,434)	1,038,224	$ 1,880,658
Fund balance, beginning		2,042,434	2,042,434	
Fund balance, ending		$ 1,200,000	$ 3,080,658	

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 60,000	$ 40,000	$ 22,729	$ (17,271)
Charges for services	3,564,000	3,564,000	3,230,643	(333,357)
Total revenues	3,624,000	3,604,000	3,253,372	(350,628)
Expenditures				
Instruction	3,624,000	3,604,000	3,388,437	215,563
Total expenditures	3,624,000	3,604,000	3,388,437	215,563
Excess (deficiency) of revenues over (under) expenditures	-	-	(135,065)	(135,065)
Other Financing Sources				
Transfers in	-	-	170,000	170,000
Transfers out	-	-	(33,585)	(33,585)
Total other financing sources	-	-	136,415	136,415
Net change in fund balance	$ -	-	1,350	$ 1,350
Fund balance, beginning		1,882,941	1,882,941	
Fund balance, ending		$ 1,882,941	$ 1,884,291	

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 201,000	$ 170,000	$ 91,871	$ (78,129)
Cash in lieu	568,000	200,000	199,537	(463)
Total revenues	769,000	370,000	291,408	(78,592)
Expenditures				
Purchased services	58,000	40,000	826	39,174
Capital outlay	638,000	330,000	-	330,000
Total expenditures	696,000	370,000	826	369,174
Excess of revenues over expenditures	$ 73,000	-	290,582	$ 290,582
Fund balance, beginning		2,855,948	2,855,948	
Fund balance, ending		$ 2,855,948	$ 3,146,530	

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 59,000	$ 3,000	$ -	$ (3,000)
Athletic activities	908,000	947,000	1,036,924	89,924
Pupil activities	1,350,000	1,845,000	1,742,165	(102,835)
PTO/Gift activities	99,000	205,000	223,514	18,514
Total revenues	2,416,000	3,000,000	3,002,603	2,603
Expenditures				
Athletic activities	1,149,000	1,034,000	1,317,928	(283,928)
Pupil activities	1,395,000	1,964,000	1,763,336	200,664
PTO/Gift activities	87,000	216,000	235,746	(19,746)
Total expenditures	2,631,000	3,214,000	3,317,010	(103,010)
Excess (deficiency) of revenues over (under) expenditures	(215,000)	(214,000)	(314,407)	(100,407)
Other Financing Sources				
Transfers in	115,000	115,000	111,091	(3,909)
Transfers from agency fund	100,000	100,000	17,734	(82,266)
Total other financing sources	215,000	215,000	128,825	(86,175)
Net change in fund balance	$ -	1,000	(185,582)	$ (186,582)
Fund balance, beginning		1,970,875	1,970,875	
Fund balance, ending		$ 1,971,875	$ 1,785,293	

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 2,500	$ 2,500	$ 1,294	$ (1,206)
Charges for services	84,400	84,400	101,610	17,210
Contributions	54,000	42,000	42,000	-
Total revenues	140,900	128,900	144,904	16,004
Expenditures				
Salaries	129,200	129,200	144,337	(15,137)
Benefits	33,668	33,668	29,928	3,740
Purchased services	39,950	39,950	3,946	36,004
Supplies and materials	9,200	9,200	23,077	(13,877)
Capital outlay	35,675	35,675	25,963	9,712
Total expenditures	247,693	247,693	227,251	20,442
Excess (deficiency) of revenues over (under) expenditures	(106,793)	(118,793)	(82,347)	36,446
Other Financing Sources				
Transfers in	67,000	79,000	79,000	-
Net change in fund balance	$ (39,793)	(39,793)	(3,347)	$ 36,446
Fund balance, beginning		159,102	159,102	
Fund balance, ending		$ 119,309	$ 155,755	

SUPPLEMENTARY SCHEDULES – PROPRIETARY FUND

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.

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Investment income	$ 20,000	$ 8,000	$ 5,535	$ (2,465)
Charges for service	3,892,000	3,892,000	3,694,543	(197,457)
Miscellaneous	30,000	58,000	81,536	23,536
State match	82,000	84,000	112,758	28,758
National School Lunch/Breakfast Program	2,500,000	3,000,000	3,179,954	179,954
Total revenues	6,524,000	7,042,000	7,074,326	32,326
Expenses				
Salaries	2,435,000	2,800,000	2,941,970	(141,970)
Benefits	581,900	720,000	728,558	(8,558)
Purchased services	400,000	420,000	374,982	45,018
Supplies and materials	2,690,000	2,770,000	3,008,164	(238,164)
Repairs and maintenance	60,000	80,000	44,521	35,479
Other	100,000	100,000	189,981	(89,981)
Total expenses	6,266,900	6,890,000	7,288,176	(398,176)
Net loss, cash basis	257,100	152,000	(213,850)	(365,850)
Noncash Revenues (Expenses)				
Depreciation	(135,000)	(135,000)	(165,571)	(30,571)
Loss on disposal of equipment	-	-	(6,306)	(6,306)
Capital contributions			312,655	312,655
Commodities received	390,000	390,000	374,763	(15,237)
Commodities used	(390,000)	(390,000)	(372,066)	17,934
Change in net assets	$ 122,100	17,000	(70,375)	$ (87,375)
Net assets, beginning		1,622,105	1,622,105	
Net assets, ending		$ 1,639,105	$ 1,551,730	

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Additions				
Investment income	$ 3,000	$ 3,000	$ 1,806	$ (1,194)
Contributions	70,000	70,000	63,029	(6,971)
Total additions	73,000	73,000	64,835	(8,165)
Deductions				
Scholarships	90,000	100,000	60,128	39,872
Total deductions	90,000	100,000	60,128	39,872
Change in net assets	$ (17,000)	(27,000)	4,707	$ 31,707
Net assets, beginning		213,750	213,750	
Net assets, ending		$ 186,750	$ 218,457	

St. Vrain Valley School District RE-1J

Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deductions	Transfers	Balance June 30, 2009
Student Activity (Agency) Fund					
Assets					
Cash and investments	$ 1,280,216	$ 2,203,316	$ 2,240,006	$ 17,734	$ 1,225,792
Accounts receivable	9,984	3,776	9,984	-	3,776
Total assets	$ 1,290,200	$ 2,207,092	$ 2,249,990	$ 17,734	$ 1,229,568
Liabilities					
Accounts payable	$ 100,771	$ 164,123	$ 100,771	$ -	$ 164,123
Accrued salaries, benefits	5,675	85	5,675	-	85
Undistributed monies	1,183,754	2,042,884	2,143,544	17,734	1,065,360
Total liabilties	$ 1,290,200	$ 2,207,092	$ 2,249,990	$ 17,734	$ 1,229,568

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, 2009

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Additions				
Elementary Schools	$ 455,000	$ 494,000	$ 541,305	$ 47,305
Middle Schools	1,046,000	982,000	602,251	(379,749)
High Schools	1,298,000	1,397,000	885,411	(511,589)
Other additions	101,000	27,000	13,917	(13,083)
Total additions	2,900,000	2,900,000	2,042,884	(857,116)
Deductions				
Elementary Schools	456,000	477,000	497,755	(20,755)
Middle Schools	1,028,000	948,000	625,267	322,733
High Schools	1,276,000	1,349,000	1,009,128	339,872
Other deductions	40,000	26,000	11,394	14,606
Total deductions	2,800,000	2,800,000	2,143,544	656,456
Change in undistributed monies before transfers out	100,000	100,000	(100,660)	(200,660)
Transfers to special revenue fund	(100,000)	(100,000)	(17,734)	82,266
Change in undistributed monies after transfers out	$ -	-	(118,394)	$ (118,394)
Undistributed monies, beginning		1,183,754	1,183,754	
Undistributed monies, ending		$ 1,183,754	$ 1,065,360	

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).

Imagine Charter School at Firestone (Weld County) began operations in the fall of fiscal year 2009 to serve students grades pre-K through 8.

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, 2009

	Carbon Valley Academy	Flagstaff Academy	Imagine Charter School at Firestone	Twin Peaks Charter Academy	Totals
Assets					
Cash and investments	$ 380,373	$ 1,263,450	$ 391,513	$ 3,341,597	$ 5,376,933
Accounts receivable	200,942	48	336	2,845	204,171
Grants receivable	-	-	35,905	-	35,905
Due from primary government	23,004	12,571	11,185	15,747	62,507
Deposits	1,000	500	-	-	1,500
Total assets	$ 605,319	$ 1,276,569	$ 438,939	$ 3,360,189	$ 5,681,016
Liabilities					
Accounts payable	$ 41,374	$ 11,006	$ 211,014	$ 63,870	$ 327,264
Accrued salaries and benefits	121,178	154,851	81,423	241,819	599,271
Deferred revenues	1,995	103,723	4,955	46,097	156,770
Total liabilities	164,547	269,580	297,392	351,786	1,083,305
Fund Balances					
Reserved for TABOR	78,932	93,856	90,056	90,167	353,011
Designated for emergencies	19,657	16,144	9,944	43,833	89,578
Unreserved	342,183	896,989	41,547	2,874,403	4,155,122
Total fund balances	440,772	1,006,989	141,547	3,008,403	4,597,711
Total liabilities and fund balances	$ 605,319	$ 1,276,569	$ 438,939	$ 3,360,189	$ 5,681,016
Amounts reported for component units' statement of net assets are different because					
Total fund balance	$ 440,772	$ 1,006,989	$ 141,547	$ 3,008,403	$ 4,597,711
Capital assets	302,143	51,986	-	-	354,129
Building corporation net assets	379,523	(238,616)	-	654,498	795,405
Accumulated depreciation	(40,805)	(35,100)	-	-	(75,905)
Net assets of component units	$ 1,081,633	$ 785,259	$ 141,547	$ 3,662,901	$ 5,671,340

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, 2009

	Carbon Valley Academy	Flagstaff Academy	Imagine Charter School at Firestone	Twin Peaks Charter Academy	Total
Revenues					
Intergovernmental	$ 2,898,996	$ 3,294,709	$ 2,931,273	$ 4,127,120	$ 13,252,098
Investment income	3,461	6,366	-	33,566	43,393
Charges for services	223,920	57,381	188,669	68,728	538,698
Student activities	29,268	176,403	2,346	62,709	270,726
Miscellaneous	26,657	49,544	146,499	54,251	276,951
State revenues	40,526	47,630	42,385	29,838	160,379
Federal grants	10,628	-	138,487	-	149,115
Total revenues	3,233,456	3,632,033	3,449,659	4,376,212	14,691,360
Expenditures					
Current					
Instruction	1,612,951	2,014,268	1,344,479	2,179,852	7,151,550
Supporting services	1,439,202	1,188,165	1,996,443	899,689	5,523,499
Total expenditures	3,052,153	3,202,433	3,340,922	3,079,541	12,675,049
Excess (deficiency) of revenues over (under) expenditures	181,303	429,600	108,737	1,296,671	2,016,311
Other Financing Sources (Uses)					
Transfers in	83,988	97,253	55,031	137,109	373,381
Transfers out	(83,988)	(97,253)	(55,031)	(137,109)	(373,381)
Transfers out to Building Corportation	-	(144,280)	-	(1,202,702)	(1,346,982)
Total other financing sources (uses)	-	(144,280)	-	(1,202,702)	(1,346,982)
Net change in fund balance	181,303	285,320	108,737	93,969	669,329
Fund balances, beginning	259,469	721,669	32,810	2,914,434	3,928,382
Fund balances, ending	$ 440,772	$ 1,006,989	$ 141,547	$ 3,008,403	$ 4,597,711
Amounts reported for component units' statement of activities are different because					
Net change in fund balance	$ 181,303	$ 285,320	$ 108,737	$ 93,969	$ 669,329
Depreciation expense	(15,107)	12,044	-	-	(3,063)
Building corporation net revenue (expense	(130,351)	(382,896)	-	(548,204)	(1,061,451)
Building corporation transfer in	-	144,280	-	1,202,702	1,346,982
Capital outlay	-	(43,724)	-	-	(43,724)
Change in net assets	$ 35,845	$ 15,024	$ 108,737	$ 748,467	$ 908,073

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STATISTICAL SECTION
(UNAUDITED)

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

Contents **Pages**

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

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

Last Eight Fiscal Years (1)

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

(1) The District implemented GASB 34 in fiscal year 2002; therefore, government-wide schedules present information beginning in that year.

(2) Based on a GASB implementation guide, the District changed its computation of invested in capital assets, net of related debt in FY09

Source: District's comprehensive annual financial reports for the relevant year.

2006	2007	2008	2009
$ 10,755,304	$ 7,423,781	$ 17,752,278	$ 16,389,200
36,607,570	37,328,637	32,120,067	36,314,440
4,080,873	15,366,872	18,710,147	43,021,764
51,443,747	60,119,290	68,582,492	95,725,404
1,143,171	1,059,518	926,902	1,075,631
-	-	-	-
1,067,695	927,056	695,203	476,099
2,210,866	1,986,574	1,622,105	1,551,730
11,898,475	8,483,299	18,679,180	17,464,831
36,607,570	37,328,637	32,120,067	36,314,440
5,148,568	16,293,928	19,405,350	43,497,863
$ 53,654,613	$ 62,105,864	$ 70,204,597	$ 97,277,134

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

Last Eight Fiscal Years (1)

	2002	2003	2004	2005
Expenses				
Governmental activities:				
Instruction	$ 86,474,269	$ 93,572,030	$ 85,427,185	$ 95,661,489
Supporting services	43,277,026	42,042,464	49,858,273	49,653,089
Interest	7,266,870	9,599,755	11,647,151	12,247,793
Total governmental activities expenses	137,018,165	145,214,249	146,932,609	157,562,371
Business-type activities:				
Food services	4,221,985	4,254,543	4,410,830	4,885,656
Total primary government expenses	$ 141,240,150	$ 149,468,792	$ 151,343,439	$ 162,448,027
Program Revenues				
Governmental activities:				
Charges for services				
Tuition and fees	$ 1,923,489	$ 2,121,666	$ 2,101,479	$ 2,659,299
Internal charges (2)	-	-	-	526,506
Operating grants and contributions	8,240,959	8,069,583	9,513,660	10,930,997
Capital grants and contributions	978,337	1,650,635	1,402,614	1,041,182
Total governmental activities program revenues	11,142,785	11,841,884	13,017,753	15,157,984
Business-type activities:				
Charges for services	2,819,921	2,734,550	2,820,846	2,978,095
Operating grants and contributions	1,420,269	1,504,411	1,667,815	1,905,055
Capital grants and contributions	186,412	-	-	-
Total business-type activities program revenues	4,426,602	4,238,961	4,488,661	4,883,150
Total primary government program revenues	$ 15,569,387	$ 16,080,845	$ 17,506,414	$ 20,041,134
Net (expense) / revenue				
Governmental activities	$(125,875,380)	$(133,372,365)	$(133,914,856)	$(142,404,387)
Business-type activities	204,617	(15,582)	77,831	(2,506)
Total primary government net expense	$(125,670,763)	$(133,387,947)	$(133,837,025)	$(142,406,893)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	$ 54,336,202	$ 64,849,791	$ 67,200,837	$ 71,791,304
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580
Mill levy override	-	-	-	-
State equalization	57,635,616	64,987,668	68,733,866	72,261,580
Investment income	727,029	451,322	1,374,794	2,285,218
Other	1,571,116	4,534,822	1,366,652	444,753
Transfers	140,000	26,446	-	(340,410)
Total governmental activities	119,625,805	140,287,702	144,656,261	152,419,025
Business-type activities:				
Investment income	14,274	5,755	4,645	15,896
Transfers	(140,000)	(140,000)	-	340,410
Total business-type activities	(125,726)	(134,245)	4,645	356,306
Total primary government	$ 119,500,079	$ 140,153,457	$ 144,660,906	$ 152,775,331
Change in Net Assets				
Governmental activities	$ (6,249,575)	$ 6,915,337	$ 10,741,405	$ 10,014,638
Business-type activities	78,891	(149,827)	82,476	353,800
Total primary government	$ (6,170,684)	$ 6,765,510	$ 10,823,881	$ 10,368,438

(1) The District implemented GASB 34 in fiscal year 2002; therefore, government-wide schedules present information beginning in that year.
(2) The classification of internal charges was changed in FY05.

Source: District's 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.

	2006	2007	2008	2009
	$ 113,735,114	$ 115,031,293	$ 122,240,743	$ 127,681,937
	53,304,184	58,113,258	60,629,900	69,745,866
	14,320,914	16,010,493	15,500,560	15,845,498
	181,360,212	189,155,044	198,371,203	213,273,301
	5,873,965	6,368,635	7,069,557	7,825,813
	$ 187,234,177	$ 195,523,679	$ 205,440,760	$ 221,099,114
	$ 3,280,966	$ 6,299,455	$ 7,167,010	$ 8,182,298
	576,681	634,386	731,765	1,892,602
	13,090,706	12,329,701	13,200,675	14,558,258
	1,053,746	591,496	507,755	199,537
	18,002,099	19,855,038	21,607,205	24,832,695
	3,098,897	3,363,892	3,574,268	3,776,079
	2,442,897	2,754,834	3,106,894	3,661,169
	-	-	-	312,655
	5,541,794	6,118,726	6,681,162	7,749,903
	$ 23,543,893	$ 25,973,764	$ 28,288,367	$ 32,582,598
	$ (163,358,113)	$ (169,300,006)	$ (176,763,998)	$ (188,440,606)
	(332,171)	(249,909)	(388,395)	(75,910)
	$ (163,690,284)	$ (169,549,915)	$ (177,152,393)	$ (188,516,516)
	$ 74,977,182	$ 77,555,794	$ 83,233,225	$ 88,457,619
	5,987,316	5,997,044	6,047,704	6,054,107
	-	-	-	15,923,875
	77,794,994	85,049,954	90,264,910	100,658,351
	2,511,220	4,805,951	4,350,866	1,690,910
	941,954	3,471,495	1,330,495	2,798,656
	(310,317)	1,095,313	-	-
	161,902,349	177,975,551	185,227,200	215,583,518
	25,035	25,617	23,926	5,535
	310,317	-	-	-
	335,352	25,617	23,926	5,535
	$ 162,237,701	$ 178,001,168	$ 185,251,126	$ 215,589,053
	$ (1,455,764)	$ 8,675,545	$ 8,463,202	$ 27,142,912
	3,181	(224,292)	(364,469)	(70,375)
	$ (1,452,583)	$ 8,451,253	$ 8,098,733	$ 27,072,537

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 Eight Fiscal Years (1)

	2002	2003	2004	2005
Governmental activities:				
Property taxes	$ 54,336,202	$ 64,849,791	$ 67,200,837	$ 71,791,304
Specific ownership taxes	5,215,842	5,437,653	5,980,112	5,976,580
State equalization	57,635,616	64,987,668	68,733,866	72,261,580
Total finance act revenues	$ 117,187,660	$ 135,275,112	$ 141,914,815	$ 150,029,464
Total governmental activities revenues (2)	$ 130,768,590	$ 152,129,586	$ 157,674,014	$ 167,577,009
Public School Finance Act revenues as percentage of total governmental activities revenues	89.6%	88.9%	90.0%	89.5%

(1) The District implemented GASB 34 in fiscal year 2002; therefore, government-wide schedules present information beginning in that year.
(2) Governmental activities revenues are a combination of program revenues and general revenues as shown on page 90-91

Source: District's 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.

2006	2007	2008	2009
$ 74,977,182	$ 77,555,794	$ 83,233,225	$ 88,457,619
5,987,316	5,997,044	6,047,704	6,054,107
77,794,994	85,049,954	90,264,910	100,658,351
$ 158,759,492	$ 168,602,792	$ 179,545,839	$ 195,170,077
$ 179,904,448	$ 197,830,589	$ 206,834,405	$ 240,416,213
88.2%	85.2%	86.8%	81.2%

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

Last Ten Fiscal Years

	2000	2001	2002	2003
General Fund				
Reserved	$ 3,525,586	$ 334,443	$ 409,975	$ 366,855
Unreserved				
Designated	-	-	-	-
Undesignated	1,556,556	334,979	(10,754,933)	(14,295,533)
Total General Fund	$ 5,082,142	$ 669,422	$ (10,344,958)	$ (13,928,678)
All Other Governmental Funds				
Reserved	$ 11,307,320	$ 11,195,114	$ 78,000	$ 37,823,604
Unreserved:				
Designated, reported in:				
Capital projects fund	33,182,386	-	-	60,077,668
Special revenue funds	3,178,870	-	-	618,111
Undesignated, reported in:				
Capital projects fund	-	7,932,700	668,302	-
Debt service fund	-	-	11,415,777	9,452,454
Special revenue funds	1,975,787	5,115,345	4,498,278	4,034,598
Total all other governmental funds	$ 49,644,363	$ 24,243,159	$ 16,660,357	$ 112,006,435

Source: District's comprehensive annual financial reports for the relevant year.

2004	2005	2006	2007	2008	2009
$ 338,576	$ 3,963,869	$ 5,591,445	$ 8,253,775	$ 8,704,876	$ 17,681,797
-	-	86,665	2,794,463	3,134,288	18,032,913
(4,617,697)	-	2,055,576	1,041,319	3,624,204	-
$ (4,279,121)	$ 3,963,869	$ 7,733,686	$ 12,089,557	$ 15,463,368	$ 35,714,710
$ 98,956,894	$ 66,434,593	$ 42,936,664	$ 97,403,309	$ 39,087,412	$ 132,601,120
-	-	-	-	-	-
4,415,700	4,414,000	4,857,420	6,504,330	719,739	5,268,001
-	-	-	-	-	-
-	4,224,358	7,389,406	5,853,701	8,558,137	9,379,720
1,397,256	1,124,842	83,586	1,978,955	8,149,304	4,742,269
$ 104,769,850	$ 76,197,793	$ 55,267,076	$ 111,740,295	$ 56,514,592	$ 151,991,110

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

	2000	2001	2002	2003
Revenues				
Property taxes	$ 47,332,883	$ 49,728,660	$ 53,893,252	$ 64,702,443
Specific ownership taxes	4,518,589	4,840,145	5,215,842	5,437,653
Mill levy override	-	-	-	-
Investment income	4,408,488	2,705,613	706,332	693,051
Charges for service	1,490,324	1,734,421	1,923,489	2,121,666
Student activities (1)	2,992,825	3,494,052	-	-
Miscellaneous	1,293,154	2,100,650	1,622,459	2,387,357
Local intergovernmental	-	36,054	117,222	68,884
State intergovernmental	50,275,984	55,304,813	62,022,703	68,712,530
Federal intergovernmental	3,118,694	3,341,144	4,037,615	4,344,721
Total revenues	$ 115,430,941	$ 123,285,552	$ 129,538,914	$ 148,468,305
Expenditures				
Instruction	$ 59,514,383	$ 68,155,625	$ 82,668,776	$ 82,695,300
Supporting services	37,073,648	37,931,163	39,687,187	40,270,867
Student activities (1)	3,070,241	3,421,869	-	-
Capital outlay	43,036,219	31,480,196	13,216,858	14,994,818
Debt service				
Principal	5,530,653	5,869,000	6,377,460	2,123,000
Accrued interest	-	-	-	-
Interest and fiscal charges	7,422,112	7,355,904	7,266,870	12,764,301
Toal expenditures	$ 155,647,256	$ 154,213,757	$ 149,217,151	$ 152,848,286
Excess of revenues over (under) expenditures	(40,216,315)	(30,928,205)	(19,678,237)	(4,379,981)
Other financing sources (uses)				
Bond proceeds	$ -	$ -	$ -	$ 131,090,000
Premium received on issuance of bonds	-	-	-	5,813,003
Paid to bond agent	-	-	-	(40,300,000)
Proceeds from sale of land	-	-	-	-
Lease proceeds	452,352	974,281	2,461,606	-
Lease obligations	-	-	-	-
Transfers in (2)	429,242	780,513	491,871	529,710
Transfers out (2)	(289,242)	(640,513)	(351,871)	(503,264)
Total other financing sources (uses)	$ 592,352	$ 1,114,281	$ 2,601,606	$ 96,629,449
Net change in fund balances	$ (39,623,963)	$ (29,813,924)	$ (17,076,631)	$ 92,249,468
Debt service as percentage of noncapital expenditures	13.0%	12.1%	11.2%	12.1%

(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.

Source: District's comprehensive annual financial reports for the relevant year.

2004	2005	2006	2007	2008	2009
$ 68,547,345	$ 71,172,100	$ 75,034,205	$ 75,761,142	$ 82,001,081	$ 87,124,649
5,980,112	5,976,580	5,987,316	5,997,044	6,047,704	6,054,107
-	-	-	-	-	15,923,875
1,328,350	2,023,366	2,386,324	4,758,927	4,324,865	1,690,910
2,101,479	3,185,805	3,857,647	4,505,478	4,949,331	7,072,297
-	-	-	2,428,363	2,949,444	3,002,603
2,696,524	1,470,585	1,670,385	1,760,662	1,804,691	2,643,533
72,397	8,350	22,619	32,296	33,559	24,271
72,329,913	75,947,775	82,136,479	90,760,436	96,769,997	106,647,109
5,917,613	7,244,802	8,749,221	7,577,197	7,720,045	8,569,500
$ 158,973,733	$ 167,029,363	$ 179,844,196	$ 193,581,545	$ 206,600,717	$ 238,752,854
$ 81,655,292	$ 91,027,699	$ 97,521,908	$ 104,130,405	$ 110,377,230	$ 121,725,413
48,298,522	46,484,881	50,716,187	56,428,030	59,220,211	65,933,700
-	-	-	-	-	-
58,421,911	44,165,547	25,050,564	12,796,447	54,797,679	11,877,224
4,200,000	2,850,000	10,680,000	11,700,000	18,835,000	11,045,000
4,380,000	4,380,000	-	-	-	-
11,132,546	13,095,314	13,047,785	14,638,580	15,222,489	16,214,243
$ 208,088,271	$ 202,003,441	$ 197,016,444	$ 199,693,462	$ 258,452,609	$ 226,795,580
(49,114,538)	(34,974,078)	(17,172,248)	(6,111,917)	(51,851,892)	11,957,274
$ 50,100,000	$ 56,815,000	$ 43,455,000	$ 56,800,000	$ -	$ 104,000,000
1,427,510	4,057,901	2,520,719	3,622,791	-	504,199
-	(47,074,703)	(45,964,371)	(479,707)	-	(751,347)
-	846,813	-	2,309,767	-	-
-	-	-	-	-	-
-	-	-	(473,254)	-	-
46,614	47,000	126,455	5,585,026	705,425	377,825
(46,614)	(47,000)	(126,455)	(423,614)	(705,425)	(360,091)
$ 51,527,510	$ 14,645,011	$ 11,348	$ 66,941,009	$ -	$ 103,770,586
$ 2,412,972	$ (20,329,067)	$ (17,160,900)	$ 60,829,092	$ (51,851,892)	$ 115,727,860
15.2%	14.8%	15.0%	16.2%	19.9%	14.8%

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

	2000	2001	2002	2003
Governmental activities:				
Property taxes	$ 47,332,883	$ 49,728,660	$ 53,893,252	$ 64,702,443
Specific ownership taxes	4,518,589	4,840,145	5,215,842	5,437,653
State equalization	47,208,976	51,470,640	57,635,616	64,987,668
Total finance act revenues	$ 99,060,448	$ 106,039,445	$ 116,744,710	$ 135,127,764
Total revenues (1)	$ 115,430,941	$ 123,285,552	$ 129,538,914	$ 148,468,305
Public School Finance Act revenues as percentage of total governmental funds revenues	85.8%	86.0%	90.1%	91.0%

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

Source: District's comprehensive annual financial reports for the relevant year.

2004	2005	2006	2007	2008	2009
$ 68,547,345	$ 71,172,100	$ 75,034,205	$ 75,761,142	$ 82,001,081	$ 87,124,649
5,980,112	5,976,580	5,987,316	5,997,044	6,047,704	6,054,107
68,733,866	72,261,580	77,794,994	85,049,954	90,264,910	100,658,351
$ 143,261,323	$ 149,410,260	$ 158,816,515	$ 166,808,140	$ 178,313,695	$ 193,837,107
$ 158,973,733	$ 167,029,363	$ 179,844,196	$ 193,581,545	$ 206,600,717	$ 238,752,854
90.1%	89.5%	88.3%	86.2%	86.3%	81.2%

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)
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
2008	2009	1,204,677	455,285	280,041	112,331	150,442	37,266

(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
(3) Includes the override mill levy approved by voters at the 2008 Election

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

Agriculture (1)	Natural Resources (1)	Total Taxable Assessed Value (2)	Total Direct Tax Rate		Estimated Actual Taxable Value (2)	Assessed Value as a Percentage of Actual Value
		$ 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%
23,999	6,530	2,270,571	46.285	(3)	18,182,936	12.49%

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

Levy Year	Collection Year	Total School District Millage	Boulder County Millage	Weld County Millage	Larimer County Millage	Broomfield County Millage (1)	Total County Millage	City of Longmont Millage
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
2008	2009	46.285	23.067	16.804	22.395	28.968	91.234	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)

	2000			2009		
Taxpayer	1999 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value	2008 Taxable Assessed Valuation	Rank	Percent of Total District Taxable Assessed Value (2)
Kerr-McGee Rocky Mtn. Corp.				$ 57,576,240	1	2.55%
Encana Oil & Gas (USA) Inc.				51,793,420	2	2.30%
Amgen Inc.				34,786,130	3	1.54%
Seagate Technology LLC	$ 6,708,890	6	0.62%	25,634,960	4	1.14%
Noble Energy, Inc.				21,885,060	5	0.97%
Pratt Land Limited Liability Co.	21,812,620	1	2.02%			
American General Inc.	20,034,120	2	1.86%			
Circle Capital Longmont LLC				19,240,010	6	0.85%
Qwest Corporation				12,021,230	7	0.53%
Longmont Woodhaven LLC				10,394,340	8	0.46%
Longmont Sandstone LLC				10,394,340	9	0.46%
Hub Properties Trust				10,277,320	10	0.46%
US West Communications	9,779,100	3	0.91%			
Twin Peaks Mall Associated Ltd.	7,488,260	4	0.69%			
Southwestern Portland	6,809,320	5	0.63%			
Maxtor Corporation	6,435,480	7	0.60%			
IBM Corporation	5,650,790	8	0.52%			
Public Service Co. of Colorado	5,424,670	9	0.50%			
K/B Fund IV	4,948,380	10	0.46%			
Total	$ 95,091,630		8.81%	$ 254,003,050		11.26%

(1) Based on a 1999 certified assessed valuation of $1,078,731,870
(2) Based on a 2008 certified assessed valuation of $2,253,992,556

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)	
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)
2008	2009	104,326,045	99,523,612	95.40%	2,206,238	101,729,849	97.51%	4,802,434	(2)

(1) Outstanding delinquent taxes are considered relatively minor and are not obtainable from the country treasurers.
(2) These outstanding delinquent taxes are included in property taxes receivable.

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

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

	Governmental Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	Total	Percentage of Average Personal Income	Per Capita
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	3.8%	2,185
2008	299,035,000	1,013,917	300,048,917	(1)	2,015
2009	391,990,000	623,268	392,613,268	(1)	2,601

(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

Source: District's financial records

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

Levy Year	Collection Year	General Obligation Bonds	Less Debt Service Funds	Net Bonded Debt	Percentage of Estimated Actual Taxable Value (1) of Property	Per Capita
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
2008	2009	391,990,000	30,801,518	361,188,482	1.99%	2,393

(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

Source: District's financial records

St. Vrain Valley School District RE-1J
Debt Capacity
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009
(Unaudited)

Name of Overlapping Entity	2008 Assessed Valuation	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District: Percent	Outstanding General Obligation Debt Attributable to the District: Amount
Berthoud Fire Protection District	$ 161,388,984	$ 1,560,000	9.71%	$ 151,476
City & County of Broomfield	1,007,206,186	1,330,000	0.23%	3,059
Carbon Valley Park & Recreation District	270,618,950	5,850,000	92.78%	5,427,630
Central Colorado Water Conservancy - Groundwater Management	1,021,925,490	18,182,540	0.07%	12,728
City of Dacono	35,202,470	2,600,000	100.00%	2,600,000
Town of Erie	209,725,890	19,071,095	80.13%	15,281,668
Town of Firestone	118,208,020	315,000	90.45%	284,918
Town of Frederick	156,684,520	1,098,274	99.98%	1,098,054
Frederick-Firestone Fire Protection Dist.	291,445,680	3,430,000	99.13%	3,400,159
Gunbarrel Estates Metro Park & Rec.	10,054,720	55,455	100.00%	55,455
Harvest Junction Metropolitan District	16,623,330	8,000,000	100.00%	8,000,000
Left Hand Water & Sanitation District	5,931,670	249,098	100.00%	249,098
Liberty Ranch Metropolitan District	1,308,870	4,935,000	100.00%	4,935,000
City of Longmont	1,085,632,380	4,480,000	100.00%	4,480,000
Mead Western Meadows Metro District	1,671,550	2,695,000	100.00%	2,695,000
North Metro Fire Rescue Authority	1,343,239,376	24,425,000	0.17%	41,523
Northern Colorado Water Cons. District	13,483,519,647	4,288,318	15.95%	683,987
St. Vrain Sanitation District	387,531,850	1,335,000	68.55%	915,143
Stoneridge Metropolitan District	6,643,180	4,000,000	100.00%	4,000,000
Vista Ridge Metropolitan District	51,467,161	40,000,000	100.00%	40,000,000
Wyndham Hill Metrolpolitan District No. 2	5,084,450	10,900,000	100.00%	10,900,000
Total		$ 158,799,780		$ 105,214,898

This chart includes a summary of the estimated overlapping general obligation debt, as of December 31, 2008, 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

	2000	2001	2002	2003
Debt Limit	$ 215,746,374	$ 236,869,804	$ 299,759,366	$ 397,395,385
Total net debt applicable to limit	143,606,264	141,309,000	139,368,000	232,693,967
Legal debt margin	$ 72,140,110	$ 95,560,804	$ 160,391,366	$ 164,701,418
Total net debt applicable to the limit as a percentage of debt limit	66.6%	59.7%	46.5%	58.6%

Fiscal Year 2009 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	$ 2,270,571,035	(1)	$ 18,182,936,138
Debt Limit Percentage	20.00%	(2)	6.00%
Legal debt limit	454,114,207		1,090,976,168
Amount of debt applicable to debt limit: Total bonded debt as of June 30, 2009	391,990,000		391,990,000
Legal debt margin	$ 62,124,207		$ 698,986,168

(1) The assessed valuation shown here includes $16,578,479 of assessed valuation attributable to the tax increment financing district (Longmont Downtown Development Authority and the Broomfield Urban Renewal Authority) located within the District. An additional slight difference is due to adjustment to the various County Assessors' compilations of the above information.

(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

2004	2005	2006	2007	2008	2009 (2)
$ 826,522,526	$ 860,996,213	$ 915,527,849	$ 969,158,919	$ 442,367,652	$ 454,114,207
278,315,000	283,890,000	272,770,000	317,870,000	299,035,000	391,990,000
$ 548,207,526	$ 577,106,213	$ 642,757,849	$ 651,288,919	$ 143,332,652	$ 62,124,207
33.7%	33.0%	29.8%	32.8%	67.6%	86.3%

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

Last Ten Fiscal Years (as available)

Population District-wide

2000	2001	2002	2003
116,414	123,295	127,223	131,310

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

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

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2008 and beyond.

Annual Per Capita Personal Income by County

	2000	2001	2002	2003
Boulder	$ 40,360	$ 40,435	$ 40,590	$ 41,110
Broomfield (1)	n/a	n/a	33,293	33,376
Larimer	30,274	31,449	31,793	32,037
Weld	25,038	25,575	24,571	24,279
Average	$ 31,891	$ 32,486	$ 32,562	$ 32,701

Source: United States Department of Commerce, Bureau of Economic Analysis
Data subject to revision; not available for 2008 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.

2004	2005	2006	2007	2008	2009
136,910	140,363	142,172	146,193	148,920	150,949

2004	2005	2006	2007
$ 12,199,592	$ 12,815,298	$ 14,192,102	$ 14,841,031
1,550,901	1,550,383	1,694,754	1,918,571
8,846,874	9,330,387	9,953,554	10,541,856
5,374,013	5,668,873	5,919,700	6,384,960
$ 6,992,845	$ 7,341,235	$ 7,940,028	$ 8,421,605

2004	2005	2006	2007	
$ 43,640	$ 45,849	$ 49,628	$ 51,388	
36,530	35,743	32,949	35,781	(2)
32,893	34,323	35,397	36,766	
24,432	24,846	26,002	26,314	
$ 34,374	$ 35,190	$ 35,994	$ 37,562	

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

Last Ten Fiscal Years

Median Age by County

	2000	2001	2002	2003	2004
Boulder	33.5	33.6	33.9	34.2	34.6
Broomfield	n/a	33.3	33.4	33.6	33.9
Larimer	33.3	33.3	33.5	33.9	34.2
Weld	30.9	31.0	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)

		2000	2001	2002	2003	2004
Boulder	(2)	2.6%	2.3%	3.5%	5.9%	5.8%
Broomfield	(3)	n/a	2.3%	3.7%	5.8%	6.2%
Larimer	(4)	3.1%	2.4%	3.1%	4.8%	5.3%
Weld	(5)	3.6%	2.6%	3.2%	5.2%	5.9%

(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

2005	2006	2007	2008	2009
35.1	35.5	35.8	36.1	36.3
34.2	34.5	34.7	34.9	35.5
34.5	34.9	35.1	35.2	35.5
31.2	31.3	31.5	31.7	31.8

2005	2006	2007	2008	2009 (6)
4.5%	4.1%	3.3%	4.8%	6.6%
4.7%	4.7%	3.8%	5.4%	7.5%
4.4%	4.2%	3.4%	4.7%	6.6%
5.1%	5.0%	4.2%	5.6%	8.8%

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 Seven Fiscal Years (1)
(Unaudited)

Employer	2003 Estimated Number of Employees (2)	2003 Rank	2003 Percentage of Total Employment	2004 Estimated Number of Employees (2)	2004 Rank	2004 Percentage of Total Employment	2005 Estimated Number of Employees (2)	2005 Rank	2005 Percentage of Total Employment
Sun Microsystems Inc.	3,250	2	1.8%				3,100	2	1.7%
IBM Corp.	5,000	1	2.8%	4,800	1	2.6%	4,700	1	2.5%
Ball Corp.	1,925	7	1.1%				2,600	3	1.4%
Level 3 Communications Inc.	2,350	4	1.3%				2,200	4	1.2%
Covidien (parent of Valleylab)				920	6	0.5%	900	10	0.5%
Wal-Mart Stores Inc.				625	10	0.3%			
Seagate Technology	1,010	10	0.6%	1,080	4	0.6%	1,200	6	0.6%
Amgen, Inc.									
West Corp (parent of Intrado Inc)									
Hunter Douglas Inc.,							968	8	0.5%
Boulder Community Hospital	2,102	5	1.2%						
Safeway Inc. (3)				1,000	5	0.6%	1,049	7	0.6%
Target Corp.									
Storage Technology Corp.	3,000	3	1.7%	2,000	2	1.1%	1,800	5	1.0%
ConAgra Foods				1,200	3	0.7%	950	9	0.5%
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%			
	23,037		13.0%	13,768		7.7%	19,467		9.6%

(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 Lousiville. The $10 million deal closed in April 2003.
(5) Information is based on mid-calendar year calculation, not annual averages

Source: 2009 data from The Daily Camera, "Top 50 Local Employers", July 19, 2009
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

2006			2007			2008			2009		
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)	Estimated Number of Employees (2)	Rank	Percentage of Total Employment (5)
2,700	3	1.4%	3,471	1	1.8%	2,593	3	1.3%	2,900	1	1.5%
4,500	1	2.4%	3,400	2	1.7%	3,000	1	1.5%	2,800	2	1.4%
2,975	2	1.6%	2,880	3	1.5%	2,800	2	1.4%	2,700	3	1.4%
2,150	4	1.1%	2,100	4	1.1%	2,000	4	1.0%	2,000	4	1.0%
1,000	8	0.5%	1,347	6	0.7%	1,775	5	0.9%	1,798	5	0.9%
			1,197	7	0.6%	1,300	7	0.7%	1,269	6	0.7%
1,200	7	0.6%	1,500	5	0.8%	1,600	6	0.8%	1,126	7	0.6%
			1,100	8	0.6%	950	10	0.5%	980	8	0.5%
									960	9	0.5%
934	9	0.5%	1,000	10	0.5%	968	9	0.5%	776	10	0.4%
1,245	6	0.7%				1,250	8	0.6%			
			1,066	9	0.5%						
2,000	5	1.0%									
920	10	0.5%									
19,624		9.4%	19,061		9.8%	18,236		9.2%	17,309		8.9%

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

Function	Description	2005 FTE	2006 FTE	2007 FTE	2008 FTE	2009 FTE
Direct Instruction	Classroom teachers, special education and English as a Second Language teachers, teachers' aides	1,534	1,515	1,571	1,753	1,514
Classroom Support	Librarians, counselors, school principals and assistant principals, support staff including speech services, attendance, and extra-curricular activities	386	381	395	441	381
Building Support	Student transportation, utilities, maintenance, custodial services, printing, purchasing, technology services, etc.	311	307	319	356	307
Central Support/ Administration	Human resources, finance, payroll, budgeting, legal, clerical support, supervision of instruction, public information, superintendent's office, etc.	30	30	31	34	30
Total		2,261	2,234	2,316	2,584	2,232

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

Note 2: 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.

Source: District's Human Resouces Department

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)
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
2009	25,270.0	23,901.1

(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 Eight Fiscal Years (1)
(Unaudited)

Fiscal Year	Expenses (2)	Enrollment (3)	Cost per Pupil	Pupil Teacher Ratio (4)	Number of Free and Reduced Students	Percent of Free and Reduced Students in Lunch Program (5)
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%
2006	181,360,212	22,482.0	8,067	24.1:1	6,249	27.8%
2007	189,155,044	23,630.0	8,005	24.1:1	6,940	29.4%
2008	198,371,203	24,216.0	8,192	24.1:1	7,325	30.2%
2009	213,273,301	25,270.0	8,440	24.8:1	7,877	31.2%

(1) The District implemented GASB 34 in fiscal year 2002; therefore, government-wide expenses are shown beginning in that year.
(2) Expenses for governmental activities from Changes in Net Assets schedule which is presented for eight fiscal years
(3) Enrollment (total membership) from the Student Count schedule
(4) Provided by the Human Resources Department
(5) Provided by the Food Service Department

Source: District's financial records

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

	2002	2003	2004	2005	2006	2007	2008	2009
Elementary schools	20	20	20	22	22	22	22	25
Total square feet	968,072	968,072	968,072	1,072,642	1,072,642	1,072,642	1,072,642	1,228,045
Total program capacity	9,331	9,331	9,331	10,411	10,411	10,411	10,411	11,505
Enrollment	8,909	9,079	9,188	9,494	9,632	9,778	9,971	10,890
Percent capacity	95%	97%	98%	91%	93%	94%	96%	95%
Middle schools	6	6	6	6	9	9	9	9
Total square feet	569,712	569,712	569,712	569,712	905,153	905,153	905,153	905,153
Total program capacity	4,054	4,054	4,054	4,054	6,331	6,331	6,331	6,331
Enrollment	3,611	3,766	3,850	3,873	4,872	4,956	4,992	4,909
Percent capacity	89%	93%	95%	96%	77%	78%	79%	78%
High schools	7	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	1,083,994
Total program capacity	6,995	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	7,026
Percent capacity	92%	96%	98%	102%	92%	96%	100%	100%
Alternative schools	2	2	2	2	2	2	2	2
Total square feet	97,032	97,032	97,032	97,032	97,032	97,032	97,032	97,032
Enrollment	485	544	534	483	554	572	556	558
Charter schools	2	2	2	2	4	4	3	4
Enrollment	602	656	669	645	1,120	1,420	1,397	1,887
Other District Facilities								
Total square feet	132,853	132,853	132,853	132,853	132,853	144,106	144,106	144,106

(1) The District implemented GASB 34 in fiscal year 2002; therefore, government-wide information is shown beginning in that year.

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

	2000	2001	2002	2003	
General Fixed Assets Group / Governmental Activities					
Land/Sites	$ 7,646,977	$ 7,970,477	$ 10,963,016	$ 11,700,106	
Projects in progress	-	-	-	3,701,002	
Water rights	450,306	473,306	2,612,516	2,612,516	
Capital assets not depreciated	8,097,283	8,443,783	13,575,532	18,013,624	
Land Improvements	-	-	11,205,967	11,643,568	
Buildings	131,730,048	152,318,422	103,752,158	104,563,622	
Building Improvements	-	-	75,795,663	76,042,521	
Improvements	8,597,633	10,785,673	-	-	
Equipment	33,485,689	34,912,821	14,839,302	15,397,086	
Capital assets depreciated	173,813,370	198,016,916	205,593,090	207,646,797	
Less: accumulated depreciation					
Land Improvements	-	-	3,050,927	3,566,526	
Buildings	-	-	27,592,543	29,444,832	
Building Improvements	-	-	13,700,056	15,746,468	
Improvements	-	-	-	-	
Equipment	-	-	8,507,722	9,731,386	
Total accumulated depreciation	-	-	52,851,248	58,489,212	(1)
Capital assets depreciated, net	173,813,370	198,016,916	152,741,842	149,157,585	
Total capital assets, General Fixed Assets Group / Governmental Activities	$ 181,910,653	$ 206,460,699	$ 166,317,374	$ 167,171,209	
Enterprise Fund / Business-type Activities					
Equipment	$ 1,914,638	$ 1,283,304	$ 1,477,203	$ 1,559,536	
Less: accumulated depreciation	1,161,272	510,089	615,987	737,693	
Total	$ 753,366	$ 773,215	$ 861,216	$ 821,843	

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

Source: District's financial records

2004	2005	2006	2007	2008	2009
$ 13,101,777	$ 16,868,344	$ 17,281,724	$ 18,564,441	$ 19,792,539	$ 19,792,539
47,988,336	20,455,309	5,072,230	8,658,126	58,980,808	1,811,297
2,612,516	2,612,516	4,089,516	4,089,516	4,122,407	4,340,807
63,702,629	39,936,169	26,443,470	31,312,083	82,895,754	25,944,643
13,803,835	16,362,434	16,974,890	19,261,023	19,261,023	20,163,514
104,563,622	163,650,732	176,858,388	178,542,911	178,624,762	245,874,910
83,590,019	87,209,911	99,353,087	99,556,995	99,725,058	99,876,713
-	-	-	-	-	-
17,487,102	23,182,130	23,950,193	25,213,065	26,120,496	27,199,661
219,444,578	290,405,207	317,136,558	322,573,994	323,731,339	393,114,798
4,222,100	4,840,750	5,681,171	6,579,135	7,477,099	8,409,521
31,298,614	33,136,901	35,314,984	39,654,107	42,877,045	46,979,138
18,049,170	19,791,865	23,283,112	26,385,211	29,472,391	32,574,831
-	-	-	-	-	-
10,746,973	11,550,228	12,658,701	14,658,269	16,644,245	18,731,165
64,316,857	69,319,744	76,937,968	87,276,722	96,470,780	106,694,655
155,127,721	221,085,463	240,198,590	235,297,272	227,260,559	286,420,143
$ 218,830,350	$ 261,021,632	$ 266,642,060	$ 266,609,355	$ 310,156,313	$ 312,364,786
$ 1,576,109	$ 1,953,186	$ 2,249,157	$ 2,312,660	$ 2,324,322	$ 2,634,246
848,425	971,415	1,105,986	1,253,142	1,397,420	1,558,615
$ 727,684	$ 981,771	$ 1,143,171	$ 1,059,518	$ 926,902	$ 1,075,631

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COMPLIANCE SECTION

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Finance and Audit Committee
St. Vrain Valley School District RE-1J
Longmont, Colorado

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J (District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Twin Peaks Charter School, Flagstaff Academy Charter School, Carbon Valley Charter School, and Imagine Charter School, as described in our report on the District's financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Finance and Audit Committee
St. Vrain Valley School District RE-1J
Longmont, Colorado

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the District in a separate letter dated October 7, 2009.

This report is intended solely for the information and use of the finance and audit committee, management, others within the organization, the Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bondi & Co. LLC

October 20, 2009

BONDI & Co. LLC

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Finance and Audit Committee
St. Vrain Valley School District RE-1J
Longmont, Colorado

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Compliance

We have audited the compliance of St. Vrain Valley School District RE-1J (District), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 09-01.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Finance and Audit Committee
St. Vrain Valley School District RE-1J
Longmont, Colorado

This report is intended solely for the information and use of the finance and audit committee, management, others within the organization, the Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Bondi & Co. LLC

October 20, 2009

BONDI & Co. LLC

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ yes	✔ no
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	✔ no
Noncompliance material to financial statements noted?	____ yes	✔ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ yes	✔ no
Significant deficiency(ies) identified not considered to be material weaknesses?	____ yes	✔ no
Type of auditors' report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section *.510(a)?*	✔ yes	____ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA Preschool)
84.282	Charter Schools

Dollar threshold used to distinguish between Type A and Type B programs:	$435,000	
Auditee qualified as low-risk auditee?	____ yes	✔ no

Section II - Financial Statement Findings

There were no findings relating to the District's financial statements for the year ended June 30, 2009.

Section III - Federal Award Findings and Questioned Costs

Finding 09-01: CFDA 84.027, 84.173 Special Education Cluster, U.S. Department of Education, Passed through Colorado Department of Education

Criteria or Specific Requirement: OMB Circular A-87, Attachment B, Section 8(h) requires District employees complete time and effort activity reports documenting the actual activity of each employee working on the Special Education program, and accounting for the total activity for which each employee is compensated. Documentary support of employee time is required when employees work on:

- more than one federal award,
- a federal award and a non-federal award,
- an indirect cost activity and a direct cost activity
- two or more indirect activities which are allocated using different allocation bases, or
- an unallowable activity and a direct or indirect cost activity.

Time and effort activity reports must be completed at least monthly and are to be signed by the employee.

Condition: Employees that did not have 100% of their time allocated to Federal Special Education activity did not prepare time and effort sheets during the fiscal year.

Questioned Costs: Unknown

Context: Approximately 95% of expenditures of the Special Education program are payroll transactions. We reviewed a selection of employees that worked on the program during the fiscal year, and noted time and effort sheets were not maintained by the District to support the time spent on the program for any of the payroll transactions tested.

Effect: The District is not in compliance with requirements for maintaining documentation of employee activity.

Finding 09-01 (Continued)

Cause:	Employees were not required by their superiors to document their actual activity allocations.
Recommendation:	We recommend the District require all employees that are involved in Special Education grant program work to complete time and effort activity reports each month if their time is not allocated 100% to the program. Supervisors should review these reports to ensure they are completed timely and accurately.
Views of Responsible Officials and Planned Corrective Actions:	Jackie Whittington, Executive Director of Student Services Student services has developed a document which employees will use to record their time and effort in the Special Education grant program. The completed reports will be submitted monthly to the Student Services for review and filing. The corrective action plan will be implemented on November 16, 2009.

Section IV – Prior Year Findings

Finding 08-01: **CFDA 84.282 Charter Schools, U.S. Department of Education passed through Colorado Department of Education**

Award Year: July 1, 2007 through June 30, 2008
Award Number: N/A

Criteria or Specific Requirement: Recipients of federal funds shall minimize the time elapsing between the transfer of funds from the pass-through entity and the disbursement of those funds.

Condition/ Context: Flagstaff Academy Charter School had deferred revenue at the start of the fiscal year in the amount of $58,000 that was not spent within one month of requesting the draw. Also, Carbon Valley Charter School had one federal reimbursement during the year in which $30,441 was requested and only $30,000 was spent within one month of requesting the funding. Additionally, Imagine Charter School, a subrecipient of the District had two draws totaling $262,112 and only $126,729 was spent within one month of the draw requests.

Effect: Federal money received had not been spent within a reasonable time period after being received. This could potentially result in interest earned on the money being required to be paid back to the federal government.

Cause: A reliable process of estimating immediate expenditure needs does not exist.

Auditor's Comment: The District is reviewing disbursements for compliance with grant requirements. This finding has been resolved.

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Number	Federal Expenditures through 6/30/09
US Department of Education			
Passed through State Department of Education			
Adult Education - State Grant Program	84.002	5002,6002	$ 203,498
Title I Grants to Local Educational Agencies	84.010	4010, 5010, 6010	2,397,490
Migrant Education - State Grant Program	84.011	4011	130,353
Special Education - Grants to States (IDEA, Part B)	84.027	4027, 5027	3,722,984
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	5126	308,115
Special Education - Preschool Grants (IDEA Preschool)	84.173	4173	60,450
Safe and Drug-Free Schools and Communities - National Programs	84.184	5184	332,118
Safe and Drug-Free Schools and Communities - State Grants	84.186	4186	64,606
Education for Homeless Children and Youth	84.196	5196	31,095
Charter Schools	84.282	5282, 6282	149,115
State Grants for Innovative Programs	84.298	4298	28,327
Education Technology State Grants	84.318	4318, 5318	25,799
English Language Acquisition Grants	84.365	4365,7365	279,470
Improving Teacher Quality State Grants	84.367	4367	626,759
Passed through Colorado Community Colleges & Occupational Education System			
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	4048	124,279
Total US Department of Education			8,484,458
US Department of Agriculture			
Passed through State Department of Human Services			
Food Donation	10.550	4550	374,763
Passed through State Department of Education			
School Breakfast Program	10.553	4553	380,160
Summer Food Service Program for Children	10.559	4559	82,079
National School Lunch Program	10.555	4555	5,174,771
Total US Department of Agriculture			6,011,773
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 14,496,231

ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2009

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, which includes the federal grant activity of the St. Vrain Valley School District RE-1J (District), is presented on the modified accrual basis of accounting, except for the U.S. Department of Education grants, which are presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the District's financial statements for the year ended June 30, 2009.

NOTE 2: NON-CASH

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

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

Independent Auditors' Report on Electronic Financial Data Integrity Check Figures

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of St. Vrain Valley School District RE-1J (District), as of and for the year ended June 30, 2009, and have issued our report, thereon, dated October 20, 2009. Our report was modified to include a reference to other auditors. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 our audit provides a reasonable basis for our opinions.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying *Schedule of Electronic Financial Data Integrity Check Figures* is presented for purposes of additional analysis and is not a required part of the financial statements of the District. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The results of our tests indicate that, with respect to the items tested, the District appears to have complied, in all material respects, with the provisions of the *Financial Policies and Procedures Manual* for State of Colorado Public School Districts.

Bondi & Co. LLC
BONDI & Co. LLC

November 4, 2009

Colorado Department of Education

Automated Data Exchange View Report

11/04/2009
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Colorado Department of Education
Fiscal Year 2008-2009
Colorado School District/BOCES
Auditor's Integrity Report

BOULDER ST VRAIN VALLEY RE 1J
District Code: 0470

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental					
10	General Fund	10,749,052	169,143,325	150,380,417	29,511,960
18	Risk Mgmt Sub-Fund of General Fund	4,450,726	2,636,513	1,258,818	5,828,420
19	Colorado Preschool Program Fund	263,591	884,178	773,439	374,330
	Subtotal	15,463,368	172,664,016	152,412,674	35,714,710
11	Charter School Fund	3,455,211	12,439,914	10,629,701	5,265,424
20,26-29	Special Revenue Fund	4,960,028	4,221,570	3,984,057	5,197,541
21	Capital Reserve Spec Revenue Fund	2,050,068	4,571,881	3,541,293	3,080,656
22	Govt Designated-Purpose Grants Fund	0	9,144,082	9,144,082	0
23	Pupil Activity Special Revenue Fund	2,376,290	3,332,859	3,402,942	2,306,207
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
30	Debt Service Fund	0	0	0	0
31	Bond Redemption Fund	27,000,135	31,060,626	27,259,243	30,801,518
41	Building Fund	20,603,157	105,480,456	14,946,548	111,137,064
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	0	0	0	0
	TOTALS	75,908,256	342,915,404	225,320,540	193,503,120
Proprietary					
51	Food Service Fund	1,622,105	7,761,745	7,832,118	1,551,732
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	-58,834	0	-58,834	0
	TOTALS	1,563,272	7,761,745	7,773,285	1,551,732
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	213,750	64,836	60,128	218,457
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	1,183,368	2,033,876	2,148,770	1,068,474
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	509,874	780,499	1,697,670	-407,297
	TOTALS	1,906,992	2,879,211	3,906,568	879,634

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.

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For further information contact ademaster@cde.state.co.us

We must advance a tradition of excellence
by providing a wide array
of rigorous curriculum options for all students
to succeed now, and in the future.

Don Haddad, Superintendent

St. Vrain Valley
School District