

Eagle County Schools

for the Fiscal Year
ended June 30, 2021

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Eagle County School District RE50J



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EAGLE COUNTY SCHOOL DISTRICT RE50J

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended June 30, 2021
County of Eagle
State of Colorado*

*Philip Qualman
Superintendent*



Prepared by:
Business Services

Sandra Farrell, CPA
Chief Operating Officer

EAGLE COUNTY SCHOOLS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2021

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Chief Operating Officer
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November 1, 2021

Members of the Eagle County Schools Community
Members of the Board of Education
Philip Qualman, Superintendent of Schools
Eagle County School District RE50J
Eagle Colorado

It is our pleasure to submit the Comprehensive Annual Financial Report of the Eagle County Schools for the fiscal year ended June 30, 2021.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. This report is being formally submitted to the Board of Education in fulfillment of those requirements.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

The 2021 Comprehensive Annual Financial Report presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB Statement No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

McMahon and Company LLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Eagle County Schools financial statements for the year ended June 30, 2021. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the District

Eagle County Schools (“the district”) is a public school district, organized and existing under the School District Organization Act of 1965, Article 30, Title 22, and Colorado Revised Statutes. The district was formed in 1958 when 16 independent districts were consolidated into a countywide district encompassing the 1,694 square miles of Eagle County, Colorado. The district is located in western Colorado and in the central Rocky Mountains. Eagle County Schools is empowered to levy a property tax of both real and personal properties located within its boundaries.

A seven-member board of education elected by the citizens of Eagle County governs the district. Policy-making and legislative authority are vested in the Board of Education. The Board is responsible, among other things, for adopting policies, appointing committees, adopting the budget, and hiring the Superintendent. The Superintendent is responsible for carrying on the policies and regulations of the Board, for overseeing the day-to-day operations of the district and for hiring principals and administrators. The Board is elected on a non-partisan basis at large. Board members serve four year staggered terms, with four or three board members elected every two years. Board members are term-limited at two terms.

Serving Pre-K through 12th grade students from Vail to Dotsero, including Bond and McCoy, Eagle County Schools is an innovative district comprised of 1,000+ professionals engaging nearly 6,680 students. Our student population is diverse in both demographics and economic background. With 30.0% of students being English Language Learners compared with the state average of 12.9% we are also uniquely positioned to evolve into a dual language district with bilingual graduates supporting our vision of international competitiveness. While geographically positioned near affluent communities like Vail and Beaver Creek, 36% of our students qualify for free and reduced lunch. Our schools and students are supported by active PTA’s, local non-profit foundations, youth services-focused organizations, and a variety of private-public partnerships and individual philanthropists. Our mission is to teach the students of Eagle County to have creative and active minds, compassion for others, enthusiasm for lifelong learning, and the courage to act on their dreams.

The district provides a full and challenging range of educational programs and services authorized by Colorado State Statute including basic kindergarten through grade twelve education in elementary, middle and high schools, special education for exceptional students, gifted and talented, career and technical education, English Language Learner programs, Dual-Language, International Baccalaureate, and numerous other educational and support programs. In addition, the district offers preschool programs through its Early Childhood Education program.

One charter school, Eagle County Charter Academy, is included as a discretely presented component unit of Eagle County Schools for the 2020-21 Comprehensive Annual Financial Report.

Budget Process

The Board of Education is required by state law to adopt an initial budget no later than June 30 of the preceding fiscal year. The annual budget serves as the foundation of the district's financial planning and control. The budget is prepared by the fund, program/department and object. State law allows the Board of Education to adjust the initial budget based upon updated revenues and expenditures through January 31 of the current fiscal year.

Changes to the budget following adoption by the Board of Education are authorized under Policy DBJ, which allows the transfer of funds between accounts with the approval of the Superintendent or designee.

Economic Conditions and Outlook

National and International

This summary of the national economic conditions is derived from information posted on the Congressional Budget Office (CBO) website at <https://www.cbo.gov/>. Specific documents cited are: *An Update to the Budget and Economic Outlook: 2021 to 2031*.

The federal budget deficit was \$2.8 trillion in fiscal year 2021, the Congressional Budget Office estimates—\$362 billion less than the deficit recorded in fiscal year 2020. Although outlays rose by an estimated \$265 billion (or 4 percent), revenues rose more—by an estimated \$627 billion (or 18 percent).

Programs and policies implemented in response to the coronavirus pandemic—notably, refundable tax credits (particularly the recovery rebates), expanded unemployment compensation, and the Small Business Administration's Paycheck Protection Program—substantially boosted spending, in both 2021 and 2020. Outlays in fiscal year 2021 were about \$2.4 trillion more than spending in 2019, an increase of more than 50 percent. Outlays in 2020 rose almost as much. As a result, the annual deficits recorded in 2020 and 2021 were significantly larger than the \$984 billion shortfall recorded in fiscal year 2019.

The deficit CBO now estimates for 2021 is \$233 billion smaller than the shortfall estimated in its most recent baseline projections. Since CBO completed that estimate, income tax receipts have been greater than anticipated and outlays have been largely consistent with CBO's projections.

Colorado

The Colorado Economic and Fiscal Outlook – September 2021 report by the Office of State Planning and Budgeting (OSPB), presents the OSPB forecasts 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 <https://www.colorado.gov/governor/economics>

Broad measures of U.S. and Colorado economic activity indicate continued recovery from the pandemic-induced recession, although the economy faces continued challenges. There are early signs that the rapid summer spread of the Delta variant of COVID-19 across the U.S. and Colorado poses a potential drag on economic growth in the near term. With the return to normalcy just beyond reach, the virus has reasserted itself as a prime driver of the economic recovery as consumers, businesses, and workers once again adjust their behavior to fluctuating health risks.

Rather than the hoped-for strong and steady recovery accompanying the ebbing pandemic, economic activity, like the trajectory of the virus itself, has instead been choppy and uneven. Many households and businesses are still bearing the brunt of lingering distress, while others have emerged unscathed or even better off. Spending and employment in sectors tied to in-person services still lag their pre-pandemic levels and remain particularly sensitive to the waxing and waning of the virus. Supply and demand mismatches, initially expected to be temporary, have been exacerbated by the global waves of COVID-19 cases. These mismatches are now expected to persist into 2022, boosting inflationary pressures and challenging the economic recovery as government assistance recedes.

As the recent resurgence of COVID-19 case counts illustrates, we remain in unprecedented economic times, with shifting and still-elevated economic risks. There have been surprisingly few signs of lasting scarring from the pandemic-related recession, but there is still a great deal of uncertainty about how much of the shifts in consumer, business, and worker behavior will persist and whether short-term disruptions will have long-lasting ripple effects. The drag from receding government stimulus may increase if momentum supporting wage and business incomes does not offset the pull-back in public assistance.

Consumer spending, as measured by personal consumption expenditures, accounts for more than two-thirds of total economic activity; it accounted for a majority of the decline in GDP in the second quarter of 2020, and is also fueling the recovery. With 11.9 percent growth in the second quarter of 2021, consumer spending offset declines in the remaining components of GDP. As of the second quarter of 2021, personal consumption expenditures exceeded prerecession levels by 3.1 percent.

After surging in early summer, employment growth stumbled in August amidst the spread of the Delta variant of COVID-19, particularly impacting the virus-sensitive sectors dependent on in-person work, including accommodations and food services, as well as retail trade. Despite the slowdown in some sectors, businesses in other sectors continue to report difficulty finding workers as the jobs recovery continues to impact geographic regions, industries, and demographic groups unevenly. The near-term jobs recovery may face additional headwinds from the waning federal stimulus, including the expiration of additional unemployment insurance benefits in early September, and the economic recovery remains highly dependent on the trajectory of the pandemic. At the current rate, employment levels are not expected to reach pre-pandemic levels until late 2022.

Personal income serves as an aggregate measure of most sources of household and non-corporate business income. The federal policy response to the pandemic resulted in a record-breaking boost to personal income in 2020 and at the start of 2021. Specifically, the boost from direct economic assistance payments to households and enhanced unemployment insurance benefits more than offset pandemic-related declines.

Retail trade encompasses industries that primarily sell retail goods as a service. Typically, retail trade comprises about half of the state's retail sales activity. Through June, growth in the state's retail trade industries was led by sales of motor vehicles and parts. Compared with the first half of 2020, sales in the industry were up by nearly \$3 billion year-to-date and accounted for about 31 percent of retail trade growth. Strong sales were also recorded in clothing, furniture, sporting goods, and gasoline stations, industries that were among the most adversely impacted during the recession. Through June, each retail trade industry recorded double-digit growth year-to-date, except for food and beverage stores. Sales at food and beverage stores increased just 3.7 percent.

Single-family home prices across the U.S. rose rapidly over the past year, with prices for the 12 months ending May 2021 up 17 percent year-over-year, the highest 12-month gain in the series history back to 1975, according to the Freddie Mac House Price Index. Prices have been pushed upward by surging demand, low interest rates, and low inventories. Single-family home prices are expected to appreciate at a more modest pace in 2022 and through the forecast period as demand cools, rates increase, and new construction activity eases supply constraints. The impact on affordability has contributed to a strengthening multifamily market in 2021 where vacancy rates have fallen and rents have increased. In July, the Colorado Association of Realtors reported that the state's median single-family home price was up 17.9 percent year-to-date amid falling inventory and fewer average days on the market. The state has been challenged by many of the same factors impacting the national market. Like the nation, home prices are expected to moderate over the forecast period.

In summary, the economy continues to recover from the pandemic recession, but faces increasing headwinds from a new wave of coronavirus infections, ongoing supply chain bottlenecks, and waning government stimulus. The economic recovery remains tied to the trajectory of the pandemic, and continues to be uneven as spending and employment in in-person services sectors remain subdued. Supply and demand mismatches are now expected to persist into 2022 and signal a recovery marked by fits and stimulus-supported starts. While employment in most industries has met or exceeded pre-pandemic levels, several sectors reliant on in-person work remain hard hit.

Local

The following information has been obtained from Eagle County Comprehensive Annual Financial Report as of December 31, 2021 which can be found at:

<https://drive.google.com/file/d/1XkW49rYVu3b6Gw4pcm8FFtHktFkt94b3/view>

The global pandemic of COVID-19 has had immediate impacts to the regional economy and the County's service levels and revenues. The County's unemployment rate in April-June 2020 was between 17%-23%, as compared with the County's 2019 annual unemployment rate of 2.2%.

The Eagle County Regional Airport experienced a 23% decline of enplanements in 2020 over 2019. This affected a relatively small per passenger fee collected (9.3% of total service revenues in 2020 versus 12.9% in 2019), whereas revenues received from airlines (53% of total service revenues) remained consistent due to contracts binding airlines to pay a fixed lease space amount. The ECO Transit system experienced a 54% (\$1.3M) decline in service revenue in 2020 over 2019. The County benefited from approximately \$8.3M of the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provides funding for transit agencies, airports, public health agencies and local governments to respond to the COVID-19 pandemic. In 2021, the County anticipates benefiting from at least \$10.7M of the American Rescue Plan Act (ARPA) funding to support needs of the community as a result of the pandemic.

The economy in Eagle County continues to be dominated by the ski industry, real estate, and other tourism-related businesses. Vail and Beaver Creek ski areas, operated by Vail Resorts, are two of the most popular winter destination ski resorts in the U.S. The County is home to premier golf courses designed by Arnold Palmer, Greg Norman, Robert Trent Jones, Jr. and Tom Fazio, among others. Golf rounds played on the County's 16 golf courses increased 18%. The Sonnenalp and Colorado Country Club of the Rockies saw the largest percentage increase in 2019 to 2020 reported numbers.

The average unemployment rate for Eagle County during 2020 was 9.7%, as compared to 2.2% during 2019. The County's 2020 unemployment rate was 2.4% higher than the state average of 7.3%, and 1.6% greater than the U.S average of 8.1%.

The Eagle County Regional Airport reported a total of 149,839 enplanements in 2020, a 23% decrease from 2019. This decrease was primarily attributable to the COVID-19 pandemic. Airlines temporarily significantly reduced flight service and passenger capacity limits. Airlines providing air service are: American, Delta, and United. The airlines provide seasonal non-stop flights from the following major cities: Atlanta, Chicago, Dallas, Denver, Houston, Los Angeles, Miami, Newark, Phoenix, New York, Salt Lake City, San Francisco, and Washington D.C.

In addition to world-class skiing and snowboarding at Vail and Beaver Creek, tourists visiting the County's scenic, historical and summer recreational areas make a significant contribution to the County's economy. Summer recreational activities in the County include rafting, kayaking, paddle boarding, horseback riding, camping, ghost town exploration, backpacking, mountain climbing, mountain biking, and tennis. In addition, fishing and big game hunting for deer and elk are also large contributors to our economy.

Along with Vail Resorts, Inc., some of the larger organizations that employ Eagle County residents include Eagle County School District, Vail Health, Eagle County Government, the Sonnenalp Resort, and the Westin Riverfront Resort.

2020 Eagle County real estate ended the year with \$3.5 billion in total dollar volume (53% increase over 2019) representing 2,572 transactions (27% increase over 2019). These two changes suggest a greater dollar volume per sales transaction. Average sales price county wide was \$1.4 million and median sales price was \$768K. Average sales price for improved residential real estate increased by 21.9% from \$1.22 million in 2019 to \$1.49 million in 2020.

Led by the Eagle County Housing and Development Authority (ECHDA), several additional County-sponsored affordable housing initiatives continually strive to address the critical need for affordable housing. These programs incorporate several local, state and federal funding sources to provide programs including HUD-subsidized complexes Riverview and Lake Creek Village Apartments, down payment assistance program (DPA), and affordable senior housing (Golden Eagle and Seniors on Broadway Apartments). In 2020, Eagle County completed the construction of a new workforce housing property, Two10 at Castle Peak, located in the town of Eagle and managed by ECHDA.

In 1996, Eagle County voters approved an additional 1/2 percent sales tax for the creation of Eagle County Regional Transportation Authority (ECO Transit/Trails) to provide a transportation system throughout Eagle County. The system consists primarily of bus transport; however, its mission also includes providing trails and other enhancements to transportation in Eagle County. Ridership on ECO Transit buses decreased from 1,117,000 in 2019 to 719,232 in 2020 due to COVID-19 impacts and capacity restrictions.

Long-term Financial Planning

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 52% of the District's Government wide general revenues for fiscal year 2020-21. The District received \$8,427 per pupil FTE as per pupil revenue (PPR) for FY21. This compares to \$8,771 for FY20, a decrease of \$344.

The 2021 legislative session enacted three bills that substantively impacted the financing of public schools in Colorado. Senate Bill 21-268 provided funding for school districts in FY 2021-22, modified the school finance formula, and made administrative and grant program funding changes. This is an anticipated increase of 10.4 percent. The change in funding will come from a \$127.0 million increase in school district property and specific ownership taxes and a \$623.8 million increase in state funding for school finance. It also included a 2% cost of living increase in base funding per Amendment 23. The definition of at-risk pupils was modified to include reduced-price lunch under the federal school lunch program and removed the subset of English Language Learners to be an additional factor.

House Bill 21-1164 requires CDE to phase out the total program mill levy tax credits, by no more than one mill per year, thereby slowly increasing the number of mills levied, until the district reaches their reset mill levy. The bill also requires that any savings in the state share of school finance resulting from phasing out tax credits must continue to be spent on school finance. This increases the local share of school funding by an estimated \$91 million in FY 2021-22.

Additional focus on the School Finance was created by House Bill 21-1325 which reestablished the Legislative Interim Committee on School Finance.

As we move into the budget process for the 2021-22 school year we anticipate additional funding increases, including a reduction in the Budget Stabilization Factor.

Policy DB requires Eagle County Schools to maintain a fiscal year-end fund balance as an operating reserve in the General Fund as a beneficial and sound financial management practice. The Board of Education assigns to the Superintendent or designee the responsibility of accumulating and maintaining a General Fund, fund balance amounting to 10% of the district's current fiscal year adopted budget or \$10,000,000, whichever is greater at fiscal year-end, as an operating reserve.

The 10% year-end operating reserve will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from the operating reserve shall be reported to the board.

The policy restricts the district from using one-time money for ongoing expenditures. This ensures programs are sustained with ongoing revenue. In addition, current policy specifies the amount to be held as a contingency reserve.

Following the requirements of this policy means the district will have to make annual budget adjustments so that new expenditures do not exceed new revenues and a moderate level of reserves is maintained. Because the district has in the past funded necessary programs with fixed revenue provided by override funds, the cost of these programs will eventually exceed the fixed revenue stream. Using the policy now means the district can make smaller adjustments over time rather than making dramatic cuts when the cost of programs has outgrown revenue sources.

At June 30, 2021, the district is in compliance with these fund balance requirements.

Historical information on district enrollment can be found in Table 17 of the Statistical Section of this document.

Information on all district facilities and property can be found in Table 19 of the Statistical Section of this document.

Major Initiatives

Eagle County Schools is a remarkable school district with a history of innovation, courage, and success. We have been a leader in efforts to revolutionize educator support systems, teacher leadership opportunities, individual accountability, and compensation packages. We have amazing and award-winning schools which have been recognized by the State of Colorado, the U.S. Department of Education, the Bill and Melinda Gates Foundation, and U.S. News & World Report.

Our strategic plan is an active working document that drives the focus of the District. It is the map used to engage our students, staff and community and provide the ability to align resources needed to achieve our goals.

Mission: We teach the children of Eagle County to have creative and active minds, compassion for others, enthusiasm for lifelong learning, and the courage to act on their dreams.

Vision: Prepare all of our students to be global-ready graduates, who will be successful in their careers or college experience and contribute to their communities in positive and effective ways.

Values: Aligned with our strategic direction, our values describe what we want to communicate about ourselves. We strive to bring these values to life in all that we do.

- Engaged Learners
- Inspired Professionals
- A Sense of Adventure
- A Caring Community
- A Commitment to Equity

Bond and Mill Levy Program

In November 2016, voters approved a ballot measure authorizing the district to issue \$144 million in general obligation debt to fund the capital projects identified in the Facilities Master Plan. The bond enables significant facility upgrades to ensure our community schools meet the needs of our growing student population. Bonds were sold for \$131,770,000 and generated \$22,332,115 in premium. As of June 30, 2021, all proceeds have been expended.

The district voters also approved an \$8 million mill levy override. The override will adjust annually along with the Denver-Boulder CPI (Consumer Price Index). The override is being used to attract and retain quality staff, restore staffing and programs, support instructional technology, expand early childhood education, provide instructional books/materials as well as, upgrade maintenance and transportation equipment and operations. To provide a high level of accountability and transparency in the implementation of the Mill Levy Program, the board of education has appointed a 3A Citizens' Committee that will offer independent review of the projects. The Committee is comprised of voluntary representatives of the Eagle County School District community. The override initially had a 2023 sunset however in November of 2020 voters approved of terminating the sunset providing for on-going stability for the approved programming.

Awards

Eagle Valley High School ranks in the top 10% of the nation for career and college readiness, according to US News and World Reports. The district has had three Principals of the Year in Colorado, one Superintendent of the Year, one English Language Learner Director of the Year, and our most recent award recipient, CASE Rookie Secondary Principal of the Year. Our schools have been recognized as National Blue Ribbon Schools, John Irwin Schools of Excellence and with the Governor's Distinguished Improvement Award from the Colorado Department of Education.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Excellence and the Certificate of Achievement, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence and the Certificate of Achievement are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements for both Certificate of Excellence and Certificate Achievement of programs. This document will be submitted to GFOA and ASBO respectively to determine eligibility for another certificate.

Acknowledgments

The preparation of this report was made possible by the dedicated service of the entire staff of the Business Services Division, I would like to express my sincere appreciation to all members of the department for their contributions to this report. We also thank the district's independent auditors, McMahan and Associates, LLC, for the professional manner in which they accomplished the audit and for their work to publish this Comprehensive Annual Financial Report. I would also like to thank the Board of Education for their interest in and support of the finance and accounting operations of Eagle County Schools.

Respectfully Submitted,

Sandra Mutchler

Sandra Mutchler, CPA, SFO
Chief Operating Officer



Chelsey Gerard
Director of Finance

Board of Education Members



Lucila Tvarkunas, District D; **Dr. Ted R. Long**, District C;
Michelle Stecher, Secretary/Treasurer, District F; **Kate Cocchiarella**, President, District
 B; **Kelly Alter**, District A; **Shelly Jarnot**, Vice President, District G; **Fernando Almanza**,
 District E

Superintendent's Leadership Team



Philip Qualman.....Superintendent

Katie JarnotAsst. Superintendent of Curriculum & Instruction

Melisa Rewold-ThuonAsst. Superintendent of Student Support Services

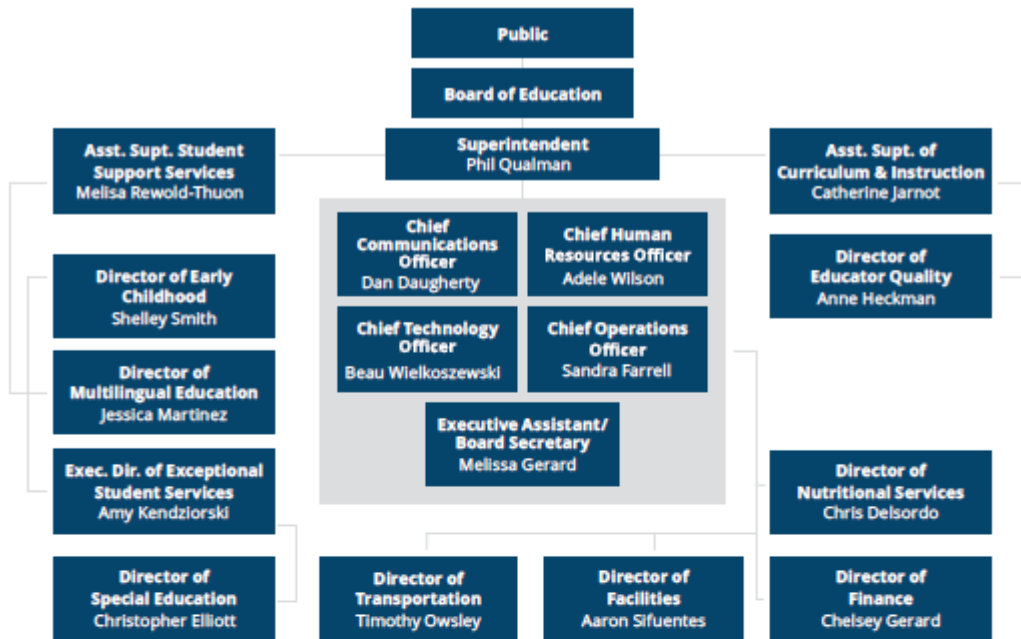
Sandra Farrell.....Chief Operating Officer

Matthew Miano.....Chief Communications Officer

Christopher Elliot.....Director of Exceptional Student Services

Beau Wielkoszewski.....Chief Technology Officer

Adele Wilson.....Director of Human Resources



IN SUPPORT OF OUR SCHOOLS

ELEMENTARY SCHOOLS

| | |
|---|---|
| Avon Dana Harrison 302 Students | Edwards Matt Abramowitz 305 Students |
| Brush Creek Brooke Cole 348 Students | Gypsum Mitch Forsberg 296 Students |
| Eagle County Charter Kim Walter 237 Students (K-5) | Homestake Peak Stephanie Gallegos 202 Students (K-5) |
| Eagle Valley Elementary Tiffany Daugherty 343 Students | Red Hill Eric Olson 332 Students |
| Red Sandstone Marcie Laidman 197 Students | |

MIDDLE SCHOOLS

| |
|--|
| Berry Creek Amy Vanwel 259 Students |
| Eagle County Charter Kim Walter 119 Students (6-8) |
| Eagle Valley Middle Eric Mandeville 369 Students |
| Gypsum Creek Dave Russell 333 Students |
| Homestake Peak Stephanie Gallegos 338 Students (6-8) |
| Vall Ski & Snowboard Wade Hill 112 Students (5-8) |

HIGH SCHOOLS

| |
|---|
| Battle Mountain Rob Parish 943 Students |
| Eagle Valley Greg Doan 1001 Students |
| Red Canyon Troy Dudley 164 Students |
| Vall Ski & Snowboard Wade Hill 106 Students (9-12) |
| World Academy Troy Dudley 71 Students |

Student count reflects 2020-21 K-12 enrollment

■ Feeder Schools to Battle Mountain High School

■ Feeder Schools to Eagle Valley High School



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Eagle County School District RE50J
Colorado**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

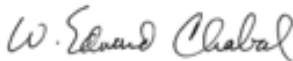


The Certificate of Excellence in Financial Reporting
is presented to

Eagle County School District

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2020.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



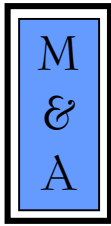
W. Edward Chabal
President



David J. Lewis
Executive Director

Financial Section





McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Eagle County Schools
Eagle, Colorado**

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eagle County Schools, (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also include evaluation of the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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INDEPENDENT AUDITOR'S OPINION
To the Board of Education
Eagle County Schools

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eagle County Schools, as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. As a result of the implementation, the District reported a restatement of beginning fund balance in the Pupil Activity Fund and Governmental Net Position. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, and the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of District Pension Contributions, Schedule of the District's Other Post-Employment Benefit, Schedule of Employer's Proportionate Share of the Other Post-Employment Benefits Liabilities, and the Notes to the Required Supplemental Information in Section E, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules in Section E are not a required part of the District's basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as whole. The introductory section, combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures and the statistical section listed in the accompanying table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements, the individual budgetary schedules, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

INDEPENDENT AUDITOR'S OPINION
To the Board of Education
Eagle County Schools

Other Matters (continued)

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and is not a required part of the District's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
November 1, 2021

Management's Discussion and Analysis

As management of the Eagle County Schools (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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal.

Financial Highlights

At June 30, 2021:

- The primary government has a government-wide deficit net position of \$99,020,167. This is the amount the liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources. The net deficit position is primarily due to the district recognizing its proportionate share of a net pension liability of \$131,978,692.
- Total net position increased by \$36,914,114 for the fiscal year, which is primarily due the net pension liability increasing by \$15,822,755 and increased grant funding, offset by the significant changes in Deferred Outflows and Deferred Inflows of Resources related to pensions.
- At the end of the current fiscal year, primary government's governmental funds reported combined ending fund balances of \$43,490,037 an increase of \$1,209,079 from the prior year. This change is primarily related to a slight decrease in expenditures year over year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$14,529,423 or 18.40% of total General Fund expenditures and transfers.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. The district's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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 Position and the Statement of Activities.

The Statement of Net Position presents information on all of the district's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets plus deferred outflows and liabilities plus deferred inflows, is reported as net position. Over time, increases or decreases in net position 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 district's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and changes in long-term compensated absences). Both of the government-wide financial statements distinguish functions of the district that are principally supported by taxes and intergovernmental revenues (governmental activities) and from other functions that are intended to recover a significant portion of their costs through user fees and charges (business-type activities).

Governmental activities consolidate all of the following district funds: General Fund, Governmental Designated-Purpose Grants Fund, Bond Redemption Fund, Nutrition Services Fund, Pupil Activity Fund, Capital Reserve Fund, Building Fund and the Transportation Fund.

Business-type activities include the District Housing Fund.

The government-wide financial statements include not only the district itself (known as the primary government), but also information of the legally separate Eagle County Charter Academy. The Eagle County Charter Academy functions for all practical purposes as a school of the district, and therefore this organization has been included as an integral part of the district's financial statements.

The government-wide financial statements can be found on pages C1 – C3 of this report.

Fund Financial Statements

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. The district, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the district have been divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the district's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The district maintains four individual governmental funds called major funds: the General Fund, Government Designated-Purpose Bond Fund, Bond Redemption Fund and the Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined; Nutrition Services, Pupil Activity Fund, Capital Reserve and the Transportation Fund, are labeled as non-major governmental funds.

The basic governmental fund financial statements can be found on pages C4 – C7 of this report.

Proprietary Funds

The district maintains one type of proprietary 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 to account for its district housing operations.

The basic proprietary fund financial statements can be found on pages C8 – C10 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 government-wide and fund financial statements. The notes to financial statements can be found in section D of this report.

Other Information

In addition to the basic financial statements, accompanying notes, and the schedule of proportionate share, this report also contains other required supplementary information concerning the district's budget process. Within a statutory timeline, the board of education adopts a resolution appropriating an annual budget for each of the individual governmental funds. A Budgetary Comparison Schedule for the General Fund and Government Designated-Purpose Grant Fund has been provided to demonstrate compliance with the district's adopted budget followed by the Notes to Required Supplementary Information. Required Supplementary Information can be found in section E of this report.

The Combining and Individual Fund Statements and Schedules follow the Required Supplementary Information and include the remaining governmental funds budgetary comparison schedules. These statements and schedules can be found on pages F1 – F9 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The governmental activities liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$99,933,599 (net position deficit) at June 30, 2021. The assets of the district are composed of the current assets and capital assets.

Current assets include cash, investments, receivables, prepaid expenses, deposits and inventories. Current assets are \$55,834,301. Cash and investments equate to 93.29% of the current assets. These assets are available to provide resources for the near-term operations of the district.

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 Note 4.

For refunding of debt resulting in defeasance, deferred outflows of resources are the differences where the net carrying value of the old debt is less than the reacquisition price.

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, unearned revenues, accrued interest, 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 2022.

Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2022. Also included in noncurrent liabilities is the district's proportionate share of the net pension liability and OPEB liability.

Due to the implementation of GASB Statement No. 68 and 75, deferred outflows of resources and deferred inflows of resources can result from the net difference between expected and actual experience, projected and actual earnings on pension plan and OPEB investments, changes in the district's proportionate share of the net pension and OPEB liabilities, changes of assumptions, as well as contributions made by the district to Colorado Public Employees' Retirement Associations' (PERA) after PERA's measurement date.

As of June 30, 2021, the liabilities plus deferred inflows exceed assets plus deferred outflows of the primary government's governmental activities by \$99,933,599 with an unrestricted deficit net position of \$139,017,350. Prior to implementing GASB Statement No. 68 and 75, the district was able to report positive balances in all three categories of net position.

In fiscal year 2021, the amount of “capital assets, net of accumulated depreciation” for the primary government’s governmental activities decreased by \$11,849,487 to \$245,927,028 which was related to the net impact of \$1,918,423 in additional assets less current year’s net deletions of \$0 and depreciation expense of \$13,767,910.

Colorado Revised Statute Article X, Section 20, Taxpayer Bill of Rights (TABOR) requires the district to establish reserves. The net position restricted for TABOR, as required by statute as of June 30, 2021 was \$2,740,524.

The \$30,411,729 decrease in liabilities plus deferred inflows is primarily attributable to the increase in the district proportionate share of PERA’s net pension liability of \$15,822,755, offset by the decrease in general obligations of 13,075,527 and decrease in pension related deferred inflows of \$30,617,594.

Government-wide Activities

Total assets decreased by \$13,562,558 and total deferred outflows of resources increased by \$20,064,943. Total assets decreased mainly due to depreciation expense of \$13,767,910. Deferred outflows of resources increased mainly due to an increase in pension related outflows of \$21,420,820.

The table below provides a summary of the district’s net position as of June 30, 2021 compared to June 30, 2020.

**Comparative Summary of Net Position
As of June 30, 2021 and 2020**

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------|-------------------------|-----------------------|--------------------------|----------------|---------------------|-----------------------|
| | FY 2021 | FY 2020 (restated) | FY 2021 | FY 2020 | FY 2021 | FY 2020 (restated) |
| Assets: | | | | | | |
| Current and other assets | 55,834,301 | 57,590,206 | 908,083 | 855,133 | 56,742,384 | 58,445,339 |
| Capital assets | 245,927,028 | 257,776,515 | 21,890 | 32,006 | 245,948,918 | 257,808,521 |
| Total Assets | 301,761,329 | 315,366,721 | 929,973 | 887,139 | 302,691,302 | 316,253,860 |
| Deferred Outflows | 45,094,197 | 25,029,254 | - | - | 45,094,197 | 25,029,254 |
| Liabilities: | | | | | | |
| Other liabilities | 24,182,303 | 25,782,683 | 16,541 | 10,582 | 24,198,844 | 25,793,265 |
| Long-term liabilities | 358,776,949 | 357,367,274 | - | - | 358,776,949 | 357,367,274 |
| Total Liabilities | 382,959,252 | 383,149,957 | 16,541 | 10,582 | 382,975,793 | 383,160,539 |
| Deferred Inflows | 63,829,873 | 94,056,856 | - | - | 63,829,873 | 94,056,856 |
| Net Position | | | | | | |
| Net investment | | | | | | |
| in capital assets | 17,713,342 | 17,822,450 | 21,890 | 32,006 | 17,735,232 | 17,854,456 |
| Restricted | 21,370,409 | 20,741,267 | - | - | 21,370,409 | 20,741,267 |
| Unrestricted | (139,017,350) | (175,374,555) | 891,542 | 844,551 | (138,125,808) | (174,530,004) |
| Total Net Position | (99,933,599) | (136,810,838) | 913,432 | 876,557 | (99,020,167) | (135,934,281) |



Governmental Activities

Governmental activities increased the net position of the district \$36,877,239 during the year ended June 30, 2021. This increase in net position year over year is primarily attributable to the change in pension liability and related deferred inflows and outflows of resources.

The table below provides a summary of the district's change in net position for 2021 compared to 2020.

**Comparative Summary of Changes in Net Position
As of June 30, 2021 and 2020**

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|-------------------------|-----------------------|--------------------------|----------------|--------------------|-----------------------|
| | FY 2021 | FY 2020 (restated) | FY 2021 | FY 2020 | FY 2021 | FY 2020 (restated) |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | 3,683,021 | 4,300,394 | 207,971 | 143,779 | 3,890,992 | 4,444,173 |
| Operating grants and contributions | 12,589,177 | 10,860,812 | - | - | 12,589,177 | 10,860,812 |
| Capital grants and contributions | 232,342 | 265,723 | - | - | 232,342 | 265,723 |
| General revenues | | | | | | |
| Property taxes | 72,016,781 | 72,215,363 | - | - | 72,016,781 | 72,215,363 |
| Specific ownership taxes | 4,337,839 | 3,978,151 | - | - | 4,337,839 | 3,978,151 |
| State revenue | 17,613,552 | 20,184,613 | - | - | 17,613,552 | 20,184,613 |
| Not restricted grants | 682,284 | 572,197 | - | - | 682,284 | 572,197 |
| Investment earnings | 48,514 | 462,318 | - | - | 48,514 | 462,318 |
| Other | 1,447,147 | 570,253 | - | - | 1,447,147 | 570,253 |
| Total revenues | 112,650,657 | 113,409,824 | 207,971 | 143,779 | 112,858,628 | 113,553,603 |
| Expenses: | | | | | | |
| Direct instruction | 34,718,173 | 47,143,698 | - | - | 34,718,173 | 47,143,698 |
| Indirect instruction | 10,519,403 | 12,207,583 | - | - | 10,519,403 | 12,207,583 |
| General administration | 5,123,928 | 6,993,939 | - | - | 5,123,928 | 6,993,939 |
| Supporting services | 6,783,920 | 6,475,295 | - | - | 6,783,920 | 6,475,295 |
| Custodial maintenance | 6,551,084 | 8,184,756 | - | - | 6,551,084 | 8,184,756 |
| Transportation | 1,482,845 | 2,521,984 | - | - | 1,482,845 | 2,521,984 |
| Food service | 1,427,312 | 1,883,944 | - | - | 1,427,312 | 1,883,944 |
| Pupil activities | 448,581 | 653,695 | - | - | 448,581 | 653,695 |
| District housing | - | - | 171,096 | 128,307 | 171,096 | 128,307 |
| Interest | 8,718,172 | 9,377,053 | - | - | 8,718,172 | 9,377,053 |
| Total Expenses | 75,773,418 | 95,441,947 | 171,096 | 128,307 | 75,944,514 | 95,570,254 |
| Change in net position | 36,877,239 | 17,967,877 | 36,875 | 15,472 | 36,914,114 | 17,983,349 |
| Net position- July 1 | (136,810,838) | (154,778,715) | 876,557 | 861,085 | (135,934,281) | (153,917,630) |
| Net position - June 30 | (99,933,599) | (136,810,838) | 913,432 | 876,557 | (99,020,167) | (135,934,281) |

The table below provides a summary of the district's change in Assets & Deferred Outflows of Resources of Governmental Activities for 2021 compared to 2020.

**Comparative Summary of Assets & Deferred Outflows of Resources
of Governmental Activities
As of June 30, 2021 and 2020**

| | FY 2021 | FY 2020 (restated) | Increases (Decreases) |
|---|--------------------|-----------------------|--------------------------|
| Assets: | | | |
| Cash and investments | 51,632,105 | 52,357,970 | (725,865) |
| Restricted cash and investments | 458,023 | 612,653 | (154,630) |
| Accounts receivable | 750,889 | 84,691 | 666,198 |
| Taxes receivable | 2,096,804 | 3,900,092 | (1,803,288) |
| Grants receivable | 542,028 | 250,643 | 291,385 |
| Inventory | 354,452 | 384,157 | (29,705) |
| Land | 13,701,907 | 13,701,907 | - |
| Buildings | 414,323,404 | 412,723,163 | 1,600,241 |
| Equipment and vehicles | 14,673,005 | 14,750,910 | (77,905) |
| Less accumulated depreciation | (196,771,288) | (183,399,465) | (13,371,823) |
| Total Assets | 301,761,329 | 315,366,721 | (13,605,392) |
| Deferred Outflows of Resources: | | | |
| Deferred charge on refunding | 3,585,573 | 4,765,962 | (1,180,389) |
| Pensions | 40,838,281 | 19,417,461 | 21,420,820 |
| Post employment health benefits (OPEB) | 670,343 | 845,831 | (175,488) |
| Total Deferred Outflows of Resources | 45,094,197 | 25,029,254 | 20,064,943 |

Total assets decreased by \$13,605,392. Total assets decreased mainly due to depreciation expense of \$13,767,910.

The table below provides a summary of the district's change in Liabilities & Deferred Inflows of Resources of Governmental Activities for 2021 compared to 2020.

**Comparative Summary of Liabilities & Deferred Inflows of Resources
of Governmental Activities
As of June 30, 2021 and 2020**

| | FY 2021 | FY 2020 (restated) | Increases (Decreases) |
|--|--------------------|-----------------------|--------------------------|
| Liabilities: | | | |
| Current Liabilities | | | |
| Accounts payable | 2,162,141 | 2,189,625 | (27,484) |
| Accrued liabilities | 1,026,317 | 1,043,294 | (16,977) |
| Accrued salaries and benefits | 8,195,075 | 7,768,624 | 426,451 |
| Unearned revenue | 682,705 | 3,149,145 | (2,466,440) |
| Accrued interest payable | 815,973 | 859,152 | (43,179) |
| Noncurrent liabilities due within one year | 11,300,092 | 10,772,843 | 527,249 |
| Noncurrent Liabilities: | | | |
| Due in more than one year | 221,999,933 | 235,500,635 | (13,500,702) |
| Net pension liability | 131,978,692 | 116,155,937 | 15,822,755 |
| Net post employment health benefits (OPEB) liability | 4,798,324 | 5,710,702 | (912,378) |
| Total Liabilities | <u>382,959,252</u> | <u>383,149,957</u> | <u>(190,705)</u> |
| Deferred Inflows of Resources: | | | |
| Pensions | 61,817,864 | 92,435,458 | (30,617,594) |
| Post employment health benefits (OPEB) | 2,012,009 | 1,621,398 | 390,611 |
| Total Deferred Inflows of Resources | <u>63,829,873</u> | <u>94,056,856</u> | <u>(30,226,983)</u> |

Unearned revenue decreased by \$2,466,440 as the District spent the remaining Coronavirus Relief Funds during the year. Overall liabilities decreased due to the increase in proportionate share of the PERA net pension liability of \$15,822,755, offset by principal payments of \$10,605,000, and amortization of bond premiums of \$2,470,527. Pension related Deferred Inflows of Resources decreased significantly due to changes in the District's actuarial study.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA after the balance stabilization factor' was applied, the district received \$8,281 per funded pupil. For the fiscal year ended June 30, 2020, the funded pupil count was 6,690, a decreased rate of about 1.0% over the prior fiscal year. Funding for the SFA comes from real estate property taxes, specific ownership personal property tax and State equalization. For fiscal year 2021, SFA per pupil funding decreased by \$486 per student.

The Statement of Activities shows the cost of program services and charges for services, grants and contributions offsetting those services. The table below shows the total cost of services and the net cost of services for governmental activities.

**Comparative Summary of Governmental Activities
For the Year Ended June 30, 2021 and 2020**

| | Total Cost of Service | | Net Cost of Services | |
|------------------------|-----------------------|--------------------|----------------------|--------------------|
| | 2021 | 2020 (restated) | 2021 | 2020 (restated) |
| Direct instruction | 34,718,173 | 47,143,698 | 24,320,466 | 37,607,876 |
| Indirect instruction | 10,519,403 | 12,207,583 | 9,412,752 | 11,002,923 |
| General administration | 5,123,928 | 6,993,939 | 5,123,928 | 6,993,939 |
| Supporting services | 6,783,920 | 6,475,295 | 5,046,242 | 5,561,509 |
| Custodial maintenance | 6,551,084 | 8,184,756 | 6,551,084 | 8,184,756 |
| Transportation | 1,482,845 | 2,521,984 | 430,904 | 1,229,403 |
| Food service | 1,427,312 | 1,883,944 | (382,320) | 238,709 |
| Pupil activities | 448,581 | 653,695 | 47,650 | (84,573) |
| Interest expense | 8,718,172 | 9,377,053 | 8,718,172 | 9,111,330 |
| | <u>75,773,418</u> | <u>95,441,947</u> | <u>59,268,878</u> | <u>79,845,872</u> |

The cost of all governmental activities this year was \$75,773,418 compared to \$95,441,947 last year. Charges for services financed the cost of services by the users of the district's programs. The significant decrease in cost of service year over year is due to the changes in pension related liabilities, deferred inflow of resources and deferred outflow of resources.

Financial Analysis of the Governmental Funds

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, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the district itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the district's board of education.

At June 30, 2021, the district's governmental funds reported combined fund balances of \$43,490,037, an increase of \$1,209,079 from the prior year. Total unassigned fund balance of \$14,529,423 constitutes 33.41% of the total fund balance, which is available for spending at the district's discretion. The remainder of the fund balance is; assigned \$1,776,779, committed \$5,458,974, restricted for particular purposes \$21,370,409, and \$354,452 is non-spendable.

The table below provides a comparative summary of the district's Combining Balance Sheet for 2021 compared to 2020.

**Comparative Summary of Combining Balance Sheet
For the Year Ended June 30, 2021 and 2020**

| | 2021 | 2020 (restated) | Increases (Decreases) |
|---|-------------------|--------------------|--------------------------|
| Assets: | | | |
| Cash and investments | 51,632,105 | 52,357,970 | (725,865) |
| Restricted cash and investments | 458,023 | 612,653 | (154,630) |
| Accounts receivable | 750,889 | 84,691 | 666,198 |
| Taxes receivable | 2,096,804 | 3,900,092 | (1,803,288) |
| Grants receivable | 542,028 | 250,643 | 291,385 |
| Inventories | 354,452 | 384,157 | (29,705) |
| Total Assets | 55,834,301 | 57,590,206 | (1,755,905) |
| Liabilities: | | | |
| Accounts payable | 2,162,141 | 2,189,625 | (27,484) |
| Accrued liabilities | 1,026,317 | 1,043,294 | (16,977) |
| Accrued salaries and benefits | 8,195,075 | 7,768,624 | 426,451 |
| Unearned revenue | 682,705 | 3,149,145 | (2,466,440) |
| Total Liabilities | 12,066,238 | 14,150,688 | (2,084,450) |
| Deferred Inflows of Resources: | | | |
| Unavailable property taxes | 278,026 | 1,158,560 | (880,534) |
| Total Deferred Inflows of Resources: | 278,026 | 1,158,560 | (880,534) |
| Fund Balances: | | | |
| Non-spendable | 354,452 | 384,157 | (29,705) |
| Spendable: | | | |
| Restricted for mill levy override | 548,077 | 815,937 | (267,860) |
| Restricted for debt service | 18,081,808 | 17,269,671 | 812,137 |
| Restricted for capital outlay | - | 154,759 | (154,759) |
| Restricted for emergencies | 2,740,524 | 2,500,900 | 239,624 |
| Committed for capital outlay | 2,645,868 | 3,055,380 | (409,512) |
| Committed for transportation | 1,015,664 | 809,290 | 206,374 |
| Committed for nutrition services | 682,631 | 130,821 | 551,810 |
| Committed for pupil activities | 1,114,811 | 1,162,461 | (47,650) |
| Assigned for curriculum, copiers and compensation | 681,886 | - | 681,886 |
| Assigned for multi-year Qualman | 1,094,893 | 155,735 | 939,158 |
| Unassigned | 14,529,423 | 15,841,847 | (1,312,424) |
| Total Fund Balances | 43,490,037 | 42,280,958 | 1,209,079 |
| Total Liabilities, Deferred Inflows, and Fund Balances | 55,834,301 | 57,590,206 | (1,755,905) |

The table below provides a comparative summary of the district's Revenues, Expenditures and Changes in Fund Balance for 2021 compared to 2020.

**Comparative Summary of Combining Statement of
Revenues, Expenditures, and Changes in Fund balance
For the Year Ended June 30, 2021 and 2020**

| | 2021 | 2020 (restated) | Increases (Decreases) |
|--|--------------------------|--------------------------|--------------------------|
| Revenues: | | | |
| Local sources | 83,353,430 | 82,003,783 | 1,349,647 |
| State sources | 21,522,758 | 25,487,849 | (3,965,091) |
| Federal sources | 8,655,004 | 5,872,644 | 2,782,360 |
| Total Revenues | <u>113,531,192</u> | <u>113,364,276</u> | <u>166,916</u> |
| Expenditures: | | | |
| Current | | | |
| Direct instruction | 48,391,614 | 48,427,047 | (35,433) |
| Indirect instruction | 14,312,629 | 12,966,743 | 1,345,886 |
| General administration | 7,026,555 | 6,893,319 | 133,236 |
| Supporting services | 6,420,578 | 6,325,650 | 94,928 |
| Custodial maintenance | 6,837,954 | 7,173,869 | (335,915) |
| Transportation | 2,128,042 | 2,637,190 | (509,148) |
| Food service | 2,129,648 | 2,332,468 | (202,820) |
| Pupil activities | 448,581 | 653,695 | (205,114) |
| Capital outlay | 3,970,022 | 5,904,377 | (1,934,355) |
| Debt service | | | |
| Principal | 10,605,000 | 10,130,000 | 475,000 |
| Interest and fiscal charges | 10,051,490 | 10,548,165 | (496,675) |
| Debt issuance costs | - | - | - |
| Total Expenditures | <u>112,322,113</u> | <u>113,992,523</u> | <u>(1,670,410)</u> |
| Excess (Deficiency) or Revenues Over Expenditures | 1,209,079 | (628,247) | 1,837,326 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 3,314,428 | 4,056,652 | (742,224) |
| Transfers (out) | (3,314,428) | (4,056,652) | 742,224 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 1,209,079 | (628,247) | 1,837,326 |
| Fund Balance - Beginning of the Year | <u>42,280,958</u> | <u>42,909,205</u> | <u>(628,247)</u> |
| Fund Balance - End of the Year | <u><u>43,490,037</u></u> | <u><u>42,280,958</u></u> | <u><u>1,209,079</u></u> |

General Fund:

The General Fund is the main operating fund of the district. The General Fund had \$79,163,376 in revenues and \$75,637,120 in expenditures and other financing uses of \$3,314,428. As of June 30, 2021, the General Fund reflects an ending fund balance of \$19,594,803, an increase of \$211,828 from the prior year. The increase is primarily the result of decreased expenditures, many of which were shifted to the Grant Fund.

Approximately 85.15% of General Fund expenditures are for staff salaries and benefits. For the 2020-2021 fiscal year, all returning employees received an increase of 1.9% for a cost of living increase. Additionally, the district was required to make an additional 0.5% contribution to PERA, the State of Colorado's retirement plan. The district also absorbed all employee benefit plan increases.

General Fund expenditures by school level/department are shown in the table below. The district spent 80.93% of General Fund dollars on instruction related activities. Schools and various departments include both instructional and support expenditures.

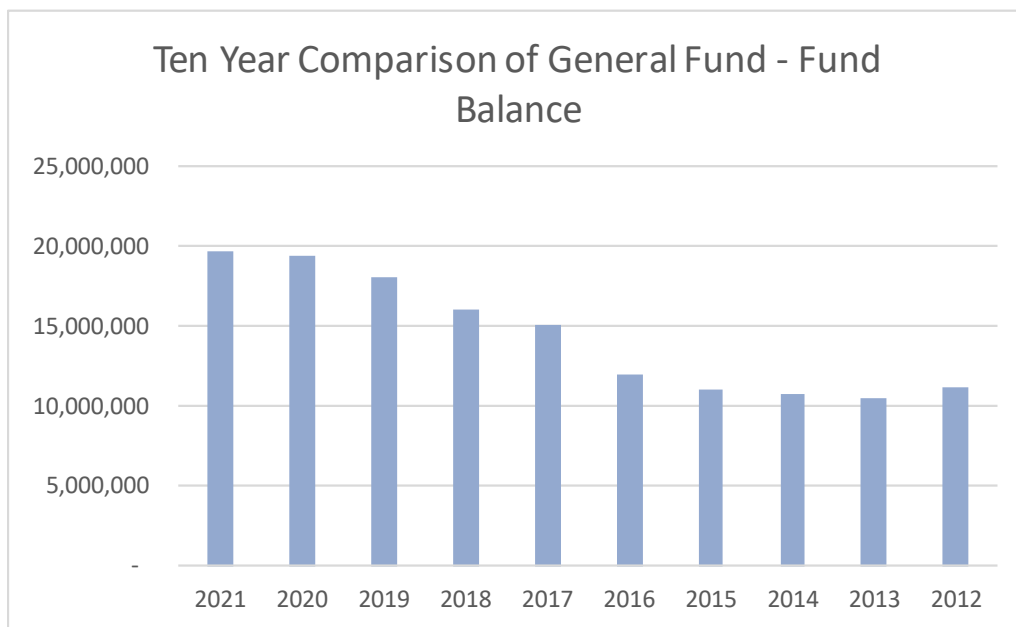
**General Fund Expenditures by School Level/Department
For the Year Ended June 30, 2021 and 2020**

| | 2021 | 2020 | Increases (Decreases) |
|------------------------------|-------------------|-------------------|--------------------------|
| Expenditures: | | | |
| Regular instruction | | | |
| Elementary schools | 19,960,931 | 21,064,705 | (1,103,774) |
| Middle schools | 7,087,314 | 7,327,992 | (240,678) |
| High schools | 18,133,460 | 17,585,888 | 547,572 |
| Special Instruction | | | |
| Exceptional student services | 8,189,349 | 7,993,501 | 195,848 |
| Early childhood | 5,723,254 | 5,015,921 | 707,333 |
| Support services | | | |
| Superintendent | 1,080,759 | 1,099,639 | (18,880) |
| Educator Quality | 412,751 | 440,510 | (27,759) |
| Student Support Services | 540,173 | 744,582 | (204,409) |
| Instruction & Curriculum | 1,966,292 | 1,528,839 | 437,453 |
| Systems | 364,167 | 448,777 | (84,610) |
| ELA | 3,048,364 | 3,027,465 | 20,899 |
| Community Relations | 366,245 | 241,181 | 125,064 |
| Business Services | 1,526,884 | 1,623,522 | (96,638) |
| Human Resources | 1,656,404 | 1,600,081 | 56,323 |
| Maintenance | 2,210,338 | 2,350,748 | (140,410) |
| Technology | 3,025,435 | 2,821,026 | 204,409 |
| County services (PILT) | 345,000 | 317,500 | 27,500 |
| PERA Special Funding | - | 1,115,876 | (1,115,876) |
| Transfers | 3,314,428 | 4,056,652 | (742,224) |
| Total Expenditures | <u>78,951,548</u> | <u>80,404,405</u> | <u>(1,452,857)</u> |

**General Operating Fund Expenditures by Function
For the Year Ended June 30, 2021 and 2020**

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Instruction | | | | | |
| Regular instruction | 65.12% | 71.49% | 64.98% | 62.27% | 60.41% |
| Support services - students | 7.67% | 6.25% | 6.51% | 6.18% | 5.67% |
| Support services - instructional | 8.14% | 6.24% | 7.47% | 8.15% | 6.58% |
| Total Instruction | 80.93% | 83.98% | 78.96% | 76.60% | 72.66% |
| Support | | | | | |
| School administration and operations | 18.57% | 15.64% | 20.61% | 23.01% | 26.98% |
| District wide / community service | 0.50% | 0.38% | 0.43% | 0.39% | 0.36% |
| Total Support | 19.07% | 16.02% | 21.04% | 23.40% | 27.34% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

An analysis of the district's General Fund ending fund balance is shown in the following chart. Over the 10 year period 2011-2012 to 2020-2021, the fund balance of the General Fund has fluctuated from a low of \$10,511,922 at June 30, 2013 to a high of \$19,724,086 at June 30, 2021.



Nutrition Services Fund:

The majority of the \$1,803,632 in revenues comes from the National School Lunch and Breakfast Programs, with 29% of our students qualifying for free and reduced lunch. The fund is generally self-supportive except for a transfer in of \$822,180 to reflect salary increases provided by the mill levy and to cover operating challenges due to COVID-19. This fund generated a \$594,152 increase in fund balance.

Designated-Purpose Grant Fund:

Grant resources decreased \$2,064,119 from the prior year which attributes mostly to the spend down of CARES act money. The district continues to search for and apply for grants that align with the strategic plan.

Transportation Fund:

Revenues and expenditures decreased over the prior year. The district did not have as many field-trips and activities during the year, which led to decreased costs. The State reimbursement is based off route miles driven so this also increases the district's State revenues. The net increase in fund balance of \$202,883 resulted in an ending fund balance of \$1,327,774.

Building Fund:

In November 2016, Eagle County residents passed a bond that generated \$154,102,115 in bond proceeds. Proceeds were used to pay off Certificates of Participation whose principal and interest payments were historically being paid out of the capital reserve fund. Bond projects included improving safety and security district wide, replacing outdated roofs and mechanical systems, adding classrooms, renovating and reconstructing 3 of our oldest schools and overall improving classroom space and building quality across all district facilities. As of June 30, 2021, these funds have been spent.

Capital Reserve Fund:

Expenditures of \$3,202,567 focused on a "break/fix" model. Limited resources for capital projects continue to take a toll on facilities.

Bond Redemption Fund:

The main source of revenue is property taxes, which are used to service the debt obligations of the District. Principal and interest payments totaled \$20,656,490 while tax revenue totaled \$21,468,627.

District Housing Fund:

The only source of revenue was rental income of \$207,971 with \$171,096 expended for a part-time employee, maintenance, utilities and depreciation resulting in an ending fund balance of \$913,432.

Budgetary Highlights

Colorado local government uniform accounting and budget laws require that a budget be adopted and reported for all funds. Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenue. All appropriations lapse at the end of the fiscal year. Supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

The district's original budget for the 2020-2021 fiscal year was adopted by the Board of Education at its June, 2020 meeting and the revised budget was adopted during 2021. Revisions were made to the General Fund, Grant Fund, Building Fund, Nutrition Services Fund, Capital Reserve Fund, District Housing, Pupil Activities and Transportation Fund:

General Fund:

The total General Fund appropriation was increased slightly due to increased funding provided by the School Finance Act based on student count, decrease of Per Pupil Revenue, and reallocation between local and state sources due to increased assessed value. Expenditures increased primarily to accommodate benefit increases and carryover activities.

A Budgetary Comparison Schedule for the General Fund is included on page E1 of this document. Significant differences between final budgeted and actual revenues are as follows:

There is a \$2,742,328 positive variance between actual revenues and the final budget amount. The main item contributing to the variance is the increased state equalization payment.

Total positive variance between final budget and actual expenditures is \$1,700,210, which is due to spending less than budgeted due to some expenses being shifted to the grant fund to be covered by grant revenues.



Non-Personnel Variance

The district allows schools and departments to carryover unused budget allocations from year to year. Schools and departments use this procedure to accumulate funds for large purchases or multi-year projects; it also keeps schools and departments from excessive year end spending.

Capital Assets and Debt Administration

The district's investment in capital assets for its governmental and business-type activities as of June 30, 2020 and 2021 are \$441,991,254 and \$443,513,590 respectively. Additional information on the district's capital assets can be found in Note 4 of this report.

At June 30, 2021, the district had total (principal and interest) bonded debt outstanding of \$289,159,538 backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for compensated absences in the amount of \$1,500,766 outstanding at the end of the current fiscal year.

The district maintains a "AA" rating from Standard & Poor's, an "AA+" rating from Fitch Ratings and a "Aa2" rating from Moody's Investors Services for its general obligation debt.

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. At June 30, 2021, the district's legal debt limit is \$765,044,026 and the district's total outstanding general obligation bonds are under the legal debt limit, totaling \$206,620,000 at June 30, 2021.

Additional information on the district's long-term obligations can be found in Note 6 of this report.

Economic Factors and Next Year's Budget

Each year the State budget is crafted by the governor and legislature to determine how much of the total budget will be allocated to K-12 education. The State economic picture is important to the district because a major source of funding for the district's General Fund is received through the State's School Finance Act established by the State legislature. During the Great Recession, state revenue shortfalls forced cuts to K-12 education even though constitutionally mandated funding increases exist under Amendment 23. After the State sets the total funding for K-12 public education, each local district determines how to fund its specific system and allocate resources to every school within its district.

Approximately 70% of the district's General Fund revenues are a result of State level decisions. The Colorado State Legislature approved the 2020-2021 School Finance Act (SFA) and increased the statewide per pupil base funding by inflation, and an additional amount beyond inflation and student growth. However, for the ninth consecutive year the Colorado State Legislature continued to lower the statewide total funding by applying a budget stabilization factor to reduce total program funding received by each school district. For the district, this budget stabilization factor in the SFA averages over \$4.9 million annually and has accumulated to over \$79.5 million cumulatively in lost State revenues.

The funded pupil count is the real driver of school funding. The SFA identifies a per-pupil funding amount, and the number of full-time students enrolled in a district determines the amount of total funding. The funded pupil count refers to the number of full-time students enrolled in a district. Not all students (kindergartners for example) attend school on a full-time basis; the funded pupil count is different from the total enrollment, or district membership. The official pupil count occurs each October 1 and results in the funded pupil count numbers. The district's state per pupil revenue (PPR) for 2021-2022 is \$8,424.

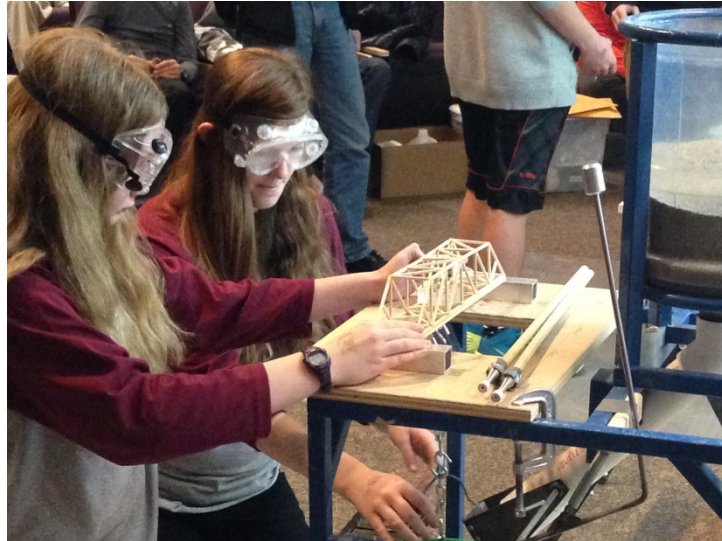
The budget implications are substantial if projected enrollment growth is not realized. Actual funded pupil count information is generally received after the close of the first quarter of the fiscal year and many staffing and programmatic changes cannot be made without significant impacts to students. For this reason, the district generally undertakes a reasonable, yet conservative, projection methodology to reduce the risk of a funding shortfall compared to expected revenues.

Requests for Information

This financial report is designed to provide a general overview of the Eagle County Schools' finances for all those with an interest in the district. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Sandy Farrell, CPA, Chief Operating Officer
Eagle County Schools
Business Services
PO Box 740
Eagle, Colorado 81631

sandra.farrell@eaglecountyschools.net



Basic Financial Statements

Eagle County Schools
Statement of Net Position
June 30, 2021

| | Primary Government | | | Component Unit |
|--|--------------------------------|---------------------------------|---------------------|-------------------------------------|
| | Governmental Activities | Business-type Activities | Total | Eagle County Charter Academy |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and investments | 51,632,105 | 906,030 | 52,538,135 | 2,444,147 |
| Restricted cash and investments | 458,023 | - | 458,023 | - |
| Accounts receivable | 750,889 | 2,053 | 752,942 | 70 |
| Taxes receivable | 2,096,804 | - | 2,096,804 | - |
| Grants receivable | 542,028 | - | 542,028 | - |
| Other receivables | - | - | - | 150 |
| Due from other governments | - | - | - | 110,895 |
| Prepaid expenses | - | - | - | 13,492 |
| Inventory | 354,452 | - | 354,452 | 10,893 |
| Total Current Assets | 55,834,301 | 908,083 | 56,742,384 | 2,579,647 |
| Capital Assets: | | | | |
| Land | 13,701,907 | 11,776 | 13,713,683 | - |
| Buildings | 414,323,404 | 803,498 | 415,126,902 | 11,662,278 |
| Equipment and vehicles | 14,673,005 | - | 14,673,005 | 464,675 |
| Less accumulated depreciation | (196,771,288) | (793,384) | (197,564,672) | (3,293,954) |
| Total Capital Assets | 245,927,028 | 21,890 | 245,948,918 | 8,832,999 |
| Total Assets | 301,761,329 | 929,973 | 302,691,302 | 11,412,646 |
| Deferred Outflows of Resources: | | | | |
| Deferred charge on refunding | 3,585,573 | - | 3,585,573 | - |
| Pensions | 40,838,281 | - | 40,838,281 | 1,464,491 |
| Post employment health benefits (OPEB) | 670,343 | - | 670,343 | 27,312 |
| Total Deferred Outflows of Resources | 45,094,197 | - | 45,094,197 | 1,491,803 |
| Liabilities: | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 2,162,141 | - | 2,162,141 | 82,929 |
| Accrued liabilities | 1,026,317 | - | 1,026,317 | 150 |
| Accrued salaries and benefits | 8,195,075 | - | 8,195,075 | 381,965 |
| Unearned revenue | 682,705 | - | 682,705 | 39,820 |
| Security Deposits | - | 16,541 | 16,541 | - |
| Accrued interest payable | 815,973 | - | 815,973 | - |
| Noncurrent liabilities due within one year | 11,300,092 | - | 11,300,092 | - |
| Total Current Liabilities | 24,182,303 | 16,541 | 24,198,844 | 504,864 |
| Noncurrent Liabilities: | | | | |
| Due in more than one year | 221,999,933 | - | 221,999,933 | - |
| Net pension liability | 131,978,692 | - | 131,978,692 | 5,704,714 |
| Net post employment health benefits (OPEB) liability | 4,798,324 | - | 4,798,324 | 207,349 |
| Total Noncurrent Liabilities | 358,776,949 | - | 358,776,949 | 5,912,063 |
| Total Liabilities | 382,959,252 | 16,541 | 382,975,793 | 6,416,927 |
| Deferred Inflows of Resources: | | | | |
| Pensions | 61,817,864 | - | 61,817,864 | 2,494,920 |
| Post employment health benefits (OPEB) | 2,012,009 | - | 2,012,009 | 86,876 |
| Total Deferred Inflows of Resources | 63,829,873 | - | 63,829,873 | 2,581,796 |
| Net Position: | | | | |
| Net investment in capital assets | 17,713,342 | 21,890 | 17,735,232 | 8,832,999 |
| Restricted for: | | | | |
| Mill levy override | 548,077 | - | 548,077 | - |
| Capital renewal | - | - | - | 318,136 |
| Debt service | 18,081,808 | - | 18,081,808 | - |
| Emergencies | 2,740,524 | - | 2,740,524 | 125,500 |
| Unrestricted | (139,017,350) | 891,542 | (138,125,808) | (5,370,909) |
| Total Net Position | (99,933,599) | 913,432 | (99,020,167) | 3,905,726 |

The accompanying notes are an integral part of these financial statements.

Eagle County Schools
Statement of Activities
For the Year Ended June 30, 2021

| | | Program Revenues | | |
|--------------------------------|-------------------|-------------------------|----------------------|----------------------|
| | | Charges for | Operating | Capital |
| | Expenses | Services | Grants and | Grants and |
| | | | Contributions | Contributions |
| Functions/Programs | | | | |
| Primary Government | | | | |
| Governmental Activities: | | | | |
| Direct instruction | 34,718,173 | 1,520,887 | 8,876,820 | - |
| Indirect instruction | 10,519,403 | - | 1,106,651 | - |
| General administration | 5,123,928 | - | - | - |
| Supporting services | 6,783,920 | 1,196,673 | 308,663 | 232,342 |
| Custodial maintenance | 6,551,084 | - | - | - |
| Transportation | 1,482,845 | 318,953 | 732,988 | - |
| Food service | 1,427,312 | 245,577 | 1,564,055 | - |
| Pupil activities | 448,581 | 400,931 | - | - |
| Interest on long-term debt | 8,718,172 | - | - | - |
| Total governmental activities | <u>75,773,418</u> | <u>3,683,021</u> | <u>12,589,177</u> | <u>232,342</u> |
| Business-type Activities: | | | | |
| District housing | 171,096 | 207,971 | - | - |
| Total business-type activities | <u>171,096</u> | <u>207,971</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>75,944,514</u> | <u>3,890,992</u> | <u>12,589,177</u> | <u>232,342</u> |
| Component Unit | | | | |
| Eagle County Charter Academy | <u>3,665,171</u> | <u>99,278</u> | <u>229,619</u> | <u>107,712</u> |

General revenues:

Local property taxes
Specific ownership taxes
State equalization
Per pupil revenue
Grants and contributions not restricted to specific programs
Interest and investment earnings
Other income
Total general revenues

Change in net position

Net position - beginning (restated)

Net position - ending

| Governmental Activities | Primary Government | | Component Unit |
|------------------------------------|---|----------------------|---|
| | Business Type Activities | Total | Eagle County Charter Academy |
| (24,320,466) | - | (24,320,466) | - |
| (9,412,752) | - | (9,412,752) | - |
| (5,123,928) | - | (5,123,928) | - |
| (5,046,242) | - | (5,046,242) | - |
| (6,551,084) | - | (6,551,084) | - |
| (430,904) | - | (430,904) | - |
| 382,320 | - | 382,320 | - |
| (47,650) | - | (47,650) | - |
| (8,718,172) | - | (8,718,172) | - |
| <u>(59,268,878)</u> | <u>-</u> | <u>(59,268,878)</u> | <u>-</u> |
| - | 36,875 | 36,875 | - |
| - | 36,875 | 36,875 | - |
| <u>(59,268,878)</u> | <u>36,875</u> | <u>(59,232,003)</u> | <u>-</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,228,562)</u> |
| 72,016,781 | - | 72,016,781 | 914,772 |
| 4,337,839 | - | 4,337,839 | - |
| 17,613,552 | - | 17,613,552 | - |
| - | - | - | 2,998,912 |
| 682,284 | - | 682,284 | 506,557 |
| 48,514 | - | 48,514 | 3,530 |
| 1,447,147 | - | 1,447,147 | - |
| <u>96,146,117</u> | <u>-</u> | <u>96,146,117</u> | <u>4,423,771</u> |
| 36,877,239 | 36,875 | 36,914,114 | 1,195,209 |
| <u>(136,810,838)</u> | <u>876,557</u> | <u>(135,934,281)</u> | <u>2,710,517</u> |
| <u>(99,933,599)</u> | <u>913,432</u> | <u>(99,020,167)</u> | <u>3,905,726</u> |

The accompanying notes are an integral part of these financial statements.

Eagle County Schools
Balance Sheet
Governmental Funds
June 30, 2021

| | General Fund | Government Designated- Purpose Grant Fund | Building Fund | Bond Redemption Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|-------------------------|--|--------------------------|-------------------------------------|---|---|
| Assets: | | | | | | |
| Cash and investments | 28,593,914 | 566,891 | - | 17,708,432 | 4,762,868 | 51,632,105 |
| Restricted cash and investments | - | - | - | - | 458,023 | 458,023 |
| Accounts receivable | 404,572 | - | - | - | 346,317 | 750,889 |
| Taxes receivable | 1,588,210 | - | - | 481,103 | 27,491 | 2,096,804 |
| Grants receivable | 9,254 | 531,774 | - | - | 1,000 | 542,028 |
| Inventories | - | - | - | - | 354,452 | 354,452 |
| Total Assets | 30,595,950 | 1,098,665 | - | 18,189,535 | 5,950,151 | 55,834,301 |
| Liabilities: | | | | | | |
| Accounts payable | 2,162,141 | - | - | - | - | 2,162,141 |
| Accrued liabilities | 1,026,317 | - | - | - | - | 1,026,317 |
| Accrued salaries and benefits | 7,539,712 | 523,687 | - | - | 131,676 | 8,195,075 |
| Unearned revenue | - | 574,978 | - | 107,727 | - | 682,705 |
| Total Liabilities | 10,728,170 | 1,098,665 | - | 107,727 | 131,676 | 12,066,238 |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable property taxes | 272,977 | - | - | - | 5,049 | 278,026 |
| Fund Balances: | | | | | | |
| Non-spendable - inventory | - | - | - | - | 354,452 | 354,452 |
| Spendable: | | | | | | |
| Restricted for mill levy override | 548,077 | - | - | - | - | 548,077 |
| Restricted for debt service | - | - | - | 18,081,808 | - | 18,081,808 |
| Restricted for emergencies | 2,740,524 | - | - | - | - | 2,740,524 |
| Committed for capital outlay | - | - | - | - | 2,645,868 | 2,645,868 |
| Committed for transportation | - | - | - | - | 1,015,664 | 1,015,664 |
| Committed for nutrition services | - | - | - | - | 682,631 | 682,631 |
| Committed for pupil activities | - | - | - | - | 1,114,811 | 1,114,811 |
| Assigned for curriculum, copiers and compensation | 681,886 | - | - | - | - | 681,886 |
| Assigned for multi-year | 1,094,893 | - | - | - | - | 1,094,893 |
| Unassigned | 14,529,423 | - | - | - | - | 14,529,423 |
| Total Fund Balances | 19,594,803 | - | - | 18,081,808 | 5,813,426 | 43,490,037 |
| Total Liabilities, Deferred Inflows, and Fund Balances | 30,595,950 | 1,098,665 | - | 18,189,535 | 5,950,151 | 55,834,301 |

Eagle County Schools
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
June 30, 2021

| | | |
|---|-----------------------------------|---------------|
| Governmental Funds Total Fund Balance | | 43,490,037 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds. | | 442,698,316 |
| Accumulated Depreciation is not recognized in the governmental fund because capital assets are expensed at the time of acquisition. | | (196,771,288) |
| Other long-term assets are not available to pay current year expenditures and, therefore, are deferred in governmental funds. This amount represents property taxes not available as current financial resources. | | 278,026 |
| Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | | |
| | Bonds payable | (206,620,000) |
| | Bond premiums | (25,179,259) |
| | Deferred charge on refunding | 3,585,573 |
| | Accrued interest payable | (815,973) |
| | Compensated absences | (1,500,766) |
| | | (230,530,425) |
| Pension liability and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | | |
| | Pension liability | (131,978,692) |
| | Pension related deferred inflows | (61,817,864) |
| | Pension related deferred outflows | 40,838,281 |
| | | (152,958,275) |
| OPEB liability and related items are not due and payable in the current year and, therefore, are not reported in governmental funds: | | |
| | OPEB liability | (4,798,324) |
| | OPEB related deferred inflows | (2,012,009) |
| | OPEB related deferred outflows | 670,343 |
| | | (6,139,990) |
| Governmental Activities Net Position | | (99,933,599) |

Eagle County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

| | General Fund | Government Designated-Grant Fund | Building Fund | Bond Redemption Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|--------------------|----------------------------------|------------------|----------------------|------------------------------|--------------------------|
| Revenues: | | | | | | |
| Local sources | 58,364,604 | 939,593 | 267,696 | 21,468,627 | 2,312,910 | 83,353,430 |
| State sources | 20,116,488 | 425,028 | - | - | 981,242 | 21,522,758 |
| Federal sources | 682,284 | 6,430,577 | - | - | 1,542,143 | 8,655,004 |
| Total Revenues | 79,163,376 | 7,795,198 | 267,696 | 21,468,627 | 4,836,295 | 113,531,192 |
| Expenditures: | | | | | | |
| Current | | | | | | |
| Direct instruction | 44,614,729 | 3,776,885 | - | - | - | 48,391,614 |
| Indirect instruction | 10,971,377 | 3,341,252 | - | - | - | 14,312,629 |
| General administration | 7,026,555 | - | - | - | - | 7,026,555 |
| Supporting services | 5,976,406 | 444,172 | - | - | - | 6,420,578 |
| Custodial maintenance | 6,703,053 | 134,901 | - | - | - | 6,837,954 |
| Transportation | - | - | - | - | 2,128,042 | 2,128,042 |
| Food service | - | 97,988 | - | - | 2,031,660 | 2,129,648 |
| Pupil activities | - | - | - | - | 448,581 | 448,581 |
| Capital outlay | 345,000 | - | 422,455 | - | 3,202,567 | 3,970,022 |
| Debt service | | | | | | |
| Principal | - | - | - | 10,605,000 | - | 10,605,000 |
| Interest and fiscal charges | - | - | - | 10,051,490 | - | 10,051,490 |
| Total Expenditures | 75,637,120 | 7,795,198 | 422,455 | 20,656,490 | 7,810,850 | 112,322,113 |
| Excess (Deficiency) or Revenues Over Expenditures | 3,526,256 | - | (154,759) | 812,137 | (2,974,555) | 1,209,079 |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | - | - | - | - | 3,314,428 | 3,314,428 |
| Transfers (out) | (3,314,428) | - | - | - | - | (3,314,428) |
| Total Other Financing Sources (Uses) | (3,314,428) | - | - | - | 3,314,428 | - |
| Net Change in Fund Balance | 211,828 | - | (154,759) | 812,137 | 339,873 | 1,209,079 |
| Fund Balance - Beginning of the Year (restated) | 19,382,975 | - | 154,759 | 17,269,671 | 5,473,553 | 42,280,958 |
| Fund Balance - End of the Year | 19,594,803 | - | - | 18,081,808 | 5,813,426 | 43,490,037 |

The accompanying notes are an integral part of these financial statements.

Eagle County Schools
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

| | | | |
|--|--|---------------------|--------------------------|
| Governmental Funds Changes in Fund Balances | | | 1,209,079 |
| Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. | | | |
| | Capital outlay | 1,918,423 | |
| | Depreciation expense | <u>(13,767,910)</u> | (11,849,487) |
| Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in property taxes not available as current financial resources. | | | |
| | | | (880,534) |
| Repayments of long-term debt are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities. | | | |
| | | | 10,605,000 |
| 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. This amount represents the change in the following items: | | | |
| | Accrued interest payable | 43,179 | |
| | Amortization of bond premiums | 2,470,528 | |
| | Amortization of deferred charge on refunding | (1,180,389) | |
| | Compensated absences payable | (102,075) | |
| | Change in pension liability, deferred inflows, and deferred outflows | 41,059,956 | |
| | Amortization of pension related deferred outflows | (15,406,549) | |
| | Amortization of pension related deferred inflows | 10,562,252 | |
| | Change in OPEB liability, deferred inflows, deferred outflows | 312,678 | |
| | Amortization of OPEB related deferred outflows | (140,577) | |
| | Amortization of OPEB related deferred inflows | <u>174,178</u> | |
| | | | <u>37,793,181</u> |
| Governmental Activities Change in Net Position | | | <u><u>36,877,239</u></u> |

Eagle County Schools
Statement of Net Position
Proprietary Funds
June 30, 2021

| | Business-type Activities District Housing |
|----------------------------------|--|
| Assets: | |
| Current assets: | |
| Cash and investments | 906,030 |
| Accounts receivable | 2,053 |
| Total current assets | 908,083 |
| Noncurrent Assets: | |
| Capital assets: | |
| Land | 11,776 |
| Buildings | 803,498 |
| Less accumulated depreciation | (793,384) |
| Total noncurrent assets | 21,890 |
| Total Assets | 929,973 |
| Liabilities: | |
| Current liabilities: | |
| Security deposits | 16,541 |
| Total current liabilities | 16,541 |
| Total Liabilities | 16,541 |
| Net Position: | |
| Net investment in capital assets | 21,890 |
| Unrestricted | 891,542 |
| Total Net Position | 913,432 |

Eagle County Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021

| | Business-type Activities |
|---|-------------------------------------|
| | District Housing |
| Operating Revenues: | |
| Rental income | 207,971 |
| Total Operating Revenues | 207,971 |
| Operating Expenses: | |
| Purchased services | 64,457 |
| Supplies and materials | 1,211 |
| Depreciation | 10,116 |
| Housing rent expense | 95,312 |
| Total Operating Expenses | 171,096 |
| Net Position - Beginning of the Year | 876,557 |
| Net Position - End of the Year | 913,432 |

Eagle County Schools
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

| | Business-type Activities |
|--|-------------------------------------|
| | District Housing |
| Cash Flows From Operating Activities: | |
| Cash received from tenants | 211,877 |
| Cash paid to suppliers | (160,980) |
| Net Cash Provided (Used) by Operating Activities | 50,897 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 50,897 |
| Cash and Cash Equivalents - Beginning of the Year | 855,133 |
| Cash and Cash Equivalents - End of the Year | <u>906,030</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | |
| Operating income (loss) | 36,875 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation expense | 10,116 |
| (Increase) decrease in accounts receivable | (2,053) |
| Increase (decrease) in security deposits | 5,959 |
| Total Adjustments | 14,022 |
| Net Cash Provided (Used) by Operating Activities | 50,897 |

Notes to the Basic Financial Statements

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Eagle County Schools (the "District") was formed in 1958 when sixteen independent Districts were consolidated into a County-wide District. The District provides educational services and is governed by an elected Board of Education with seven members.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the District, organizations for which the District is financially accountable and organizations that raise and hold economic resources for the direct benefit of the District. 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 or if the organization is fiscally dependent, and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the District.

Based on the application of these criteria, the District includes a charter school within its reporting entity. The charter school is a public school authorized by State statutes to provide alternatives for parents, pupils and teachers. The charter school is fiscally accountable to the District and their exclusion would render the District's financial statements misleading. Since the charter school has a separately elected board, the charter school is discretely presented in the financial statements. Separate financial statements may be obtained by contacting the school individually at the following address:

Eagle County Charter Academy
1105 Miller Ranch Road
Edwards, Colorado 81632

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the District and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements. Exceptions to this general rule are charges for inter-fund services that are reasonably equivalent to the services provided. *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 the legally separate *component unit* for which the District is financially accountable.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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 utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the District.

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.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those 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. Expenditures include all costs associated with the daily operation of the schools, except for programs funded by grants from federal and state governments, certain capital outlay expenditures, debt service, food service operations, transportation operations, District housing and other pupil activities.

The *Grant Fund* is used to account for financial transactions for grants received for designated programs funded by federal, state, or local sources.

The *Building Fund* is used to account for the acquisition of sites, buildings, equipment and vehicles. Eagle County Schools only reports expenditures related to bond projects in this 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. The fund's primary revenue source is local property taxes levied specifically for debt service.

Additionally, the District reports the following fund types:

Proprietary Funds – These funds focus on the determination of the changes in fund net position, 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 has one enterprise fund which is the *District Housing Fund* used to account for the rental and maintenance of housing provided to District employees.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

Assets, Liabilities and Fund Equity

Cash and Investments – The District utilizes the pooled cash concept whereby cash balances of each of the District's funds are pooled and invested by the District. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Investments are reported at fair value or net asset value.

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Investments in pooled cash are considered to be cash equivalents.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year but not received at year end are reported as taxes receivable and are presented net of an allowance for uncollectible taxes of 1% of the total levy.

Inventories – Materials and supplies inventories are stated using the first-in/first-out (FIFO) method. Nutrition Services Fund inventories consist of purchased and donated commodities. Donated commodities, received at no cost under a program supported by the federal government, are valued based upon the cost furnished by the federal government. Transportation fund inventories are valued at cost.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more 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 the acquisition value on the date of donation.

The costs 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 of the District is depreciated using the straight line method over the following estimated useful lives.

| | |
|----------------------------|-------------|
| Buildings and Improvements | 15-30 years |
| Vehicles | 7-13 years |
| Equipment | 5-20 years |

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, are reflected as a liability in the accompanying financial statements.

Unearned Revenues – Unearned revenues include grant funds that have been collected but the corresponding expenditures have not been incurred.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

Assets, Liabilities and Fund Equity *(continued)*

Compensated Absences – Employees of the District are allowed to accumulate unused vacation and sick time based on their length of employment and classification, up to a maximum of 240 hours of vacation time and 100 hours of sick time. Accumulated vacation time vests immediately, and sick time vests after 20 years of employment. These compensated absences are paid at termination.

These compensated absences are recognized as expenses/expenditures when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Long-Term Debt – In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Pensions – The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

Assets, Liabilities and Fund Equity *(continued)*

Defined Benefit Other Post Employment Benefit Plan – The District participates in the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer defined benefit other post-employment benefit plan (“OPEB”) fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow if resources (expense/expenditures) until then. The District has three items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The other two items are the collective deferred outflows related to the District’s net pension and other post-employment benefit obligations (“OPEB”). Pension and OPEB contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension or OPEB liability in future periods. See Notes 9 and 10.

Deferred inflows of resources represent an acquisition of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet, are deferred and recognized as an inflow from resources in the period that the amounts become available. The other two items are the collective deferred inflows related to the District’s net pension and OPEB obligations are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members. See Notes 9 and 10.

Fund Equity – At the governmental fund financial reporting level, fund equity is classified as *fund balance*. For all other reporting, it is classified as *net position*.

Net Position – In the government-wide financial statements and the proprietary fund in the fund financial statements, net position is restricted when constraints placed on the use of resources are externally imposed.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

Assets, Liabilities and Fund Equity *(continued)*

Fund Balance – In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable fund balance* - Amounts that are not in a spendable form (such as deposits, inventories, and prepaid items) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance* - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. These balances include TABOR, debt service and statute-defined special revenue funds.
- *Committed fund balance* - Amounts constrained to specific purposes through resolution by the board of education are reported as committed. Amounts cannot be used for any other purpose unless the board takes the same action to modify or rescind the commitment.
- *Assigned fund balance* - Amounts constrained by the District for specific purposes, but is neither restricted nor committed. Through resolution, the board of education has authorized the District's superintendent to assign fund balances. Per District policy, intended use may be expressed by the District's Board of Education and assigned by authorized individuals including the Superintendent or Chief Financial Officer.
- *Unassigned fund balance* - The residual amount reported when the balances do not meet any of the above criteria. The District reports positive unassigned fund balance only in the general fund. Negative unassigned balances may be reported in all funds.

Fund Balance Policy - The District's policy states that maintaining a fiscal year-end fund balance as an operating reserve in the general fund is a beneficial and sound financial management practice. The Board of Education assigns to the Superintendent or designee the responsibility of accumulating and maintaining a general fund, fund balance amounting to 10% of the District's current fiscal year adopted budget or \$10,000,000, whichever is greater at fiscal year-end, as an operating reserve. This amount will include the emergency reserve required by Article X, Section 20 of the Colorado Constitution (Taxpayer's Bill of Rights).

The District has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the District uses restricted fund balance first, followed by committed, assigned, and unassigned fund balances.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

Revenues

Property Taxes - Property taxes for a calendar year are certified in arrears on December 10 and attached as a lien on the property the previous January 1. For example, property taxes paid in 2021 are certified to the county in December 2020 and are available for collection on the levy date, January 1, 2021. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the District in the subsequent month.

State Revenues - The District receives unrestricted state equalization revenues as required by State statutes.

Interest Income - Interest income earned on pooled cash is recorded as revenue in the General Fund. Interest income earned in the Bond Redemption Fund, Building Fund, Capital Reserve Fund and the Agency Fund is recorded when earned in the related fund.



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

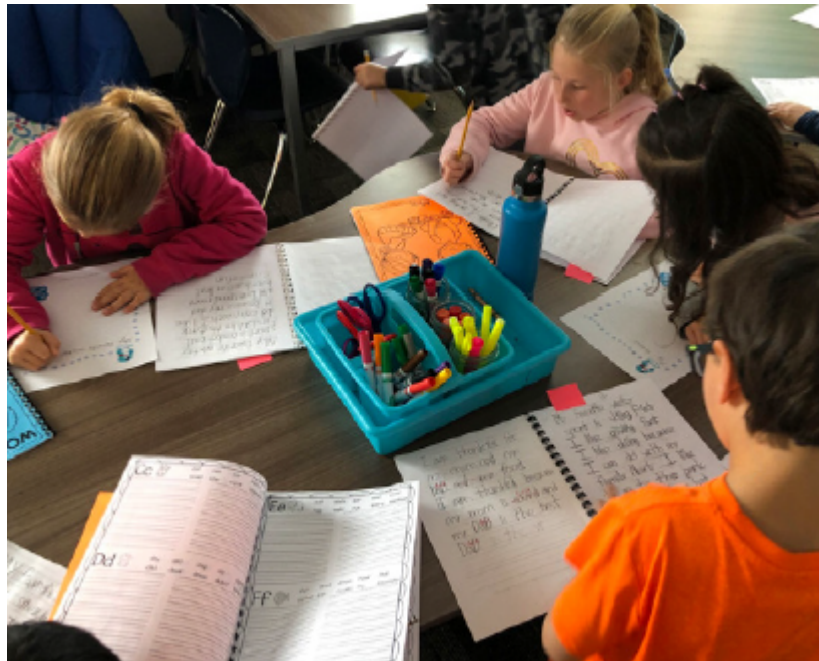
NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District follows the following procedures in establishing the budgetary data reflected in the financial statements:

- In March, the superintendent submits to the board of education a preliminary proposed budget for the period commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at regular board of education meetings to obtain taxpayer comments.
- In June, the budget is legally adopted by the board of education.
- In December, a revised budget is legally adopted by the board of education.

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased provided they are offset by unanticipated revenue. All appropriations lapse at the end of each fiscal year. Authorization to transfer budget amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the superintendent. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the board of education.



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

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

TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR required, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending. The District has reserved \$2,740,524 of its June 30, 2021 year-end General Fund balance for emergencies as required under TABOR.

On November 7, 2000, the District's electorate approved a ballot question authorizing the District to collect, retain, and expend all revenues collected notwithstanding the revenues and spending limitations contained in TABOR. All funds received by the District from its mill levy/override budget elections and pursuant to the school amendments are exempt from the revenue limitations of TABOR pursuant to the applicable authorizing elections.

The District believes it is in compliance with the requirements of the TABOR Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions will require judicial interpretation.



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 3: CASH AND INVESTMENTS

At June 30, 2021, the District had the following cash and investments:

| | Rating | Carrying Amounts | Maturities | |
|-----------------------------|-----------|---------------------|-----------------------|----------------------|
| | | | Less than One Year | One to Five Years |
| <i>Deposits:</i> | | | | |
| Cash on Hand | | 1,300 | 1,300 | - |
| Checking Accounts | Not rated | 8,660,867 | 8,660,867 | - |
| Savings Accounts | Not rated | 482,283 | 482,283 | - |
| <i>Investments:</i> | | | | |
| Government Investment Pools | AAAm | 43,851,708 | 43,851,708 | - |
| Total | | 52,996,158 | 52,996,158 | - |

Cash and investments are reported in the financial statements as follows:

| | |
|---------------------------------|-------------------|
| Cash and Investments | 52,538,135 |
| Restricted Cash and Investments | 458,023 |
| Total | <u>52,996,158</u> |

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2021, the District had bank deposits of \$18,354,651 collateralized with securities held by the financial institution's agent but not in the District's name.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 3: CASH AND INVESTMENTS (continued)

Investments

The District is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

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

Interest Rate Risk - State statutes generally limit the maturity date of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - The District has no policy toward credit risk other than to follow State statutes which limit certain investments to those with at least two credit ratings at or above "A" or its equivalent from nationally recognized statistical rating organizations. If it is a general obligation of this state or of any political subdivision, institution, department, agency, instrumentality, or authority of this state or carries at least two credit ratings at or above "AA" or its equivalent from such organizations.

Concentration of Credit Risk - State statutes do not limit the amount the District may invest in any single issuer, except for corporate securities.

Fair Value Measurements- The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments or other observable inputs; and Level 3 inputs are unobservable inputs. At June 30, 2021, the District had the following recurring value measurements:

| <u>Investments Measured at Net Asset Value</u> | <u>Total</u> |
|--|--------------|
| Colotrust | 43,851,708 |

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 3: CASH AND INVESTMENTS *(continued)*

Investments *(continued)*

Local Government Investment Pool - At June 30, 2021, the District was invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 with each share equal in value to \$1.00.

Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Restricted Cash and Investments

At June 30, 2021, the had the following restricted cash and investments:

| | <u>Amount</u> | <u>Purpose</u> |
|----------------------|----------------|------------------|
| Capital Reserve Fund | 458,023 | Capital projects |
| | <u>458,023</u> | |



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 4: CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2021, is summarized below:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|------------------------------|------------------|------------------|---------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | 13,701,907 | - | - | 13,701,907 |
| Total capital assets not depreciated | 13,701,907 | - | - | 13,701,907 |
| Capital assets being depreciated: | | | | |
| Buildings and Improvements | 412,723,163 | 1,600,241 | - | 414,323,404 |
| Equipment and Vehicles | 14,750,910 | 318,182 | (396,087) | 14,673,005 |
| Total capital assets being depreciated | 427,474,073 | 1,918,423 | (396,087) | 428,996,409 |
| Less accumulated depreciation for: | | | | |
| Buildings and Improvements | (171,708,595) | (13,278,939) | - | (184,987,534) |
| Equipment and Vehicles | (11,690,870) | (488,971) | 396,087 | (11,783,754) |
| Total accumulated depreciation | (183,399,465) | (13,767,910) | 396,087 | (196,771,288) |
| Total capital assets, net | 257,776,515 | (11,849,487) | - | 245,927,028 |
| | Beginning Balance | Additions | Deletions | Ending Balance |
| <u>Business-Type Activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | 11,776 | - | - | 11,776 |
| Total capital assets not depreciated | 11,776 | - | - | 11,776 |
| Capital assets being depreciated: | | | | |
| Building | 803,498 | - | - | 803,498 |
| Total capital assets being depreciated | 803,498 | - | - | 803,498 |
| Less accumulated depreciation for: | | | | |
| Building | (783,268) | (10,116) | - | (793,384) |
| Total accumulated depreciation | (783,268) | (10,116) | - | (793,384) |
| Total capital assets, net | 32,006 | (10,116) | - | 21,890 |

Depreciation expense was charged to the following programs for the year ended June 30, 2021:

| Governmental activities: | Depreciation |
|---------------------------------|---------------------|
| Direct Instruction | 8,260,746 |
| Indirect Instruction | 1,376,791 |
| General Administration | 1,376,791 |
| Supporting Services | 826,075 |
| Custodial Maintenance | 1,376,791 |
| Transportation | 550,716 |
| Total Governmental activities | 13,767,910 |

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2021, the District borrowed \$12,932,068 from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full in May 2021, from property taxes received in February and March.

NOTE 6: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2021.

| | July 1, 2020 | Additions | Deletions | June 30, 2021 | Due Within One Year |
|--|-----------------|------------|--------------|------------------|------------------------|
| Governmental activities: | | | | | |
| General Obligation Bonds: | | | | | |
| 2017 Refunding Bonds | 131,770,000 | - | - | 131,770,000 | - |
| Bond Premium | 18,410,825 | - | (1,150,677) | 17,260,148 | - |
| 2013 Refund Bonds | 85,455,000 | - | (10,605,000) | 74,850,000 | 11,120,000 |
| Bond Premium | 9,238,961 | - | (1,319,850) | 7,919,111 | - |
| Total General Obligation Bonds | 244,874,786 | - | (13,075,527) | 231,799,259 | 11,120,000 |
| Compensated absences | 1,398,692 | 542,765 | (440,691) | 1,500,766 | 180,092 |
| Net unfunded pension liability | 116,155,937 | 15,822,755 | - | 131,978,692 | - |
| Net unfunded OPEB liability | 5,710,702 | - | (912,378) | 4,798,324 | - |
| Governmental activity long-term liabilities | 368,140,117 | 16,365,520 | (14,428,596) | 370,077,041 | 11,300,092 |

Compensated absences are expected to be liquidated with revenues of the General Fund. Colorado PERA administers the pension and OPEB liabilities.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds have been issued for governmental activities. Individual bond issue information is listed below:

- \$131,770,000 General Obligation Refunding Bonds, Series 2017, were issued to construct new school facilities and provide for other capital improvement projects. Principal payments are due annually on December 1, 2027, through 2036. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates of 5% per annum. The refunding resulted in increased debt service payments of \$143,127 over the next 20 years and an economic loss of \$9,609.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 6: LONG-TERM DEBT *(continued)*

General Obligation Bonds *(continued)*

- \$102,245,000 General Obligation Refunding Bonds, Series 2013, were issued to refund a portion of the outstanding General Obligation Bonds, Series 2007. Principal payments are due annually beginning December 1, 2017 through 2026. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 5% per annum.

Bond payments, to maturity, are as follows:

| Year Ended June 30, | Principal | Interest | Total |
|--------------------------------------|--------------------|-------------------|--------------------|
| 2022 | 11,120,000 | 9,517,850 | 20,637,850 |
| 2023 | 11,670,000 | 9,014,813 | 20,684,813 |
| 2024 | 12,135,000 | 8,482,225 | 20,617,225 |
| 2025 | 12,750,000 | 7,923,850 | 20,673,850 |
| 2026 | 13,255,000 | 7,337,475 | 20,592,475 |
| 2027-2031 | 62,885,000 | 28,403,925 | 91,288,925 |
| 2032-2036 | 76,305,000 | 11,534,400 | 87,839,400 |
| 2037 | 6,500,000 | 325,000 | 6,825,000 |
| Totals | 206,620,000 | 82,539,538 | 289,159,538 |

Defeased Debt

In February, 2017, proceeds of the General Obligation Bonds, Series 2017, in the amount of \$8,462,505 were deposited in an irrevocable trust with an escrow agent to provide for the future debt service requirements of \$7,385,000 of the Certificates of Participation 2010A and 2010B. In June, 2013, proceeds of the General Obligation Refunding Bonds, Series 2013, in the amount of \$119,849,331 were deposited in an irrevocable trust with an escrow agent to provide for the future debt service requirements of \$103,590,000 of the General Obligation Refunding Bonds, Series 2007. As a result the refunded bonds listed above are considered defeased and the liabilities have been removed from the financial statements. The amount of debt considered defeased cannot be readily determined as of June 30, 2021.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 7: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021, consisted of the following:

| Transfers In | | | | |
|----------------------|-------------------------------|----------------------------|-----------------------|------------------|
| Transfers Out | Nutrition Services | Capital Reserve | Transportation | Total |
| General | 822,180 | 2,278,236 | 214,012 | 3,314,428 |
| Total | 822,180 | 2,278,236 | 214,012 | 3,314,428 |

The General Fund transfers a portion of its funding to the Capital Reserve Fund to be used for capital purposes. The General Fund subsidizes the student transportation program reported in the Transportation Fund. The General Fund subsidized the nutrition services program in the Nutrition Services Fund.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District accounts for and finances its risk activities in the General Fund.

The District purchases commercial insurance for worker compensation risks. For its risk of property loss or damage and general liability, the District participates in the Colorado School Districts Self-Insurance Pool (CSDSIP).

Colorado School Districts Self Insurance Pool

The CSDSIP is sponsored by the Colorado Association of School Boards (CASB) and operates as a self-insurance pool comprised of various school Districts and other related public educational entities within the State of Colorado. The CSDSIP is administered by the Pool Board. The District pays an annual premium to the CSDSIP for various types of property and liability insurance coverage. The Pool Agreement provides that the CSDSIP will be self-sustaining through member premiums and will reinsure through a duly authorized insurer. The reinsurance covers claims against the CSDSIP in excess of specific claim amounts and in the aggregate in an amount and at limits determined by the CSDSIP to be adequate to protect the solvency of the CSDSIP. The District did not have any significant reductions in insurance coverage in the prior year, nor did it have any insurance settlements exceed insurance coverage in the past three years.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Plan Description: Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020: PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.50% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.50% and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

Contribution provisions as of June 30, 2021: Eligible employees of, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 10.00% of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

| | July 1, 2020 Through June 30, 2021 |
|--|---|
| Employer Contribution Rate | 10.90% |
| Amount of the Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f) | (1.02)% |
| Amount Apportioned to the SCHDTF | 9.88% |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411 | 4.50% |
| Supplemental Amortization Equalization Disbursement (SAED) as presented in C.R.S. 24-51-411 | 5.50% |
| Total Employer Contribution Rate to the SCHDTF | <u>19.88%</u> |

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$8,995,557 for the year ended June 30, 2021.

Pension Liabilities: The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At June 30, 2021, the District reported a liability of \$131,978,692 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|--|----------------------|
| District's proportionate share of the net pension liability | \$131,978,692 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | - |
| Total | <u>\$131,978,692</u> |

At December 31, 2020, the District's proportionate share was 0.8729914007%, which was an increase of 0.0954972622% from its proportionate share at December 31, 2019.

For the year ended June 30, 2021, the District recognized pension revenue of \$36,215,659 and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference between expenses and actual experience | 7,251,574 | - |
| Change of assumptions or other inputs | 12,695,940 | 22,184,502 |
| Net difference between projected and actual earnings on pension plan investments | - | 29,051,513 |
| Changes in proportionate share of contributions | 15,867,602 | 10,581,849 |
| Contributions subsequent to measurement date | 5,023,165 | - |
| | <u>40,838,281</u> | <u>61,817,864</u> |

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

\$5,023,165 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions will be recognized as pension expense as follows.

| Year Ended June 30, | Amortization |
|--------------------------------|---------------------|
| 2022 | (25,935,658) |
| 2023 | 7,316,355 |
| 2024 | (2,800,407) |
| 2025 | (4,583,038) |
| | (26,002,748) |

Actuarial Assumptions: The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.40 percent |
| Real wage growth | 1.10 percent |
| Wage inflation | 3.50 percent |
| Salary increases, including wage inflation | 3.50 - 9.70 percent |
| Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Post-retirement benefit increases: | |
| PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually) | 1.25 percent |
| PERA Benefit Structure hired prior after 12/31/06 ₁ | Financed by the Annual Increase Reserve |

₁ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

Post-retirement non-disabled mortality assumptions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.30 percent |
| Real wage growth | 0.70 percent |
| Wage inflation | 3.00 percent |
| Salary increases, including wage inflation | 3.40 - 11.00 percent |
| Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Post-retirement benefit increases: | |
| PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually) | 1.25 percent |
| PERA Benefit Structure hired prior after 12/31/06 ₁ | Financed by the Annual Increase Reserve |

₁ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real Rate of Return |
|---------------------------|--------------------------|---|
| Global Equity | 54.00% | 5.60% |
| Fixed Income | 23.00% | 1.30% |
| Private Equity | 8.50% | 7.10% |
| Real Estate | 8.50% | 4.40% |
| Alternatives ₁ | 6.00% | 4.70% |
| Total | 100.00% | |

₁The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50%, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 9: DEFINED BENEFIT PENSION PLAN *(continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(continued)*

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (7.25%) |
|--|--------------------------------|--|--------------------------------|
| Collective Net Pension Liability | 20,622,167,000 | 15,117,983,000 | 10,531,184,000 |
| Proportionate Share of Net Pension Liability | 180,029,745 | 131,978,692 | 91,936,331 |

Pension Plan Fiduciary Net Position: Detailed information about the SDTF's fiduciary net position is available in PERA's separately issued financial report, which may be obtained at www.copera.org/investments/pera-financial-reports.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Health Care Trust Fund

Plan description: Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided: The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure: The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND *(continued)*

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Health Care Trust Fund *(continued)*

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure. The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions: Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. For the year ended June 30, 2021, the District's contributions to HCTF were approximately \$478,654.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND (continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Health Care Trust Fund (continued)

Liabilities: At June 30, 2021, the District reported a liability of \$4,798,324 for its proportionate share of the net OPEB liability. The net OPEB liability for the Health Care Trust Fund ("HCTF") was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on District contributions to HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.5049671717%, which was a decrease of 0.0031033418% from its proportionate share as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$346,278. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference between expenses and actual experience | 12,734 | 1,054,902 |
| Change of assumptions or other inputs | 35,853 | 294,229 |
| Net difference between projected and actual earnings on plan investments | - | 196,063 |
| Changes in proportionate share of contributions | 364,028 | 466,815 |
| Contributions subsequent to measurement date | 257,728 | - |
| | <u>670,343</u> | <u>2,012,009</u> |

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND (continued)

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

\$257,728 reported as deferred outflows of resources related to other post-employment benefits, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net other post-employment benefits liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended | |
|-------------------|---------------------|
| June 30, | Amortization |
| 2022 | 315,776 |
| 2023 | 288,346 |
| 2024 | 482,866 |
| 2025 | 369,258 |
| 2026 | 134,601 |
| Thereafter | 8,547 |
| | 1,599,394 |

Actuarial assumptions. The total OPEB liability in the December 31, 2019, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|---|
| Actuarial cost method | Entry age |
| Price inflation | 2.40 percent |
| Real wage growth | 1.10 percent |
| Wage inflation | 3.50 percent |
| Salary increases, including wage inflation | 3.50 percent in aggregate |
| Long-term investment Rate of Return, net of OPEB | |
| plan investment expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Health care costs trend rates | |
| PERA benefit structure: | |
| Services based on premium subsidy | 0.00 percent |
| PERACare Medicare plans | 8.10 percent in 2019, gradually decreasing to 4.50 percent in 2029 |
| Medicare part A premiums | 3.50 percent for 2019, gradually rising to 4.50 percent in 2029 |
| DPS benefit structure: | |
| Services based on premium subsidy | 0.00 percent |
| PERACare Medicare plans | N/A |
| Medicare part A premiums | N/A |

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND *(continued)*

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(continued)*

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

| Medicare Plan | Initial Costs for Members without Medicare Part A | | |
|--|--|------------------------|--|
| | Monthly Cost | Monthly Premium | Monthly Cost Adjusted to Age 65 |
| Medicare Advantage / Self-Insured Rx | \$588 | \$227 | \$550 |
| Kaiser Permanente Medicare Advantage HMO | \$621 | \$232 | \$586 |

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND (continued)

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

| Year Ending | PERACare Medicare Plans | Medicare Part A Premiums |
|--------------------|------------------------------------|-------------------------------------|
| 2020 | 8.10% | 3.50% |
| 2021 | 6.40% | 3.75% |
| 2022 | 6.00% | 3.75% |
| 2023 | 5.70% | 3.75% |
| 2024 | 5.50% | 4.00% |
| 2025 | 5.30% | 4.00% |
| 2026 | 5.10% | 4.00% |
| 2027 | 4.90% | 4.25% |
| 2028 | 4.70% | 4.25% |
| 2029+ | 4.50% | 4.50% |

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above, and further adjustments for credibility.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND (continued)

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

| | Trust Fund | | | |
|---|---------------------------|----------------------------|--|------------------------------|
| | State Division | School Division | Local Government Division | Judicial Division |
| Actuarial cost method | Entry age | Entry age | Entry age | Entry age |
| Price inflation | 2.30% | 2.30% | 2.30% | 2.30% |
| Real wage growth | 0.70% | 0.70% | 0.70% | 0.70% |
| Wage inflation | 3.00% | 3.00% | 3.00% | 3.00% |
| Salary increases, including wage inflation: | | | | |
| Members other than State Troopers | 3.30%-10.90% | 3.40%-11.00% | 3.20%-11.30% | 2.80%-5.30% |
| State Troopers | 3.20%-12.40% | N/A | 3.20%- 12.40% ¹ | N/A |

¹ C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND *(continued)*

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(continued)*

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019. Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND *(continued)*

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(continued)*

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND (continued)

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

| Asset Class | Target Allocation | 30 Year Expected Geometric Real Rate of Return |
|---------------------------|------------------------------|---|
| Global Equity | 54.00% | 5.60% |
| Fixed Income | 23.00% | 1.30% |
| Private Equity | 8.50% | 7.10% |
| Real Estate | 8.50% | 4.40% |
| Alternatives ₁ | 6.00% | 4.70% |
| Total | 100.00% | |

₁The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND (continued)

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---|---------------------------------------|--------------------------------|---------------------------------------|
| Initial PERA Care Medicare Trend Rate | 7.10% | 8.10% | 9.10% |
| Ultimate PERA Care Medicare Trend Rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A Trend Rate | 2.50% | 3.50% | 4.50% |
| Ultimate Medicare Part A Trend | 3.50% | 4.50% | 5.50% |
| Collective Net OPEB Liability | 925,665,000 | 950,225,000 | 978,816,000 |
| Proportionate Share of Net OPEB Liability | 4,674,304 | 4,798,324 | 4,942,699 |

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 10: HEALTH CARE TRUST FUND (continued)

Liabilities Related to Health Care Trust Fund and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|--------------------------------|--|--------------------------------|
| Collective Net OPEB Liability | 1,088,500,000 | 950,225,000 | 832,080,000 |
| Proportionate Share of Net OPEB Liability | 5,496,568 | 4,798,324 | 4,201,731 |

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained www.copera.org/investments/pera-financial-reports.

NOTE 11: 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. At June 30, 2021 significant amounts of grant expenditures have not been audited by the grantor agency, 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.

Litigation

The District is a defendant in various pending or threatened litigation. However, the outcome of the litigation cannot be determined at this time.

NOTE 12: SUBSEQUENT EVENT – DEBT REFUNDING

On August 19, 2021 \$44,010,000 Taxable General Obligation Refunding Bonds, Series 2021, were issued to refund a portion of the outstanding General Obligation Refunding Bonds, Series 2013. Principal payments are due annually on December 1, 2021, through 2026. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates of 0.112% to 0.903%, per annum. The refunding resulted in an economic gain of \$1,557,436.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2021

NOTE 13: RESTATEMENT OF PUPIL ACTIVITY FUND

In 2020, the District implemented Government Accounting Standards Board Statement No. 84 ("GASB 84"), *Fiduciary Activities*, which establishes new criteria for identifying and reporting fiduciary activities for state and local governments. The District previously reported the activity of Pupil Activity Funds as fiduciary funds. After implementation of GASB 84, the District has moved Pupil Activity Funds from a fiduciary fund to a special revenue fund. GASB 84 is implemented retroactively, which resulted in a restatement of Net Position and Fund Balance of \$1,162,461.



REQUIRED SUPPLEMENTARY INFORMATION

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | | 2020 |
|--|--------------------|--------------------|----------------------|------------------------------------|----------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Property taxes | 50,865,259 | 50,847,259 | 50,420,346 | (426,913) | 49,723,371 |
| Specific ownership taxes | 3,814,000 | 3,814,000 | 4,281,210 | 467,210 | 3,924,888 |
| Tuition and fees | 1,198,993 | 813,440 | 971,235 | 157,795 | 665,653 |
| Pupil activities | 669,040 | 385,779 | 431,280 | 45,501 | 774,193 |
| Charter school services | 580,000 | 659,000 | 668,114 | 9,114 | 603,842 |
| Investment income | 50,000 | 40,000 | 47,889 | 7,889 | 456,859 |
| Other | 1,054,295 | 964,155 | 1,544,530 | 580,375 | 894,801 |
| Total Local Sources | 58,231,587 | 57,523,633 | 58,364,604 | 840,971 | 57,043,607 |
| State Sources: | | | | | |
| State equalization | 16,254,076 | 15,711,691 | 17,613,552 | 1,901,861 | 20,184,613 |
| Special education | 1,394,532 | 1,446,208 | 1,499,415 | 53,207 | 1,413,425 |
| English language proficiency act | 858,882 | 827,316 | 827,315 | (1) | 848,273 |
| Other | 377,659 | 139,916 | 176,206 | 36,290 | 429,186 |
| Total State Sources | 18,885,149 | 18,125,131 | 20,116,488 | 1,991,357 | 22,875,497 |
| Federal Sources: | | | | | |
| Grants | 813,080 | 772,284 | 682,284 | (90,000) | 639,236 |
| Total Federal Sources | 813,080 | 772,284 | 682,284 | (90,000) | 639,236 |
| Total Revenues | 77,929,816 | 76,421,048 | 79,163,376 | 2,742,328 | 80,558,340 |
| Expenditures: | | | | | |
| Salaries | 47,997,684 | 46,493,093 | 45,779,509 | 713,584 | 45,631,033 |
| Employee benefits | 19,907,915 | 19,239,010 | 18,626,797 | 612,213 | 17,904,035 |
| Purchased services | 6,121,584 | 6,092,656 | 5,536,800 | 555,856 | 6,486,964 |
| Supplies and materials | 4,491,636 | 4,069,451 | 4,461,839 | (392,388) | 3,947,987 |
| Property | 328,855 | 538,355 | 496,433 | 41,922 | 263,932 |
| Other | 825,164 | 904,765 | 735,742 | 169,023 | 997,926 |
| Total Expenditures | 79,672,838 | 77,337,330 | 75,637,120 | 1,700,210 | 75,231,877 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | |
| | (1,743,022) | (916,282) | 3,526,256 | 4,442,538 | 5,326,463 |
| Other Financing Sources (Uses): | | | | | |
| Transfers (out) | (3,114,428) | (3,314,428) | (3,314,428) | - | (4,056,652) |
| Total Other Financing Sources (Uses) | (3,114,428) | (3,314,428) | (3,314,428) | - | (4,056,652) |
| Net Change in Fund Balance | (4,857,450) | (4,230,710) | 211,828 | 4,442,538 | 1,269,811 |
| Fund Balance - Beginning of the Year - Budget Basis | 20,386,488 | 19,382,975 | 19,382,975 | - | 18,113,164 |
| Fund Balance - End of the Year - Budget Basis | 15,529,038 | 15,152,265 | 19,594,803 | 4,442,538 | 19,382,975 |
| Reconciliation to GAAP Basis: | | | | | |
| Adjustments: | | | | | |
| Pension direct distribution - Special funding | | | - | | 1,115,876 |
| Pension expense - Special funding | | | - | | (1,115,876) |
| Fund Balance - End of Year - GAAP Basis | | | \$ 19,594,803 | | \$ 19,382,975 |

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Government Designated-Purpose Grant Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | 2020 | |
|--------------------------------------|--------------------|-----------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local sources | 866,396 | 1,592,863 | 939,593 | (653,270) | 958,875 |
| State sources | 527,633 | 789,797 | 425,028 | (364,769) | 489,940 |
| Federal sources | 5,605,971 | 6,117,340 | 6,430,577 | 313,237 | 4,378,606 |
| Total Revenues | 7,000,000 | 8,500,000 | 7,795,198 | (704,802) | 5,827,421 |
| Expenditures: | | | | | |
| Salaries | 3,109,647 | 3,776,000 | 3,459,203 | 316,797 | 2,782,530 |
| Employee benefits | 1,243,859 | 1,510,400 | 1,376,960 | 133,440 | 881,555 |
| Purchased services | 1,071,027 | 1,300,533 | 588,592 | 711,941 | 1,207,445 |
| Supplies and materials | 1,274,312 | 1,547,379 | 1,754,780 | (207,401) | 388,515 |
| Other | - | - | 397,266 | (397,266) | 380,069 |
| Indirect costs | 301,155 | 365,688 | 218,397 | 147,291 | 187,307 |
| Total Expenditures | 7,000,000 | 8,500,000 | 7,795,198 | 704,802 | 5,827,421 |
| Net Change in Fund Balance | - | - | - | - | - |
| Fund Balance - Beginning of the Year | - | - | - | - | - |
| Fund Balance - End of the Year | - | - | - | - | - |

Eagle County Schools
Schedule of the District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

| | <u>12/31/2020</u> | <u>12/31/2019</u> | <u>12/31/2018</u> | <u>12/31/2017</u> | <u>12/31/2016</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| District's portion of the net pension liability | 0.8729914007% | 0.7774941385% | 0.7996798594% | 1.0011926156% | 0.8577202083% |
| District's proportionate share of the net pension liability | 131,978,692 | 116,155,937 | 141,599,745 | 323,750,109 | 255,376,474 |
| State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | - | 13,074,561 | 17,032,800 | - | - |
| District's covered payroll | 46,696,640 | 45,683,580 | 43,937,458 | 46,222,796 | 38,496,189 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 282.63% | 254.26% | 322.28% | 700.41% | 663.38% |
| Plan fiduciary net position as a percentage of the total pension liability | 66.99% | 64.52% | 57.01% | 43.96% | 59.20% |
| | <u>12/31/2015</u> | <u>12/31/2014</u> | <u>12/31/2013</u> | | |
| District's portion of the net pension liability | 0.8677470924% | 0.8680262317% | 0.8568952317% | | |
| District's proportionate share of the net pension liability | 132,715,791 | 117,646,711 | 109,296,755 | | |
| State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | - | - | - | | |
| District's covered payroll | 37,816,183 | 36,364,064 | 34,544,173 | | |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 351.00% | 323.52% | 316.40% | | |
| Plan fiduciary net position as a percentage of the total pension liability | 62.84% | 62.84% | 64.07% | | |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2014.

Eagle County Schools
Schedule of District Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

| | <u>6/30/2021</u> | <u>6/30/2020</u> | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contribution | 9,533,572 | 9,094,430 | 8,410,064 | 8,604,048 | 7,765,788 |
| Contributions in relation to the contractually required contribution | <u>(9,533,572)</u> | <u>(9,094,430)</u> | <u>(8,410,064)</u> | <u>(8,604,048)</u> | <u>(7,765,788)</u> |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| District's covered payroll | 47,955,593 | 46,926,885 | 44,334,722 | 43,850,819 | 42,201,383 |
| Contributions as a percentage of covered payroll | 19.88% | 19.38% | 18.97% | 19.62% | 18.40% |
| | <u>6/30/2016</u> | <u>6/30/2015</u> | <u>6/30/2014</u> | | |
| Contractually required contribution | 6,795,954 | 6,353,040 | 5,667,716 | | |
| Contributions in relation to the contractually required contribution | <u>(6,795,954)</u> | <u>(6,353,040)</u> | <u>(5,667,716)</u> | | |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> | | |
| District's covered payroll | 38,325,382 | 37,639,638 | 35,481,967 | | |
| Contributions as a percentage of covered payroll | 17.73% | 16.88% | 15.97% | | |

* Information is only available beginning in fiscal year 2014.

Eagle County Schools
Schedule of District's Proportionate Share of the Net OPEB Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

| | <u>12/31/2020</u> | <u>12/31/2019</u> | <u>12/31/2018</u> | <u>12/31/2017</u> | <u>12/31/2016</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| District's proportion of the net OPEB liability | 0.5049671717% | 0.5080705135% | 0.5194978614% | 0.5693537703% | 0.4875405894% |
| District's proportionate share of the net OPEB liability | 4,798,324 | 5,710,702 | 7,067,987 | 7,399,322 | 6,321,130 |
| District's covered payroll | 46,696,640 | 45,683,580 | 45,683,580 | 46,222,796 | 38,496,189 |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll | 10.28% | 12.50% | 15.47% | 16.01% | 16.42% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 32.78% | 24.49% | 17.03% | 17.53% | 16.72% |

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2017.

Eagle County Schools
Schedule of District OPEB Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

| | <u>6/30/2021</u> | <u>6/30/2020</u> | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution | 489,147 | 478,654 | 448,162 | 471,473 | 392,661 |
| Contributions in relation to the contractually required contribution | <u>(489,147)</u> | <u>(478,654)</u> | <u>(448,162)</u> | <u>(471,473)</u> | <u>(392,661)</u> |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| District's covered payroll | 47,955,593 | 46,926,885 | 44,334,722 | 44,334,722 | 42,201,383 |
| Contributions as a percentage of covered payroll | 1.02% | 1.02% | 1.01% | 1.06% | 0.93% |

* Information is only available beginning in fiscal year 2017.

Eagle County Schools
Notes to Required Supplementary Information
June 30, 2021

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS

A. Changes to assumptions and other inputs

The Public Employees' Retirement Association of Colorado School Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The District's contributions and related ratios represent cash contributions and any related accruals that coincide with the District's fiscal year ending on June 30.

1. Changes since the December 31, 2019 actuarial valuation:

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

2. Changes since the December 31, 2018 actuarial valuation:

- The assumption used to value the AI cap benefit provisions was changed from 1.50 percent to 1.25 percent.

Eagle County Schools
Notes to Required Supplementary Information
June 30, 2021
(Continued)

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS *(continued)*

A. Changes to assumptions or other inputs *(continued)*

3. Changes since the December 31, 2017 actuarial valuation:

- The single equivalent interest rate ("SEIR") was increased from 4.78 percent to 7.25 percent to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

4. Changes since the December 31, 2016 actuarial valuation:

- The single equivalent interest rate ("SEIR") was lowered from 5.26 percent to 4.78 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

5. Changes since the December 31, 2015 actuarial valuation:

- The investment return assumption was lowered from 7.5 percent to 7.25 percent
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent
- The post-retirement mortality assumption for healthy lives for the School and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, or males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Eagle County Schools
Notes to Required Supplementary Information
June 30, 2021
(Continued)

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS *(continued)*

B. Changes to assumptions or other inputs *(continued)*

1. Changes since the December 31, 2014 actuarial valuation

- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The single equivalent interest rate (the "SEIR") for the SCHDTF was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the fiduciary net position (the "FNP"), and the resulting application of the municipal bond index rate
- The SEIR for the DPS Division was lowered from 7.50 percent to 7.25 percent, reflecting the change in the long-term expected rate of return.
- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

C. Changes of benefit terms

No changes during the years presented.

D. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

NOTE 2: NOTES TO THE SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

Eagle County Schools
Notes to Required Supplementary Information
June 30, 2021
(Continued)

NOTE 2: NOTES TO THE SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS (continued)

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

NOTE 3: SCHEDULE OF PROPORTIONATE SHARE OF OPEB LIABILITY AND CONTRIBUTIONS

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.





Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Building Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | | 2020 |
|--------------------------------------|--------------------|-----------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Investment income | - | - | 496 | 496 | 2,626 |
| Other | - | 267,700 | 267,200 | (500) | - |
| Total Local Sources | - | 267,700 | 267,696 | (4) | 2,626 |
| Total Revenues | - | 267,700 | 267,696 | - | 2,626 |
| Expenditures: | | | | | |
| Capital outlay | 171,310 | 422,459 | 422,455 | 4 | 2,296,118 |
| Total Expenditures | 171,310 | 422,459 | 422,455 | 4 | 2,296,118 |
| Net Change in Fund Balance | (171,310) | (154,759) | (154,759) | 4 | (2,293,492) |
| Fund Balance - Beginning of the Year | 171,310 | 154,759 | 154,759 | - | 2,448,251 |
| Fund Balance - End of the Year | - | - | - | 4 | 154,759 |

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Bond Redemption Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | | 2020 |
|---|--------------------|-----------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Property taxes | 21,219,072 | 21,219,072 | 21,468,627 | 249,555 | 20,994,321 |
| Total Local Sources | 21,219,072 | 21,219,072 | 21,468,627 | 249,555 | 20,994,321 |
| Total Revenues | 21,219,072 | 21,219,072 | 21,468,627 | 249,555 | 20,994,321 |
| Expenditures: | | | | | |
| Debt service | | | | | |
| Principal | 10,605,000 | 10,605,000 | 10,605,000 | - | 10,130,000 |
| Interest and fiscal charges | 10,052,250 | 10,052,250 | 10,051,490 | 760 | 10,548,165 |
| Total Expenditures | 20,657,250 | 20,657,250 | 20,656,490 | 760 | 20,678,165 |
| Net Change in Fund Balance | 561,822 | 561,822 | 812,137 | 250,315 | 316,156 |
| Fund Balance - Beginning of the Year | 17,500,107 | 17,269,671 | 17,269,671 | - | 16,953,515 |
| Fund Balance - End of the Year | 18,061,929 | 17,831,493 | 18,081,808 | 250,315 | 17,269,671 |

Eagle County Schools
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

| | Special Revenue Fund | | | | Total |
|---|--|------------------------------------|-------------------------------------|--------------------------------|---|
| | Nutrition Services Fund | Pupil Activity Fund | Capital Reserve Fund | Transportation Fund | Non-Major Governmental Funds |
| Assets: | | | | | |
| Cash and investments | 387,773 | 1,114,811 | 2,186,845 | 1,073,439 | 4,762,868 |
| Restricted cash and investments | - | - | 458,023 | - | 458,023 |
| Accounts receivable | 341,014 | - | - | 5,303 | 346,317 |
| Taxes receivable | - | - | - | 27,491 | 27,491 |
| Grants receivable | - | - | 1,000 | - | 1,000 |
| Inventories | 42,342 | - | - | 312,110 | 354,452 |
| Total Assets | 771,129 | 1,114,811 | 2,645,868 | 1,418,343 | 5,950,151 |
| Liabilities: | | | | | |
| Accrued salaries and benefits | 46,156 | - | - | 85,520 | 131,676 |
| Total Liabilities | 46,156 | - | - | 85,520 | 131,676 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable property taxes | - | - | - | 5,049 | 5,049 |
| Fund Balances: | | | | | |
| Non-spendable - inventory | 42,342 | - | - | 312,110 | 354,452 |
| Spendable: | | | | | |
| Committed for capital outlay | - | - | 2,645,868 | - | 2,645,868 |
| Committed for transportation | - | - | - | 1,015,664 | 1,015,664 |
| Committed for nutrition services | 682,631 | - | - | - | 682,631 |
| Committed for pupil activities | - | 1,114,811 | - | - | 1,114,811 |
| Total Fund Balances | 724,973 | 1,114,811 | 2,645,868 | 1,327,774 | 5,813,426 |
| Total Liabilities, Deferred Inflows, and Fund Balances | 771,129 | 1,114,811 | 2,645,868 | 1,418,343 | 5,950,151 |

Eagle County Schools
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
June 30, 2021

| | Special Revenue Funds | | | | Total Non-Major Governmental Funds |
|--|--|------------------------------------|-------------------------------------|--------------------------------|---|
| | Nutrition Services Fund | Pupil Activity Fund | Capital Reserve Fund | Transportation Fund | |
| Revenues: | | | | | |
| Local sources | 245,577 | 400,931 | 282,477 | 1,383,925 | 2,312,910 |
| State sources | 15,912 | - | 232,342 | 732,988 | 981,242 |
| Federal sources | 1,542,143 | - | - | - | 1,542,143 |
| Total Revenues | 1,803,632 | 400,931 | 514,819 | 2,116,913 | 4,836,295 |
| Expenditures: | | | | | |
| Current | | | | | |
| Transportation | - | - | - | 2,128,042 | 2,128,042 |
| Food service | 2,031,660 | - | - | - | 2,031,660 |
| Pupil activities | - | 448,581 | - | - | 448,581 |
| Capital outlay | - | - | 3,202,567 | - | 3,202,567 |
| Total Expenditures | 2,031,660 | 448,581 | 3,202,567 | 2,128,042 | 7,810,850 |
| Excess (Deficiency) or Revenues Over Expenditures | (228,028) | (47,650) | (2,687,748) | (11,129) | (2,974,555) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 822,180 | - | 2,278,236 | 214,012 | 3,314,428 |
| Total Other Financing Sources (Uses) | 822,180 | - | 2,278,236 | 214,012 | 3,314,428 |
| Net Change in Fund Balance | 594,152 | (47,650) | (409,512) | 202,883 | 339,873 |
| Fund Balance - Beginning of the Year (restated) | 130,821 | 1,162,461 | 3,055,380 | 1,124,891 | 5,473,553 |
| Fund Balance - End of the Year | 724,973 | 1,114,811 | 2,645,868 | 1,327,774 | 5,813,426 |

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)

Nutrition Services Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | | 2020 |
|--|--------------------|------------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Charges for services - student lunches | 736,737 | 129,900 | 245,577 | 115,677 | 756,722 |
| Total Local Sources | 736,737 | 129,900 | 245,577 | 115,677 | 756,722 |
| State Sources: | | | | | |
| Other | 43,690 | 23,413 | 15,912 | (7,501) | 33,711 |
| Total State Sources | 43,690 | 23,413 | 15,912 | (7,501) | 33,711 |
| Federal Sources: | | | | | |
| Donated commodities | 140,000 | 140,000 | 115,699 | (24,301) | 124,584 |
| National school lunch program | 970,000 | 975,000 | 273,715 | (701,285) | 629,969 |
| School breakfast program | 94,930 | 30,000 | - | (30,000) | 75,952 |
| Summer food service program | 32,970 | 20,000 | 1,152,729 | 1,132,729 | 24,297 |
| Total Federal Sources | 1,237,900 | 1,165,000 | 1,542,143 | 377,143 | 854,802 |
| Total Revenues | 2,018,327 | 1,318,313 | 1,803,632 | 485,319 | 1,645,235 |
| Expenditures: | | | | | |
| Salaries | 1,048,662 | 995,054 | 925,471 | 69,583 | 974,238 |
| Employee benefits | 524,291 | 459,679 | 443,440 | 16,239 | 446,489 |
| Purchased services | 64,700 | 62,215 | 44,516 | 17,699 | 43,294 |
| Donated commodities | 140,000 | 140,000 | 115,699 | 24,301 | 124,584 |
| Supplies and materials | 854,292 | 510,750 | 502,534 | 8,216 | 676,861 |
| Other | 6,200 | 3,400 | - | 3,400 | 28,361 |
| Total Expenditures | 2,638,145 | 2,171,098 | 2,031,660 | 139,438 | 2,293,827 |
| Excess (Deficiency) of Revenues Over Expenditures | (619,818) | (852,785) | (228,028) | 624,757 | (648,592) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 622,180 | 822,180 | 822,180 | - | 700,274 |
| Total Other Financing Sources (Uses) | 622,180 | 822,180 | 822,180 | - | 700,274 |
| Net Change in Fund Balance | 2,362 | (30,605) | 594,152 | 624,757 | 51,682 |
| Fund Balance - Beginning of the Year | 98,578 | 130,821 | 130,821 | - | 79,139 |
| Fund Balance - End of the Year | 100,940 | 100,216 | 724,973 | 624,757 | 130,821 |

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)

Pupil Activity Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | 2020 | |
|--|----------------------------|-------------------------|---------------------------|---|---------------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Pupil activities | 800,000 | 800,000 | 400,931 | (399,069) | - |
| Total Local Sources | 800,000 | 800,000 | 400,931 | (399,069) | - |
| Total Revenues | 800,000 | 800,000 | 400,931 | (399,069) | - |
| Expenditures: | | | | | |
| Pupil activities | 1,930,050 | 1,962,461 | 448,581 | 1,513,880 | - |
| Total Expenditures | 1,930,050 | 1,962,461 | 448,581 | 1,513,880 | - |
| Net Change in Fund Balance | (1,130,050) | (1,162,461) | (47,650) | 1,114,811 | - |
| Fund Balance - Beginning of the Year (restated) | 1,179,040 | 1,162,461 | 1,162,461 | - | - |
| Fund Balance - End of the Year | 48,990 | - | 1,114,811 | 1,114,811 | - |

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)

Capital Reserve Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | | 2020 |
|--|--------------------|-----------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Investment income | 400 | 401 | 129 | (272) | 2,833 |
| Other | 28,124 | 255,224 | 282,348 | 27,124 | 50,835 |
| Total Local Sources | 28,524 | 255,625 | 282,477 | 26,852 | 53,668 |
| State Sources: | | | | | |
| Other | - | 207,450 | 232,342 | 24,892 | 265,723 |
| Total State Sources | - | 207,450 | 232,342 | 24,892 | 265,723 |
| Total Revenues | 28,524 | 463,075 | 514,819 | - | 319,391 |
| Expenditures: | | | | | |
| Capital outlay | 3,485,422 | 4,296,691 | 3,202,567 | 1,094,124 | 3,290,759 |
| Total Expenditures | 3,485,422 | 4,296,691 | 3,202,567 | 1,094,124 | 3,290,759 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | |
| | (3,456,898) | (3,833,616) | (2,687,748) | 1,094,124 | (2,971,368) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 2,278,236 | 2,278,236 | 2,278,236 | - | 2,256,356 |
| Total Other Financing Sources (Uses) | 2,278,236 | 2,278,236 | 2,278,236 | - | 2,256,356 |
| Net Change in Fund Balance | (1,178,662) | (1,555,380) | (409,512) | 1,094,124 | (715,012) |
| Fund Balance - Beginning of the Year | 2,678,662 | 3,055,380 | 3,055,380 | - | 3,770,392 |
| Fund Balance - End of the Year | 1,500,000 | 1,500,000 | 2,645,868 | 1,094,124 | 3,055,380 |

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Transportation Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | | 2020 |
|--|--------------------|-----------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Property taxes | 1,000,000 | 1,000,200 | 1,008,343 | 8,143 | 986,100 |
| Specific ownership taxes | 50,000 | 50,000 | 56,629 | 6,629 | 53,263 |
| Charges for services | 701,000 | 93,000 | 318,953 | 225,953 | 585,479 |
| Total Local Sources | 1,751,000 | 1,143,200 | 1,383,925 | 240,725 | 1,624,842 |
| State Sources: | | | | | |
| Transportation funding | 530,000 | 670,544 | 732,988 | 62,444 | 707,102 |
| Total State Sources | 530,000 | 670,544 | 732,988 | 62,444 | 707,102 |
| Total Revenues | 2,281,000 | 1,813,744 | 2,116,913 | 240,725 | 2,331,944 |
| Expenditures: | | | | | |
| Operations and maintenance | 30,000 | 28,000 | 25,585 | 2,415 | 25,599 |
| Transportation | 3,283,928 | 2,553,559 | 2,100,405 | 453,154 | 2,486,105 |
| Training services | 84,028 | - | - | - | 90,181 |
| Supplies | 7,000 | 4,000 | 2,052 | 1,948 | 2,900 |
| Total Expenditures | 3,404,956 | 2,585,559 | 2,128,042 | 457,517 | 2,604,785 |
| Excess (Deficiency) of Revenues Over Expenditures | (1,123,956) | (771,815) | (11,129) | 698,242 | (272,841) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 214,012 | 214,012 | 214,012 | - | 1,100,022 |
| Total Other Financing Sources (Uses) | 214,012 | 214,012 | 214,012 | - | 1,100,022 |
| Net Change in Fund Balance | (909,944) | (557,803) | 202,883 | 698,242 | 827,181 |
| Fund Balance - Beginning of the Year | 1,076,581 | 1,124,891 | 1,124,891 | - | 297,710 |
| Fund Balance - End of the Year | 166,637 | 567,088 | 1,327,774 | 698,242 | 1,124,891 |

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)

District Housing Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

| | 2021 | | | | 2020 |
|--------------------------------------|--------------------|-----------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) | Actual Amounts |
| Revenues: | | | | | |
| Charges for services | 145,000 | 204,400 | 207,971 | 3,571 | 143,779 |
| Total Revenues | 145,000 | 204,400 | 207,971 | 3,571 | 143,779 |
| Expenditures: | | | | | |
| Purchased services | 106,400 | 135,800 | 64,457 | 71,343 | 110,482 |
| Operating supplies | 10,400 | 10,400 | 1,211 | 9,189 | 5,836 |
| Housing rent expense | 124,600 | 124,600 | 95,312 | 29,288 | - |
| Depreciation | 14,000 | 12,000 | 10,116 | 1,884 | 11,989 |
| Total Expenditures | 255,400 | 282,800 | 171,096 | 111,704 | 128,307 |
| Net Change in Fund Balance | (110,400) | (78,400) | 36,875 | 115,275 | 15,472 |
| Fund Balance - Beginning of the Year | 881,999 | 876,557 | 876,557 | - | 861,085 |
| Fund Balance - End of the Year | 771,599 | 798,157 | 913,432 | 115,275 | 876,557 |

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

Financial Trends

The schedules contain trend information to help the reader understand how the District’s financial performance and wellbeing have changed over time.....G1 – G10

Revenue Capacity

The schedules contain information to help the reader assess the District’s most significant local and state revenue sources.....G11 – G16

Debt Capacity

The schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.....G17 – G21

Demographic and Economic Information

The schedules offer demographic and economic indicators to help the reader understand the environment with which the District’s financial activities take place.....G22 – G23

Operating Information

The schedules contain information to help the reader understand the staffing of the District, student population it serves, and capital asset data.....G24 – G28



**Eagle County Schools
Net Position by Component
Last Ten Fiscal Years**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-------------------|-------------------|-------------------|---------------------|---------------------|
| Governmental activities | | | | | |
| Net Investment in Capital Assets | 9,797,454 | 7,734,444 | 7,874,116 | 10,026,377 | 12,272,934 |
| Restricted | 14,558,291 | 14,285,280 | 14,083,361 | 15,525,828 | 16,058,646 |
| Unrestricted | 10,531,879 | 12,025,450 | 11,840,786 | (100,488,719) | (107,149,147) |
| Total governmental activities net position | 34,887,624 | 34,045,174 | 33,798,263 | (74,936,514) | (78,817,567) |
| Business-type activities | | | | | |
| Net Investment in Capital Assets | 746,240 | 814,385 | 492,230 | 98,584 | 84,936 |
| Unrestricted | 332,518 | 569,367 | 548,059 | 757,762 | 767,780 |
| Total business-type activities net position | 1,078,758 | 1,383,752 | 1,040,289 | 856,346 | 852,716 |
| Primary government | | | | | |
| Net Investment in Capital Assets | 10,543,694 | 8,548,829 | 8,366,346 | 10,124,961 | 12,357,870 |
| Restricted | 14,558,291 | 14,285,280 | 14,083,361 | 15,525,828 | 16,058,646 |
| Unrestricted | 10,864,397 | 12,594,817 | 12,388,845 | (99,730,957) | (106,381,367) |
| Total primary government net position | 35,966,382 | 35,428,926 | 34,838,552 | (74,080,168) | (77,964,851) |

Source: Eagle County Schools Finance Department

*The district adopted GASB No. 65 in fiscal year 2013.

As required by the Colorado Department of Education, the district recognized the Nutrition Services Fund (previously reported as a business-type activity) as a Special Revenue fund and Governmental activity as of July 1, 2014.

The district adopted GASB No. 68 in fiscal year 2015, which required the recognition of net pension liability and certain deferred inflows of resources and outflows of resources as of July 1, 2014.

The district adopted GASB No. 75 in fiscal year 2018, which required the recognition of net OPEB liability and certain deferred inflows of resources and outflows of resources as of July 1, 2017.

The district adopted GASB No. 84 in fiscal year 2021, which changed the reporting of previously classified fiduciary funds.

TABLE 1

| 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|---------------|---------------|
| 12,088,294 | 16,652,565 | 8,514,085 | 17,822,450 | 17,713,342 |
| 19,629,943 | 65,030,999 | 23,501,925 | 20,741,267 | 21,370,409 |
| (142,914,614) | (253,902,012) | (188,041,759) | (176,537,016) | (139,017,350) |
| (111,196,377) | (172,218,448) | (156,025,749) | (137,973,299) | (99,933,599) |
| 71,288 | 57,640 | 43,995 | 32,006 | 21,890 |
| 783,080 | 771,266 | 817,090 | 844,551 | 891,542 |
| 854,368 | 828,906 | 861,085 | 876,557 | 913,432 |
| 12,159,582 | 16,710,205 | 8,558,080 | 17,854,456 | 17,735,232 |
| 19,629,943 | 65,030,999 | 23,501,925 | 20,741,267 | 21,370,409 |
| (142,131,534) | (253,130,746) | (187,224,669) | (175,692,465) | (138,125,808) |
| (110,342,009) | (171,389,542) | (155,164,664) | (137,096,742) | (99,020,167) |

Eagle County Schools
Changes in Net Position
Last Ten Fiscal Years

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------------|--------------|--------------|--------------|--------------|
| Expenses | | | | | |
| Governmental activities: | | | | | |
| Current: | | | | | |
| Instruction | 41,816,115 | 41,032,263 | 43,222,676 | 46,693,195 | 51,406,006 |
| Supporting services | 30,191,463 | 26,224,131 | 27,923,881 | 35,801,713 | 35,404,876 |
| Interest on long term debt | 7,738,412 | 7,293,570 | 6,099,948 | 5,777,879 | 5,271,362 |
| Total governmental activities | 79,745,990 | 74,549,964 | 77,246,505 | 88,272,787 | 92,082,244 |
| Business-type activities | | | | | |
| Food service | 1,632,902 | 1,636,314 | 1,686,166 | - | - |
| Employee housing | 106,371 | 131,311 | 116,806 | 149,839 | 129,249 |
| Total business-type activities | 1,739,273 | 1,767,625 | 1,802,972 | 149,839 | 129,249 |
| Total primary government expenses | 81,485,263 | 76,317,589 | 79,049,477 | 88,422,626 | 92,211,493 |
| Program revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for service | 1,530,516 | 1,921,745 | 2,247,002 | 3,305,847 | 3,537,130 |
| Operating grants and contributions | 5,971,961 | 5,696,852 | 6,906,428 | 8,543,336 | 8,580,035 |
| Capital grants and contributions | - | - | 121,681 | 125,425 | 122,277 |
| Total governmental activities program revenues | 7,502,477 | 7,618,597 | 9,275,111 | 11,974,608 | 12,239,442 |
| Business-type activities: | | | | | |
| Charges for service | | | | | |
| Food service | 725,109 | 835,578 | 684,851 | - | - |
| District housing | 155,962 | 139,482 | 139,660 | 135,233 | 125,619 |
| Operating grants and contributions | 976,444 | 1,047,599 | 1,149,166 | - | - |
| Total business-type activities program revenues | 1,857,515 | 2,022,659 | 1,973,677 | 135,233 | 125,619 |
| Total primary government program revenues | 9,359,992 | 9,641,256 | 11,248,788 | 12,109,841 | 12,365,061 |
| Net (Expense) / Revenue | | | | | |
| Governmental activities | (72,243,513) | (66,931,367) | (67,971,394) | (76,298,179) | (79,842,802) |
| Business-type activities | (1,583,311) | (1,628,143) | (1,663,312) | (14,606) | (3,630) |
| Total primary government net expense | (73,826,824) | (68,559,510) | (69,634,706) | (76,312,785) | (79,846,432) |

*The District adopted GASB No. 65 in fiscal year 2013.

As required by the Colorado Department of Education, the district recognized the Nutrition Services Fund (previously reported as a business-type activity) as a Special Revenue fund and Governmental activity as of July 1, 2014.

The district adopted GASB No. 68 in fiscal year 2015, which required the recognition of net pension liability and certain deferred inflows of resources and outflows of resources as of July 1, 2014.

The district adopted GASB No. 75 in fiscal year 2018, which required the recognition of net OPEB liability and certain deferred inflows of resources and outflows of resources as of July 1, 2017.

The district adopted GASB No. 84 in fiscal year 2021, which changed the reporting of previously classified fiduciary funds.

TABLE 2

| 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|--------------|--------------|--------------|
| 80,062,487 | 86,150,254 | 46,483,157 | 47,143,698 | 34,718,173 |
| 48,123,875 | 65,663,370 | 37,826,199 | 38,267,501 | 32,337,073 |
| 7,658,076 | 10,378,267 | 9,827,850 | 9,377,053 | 8,718,172 |
| 135,844,438 | 162,191,891 | 94,137,206 | 94,788,252 | 75,773,418 |
| - | - | - | - | - |
| 125,532 | 141,836 | 88,504 | 128,307 | 171,096 |
| 125,532 | 141,836 | 88,504 | 128,307 | 171,096 |
| 135,969,970 | 162,333,727 | 94,225,710 | 94,916,559 | 75,944,514 |
| 3,840,408 | 4,098,271 | 4,404,240 | 3,731,272 | 3,683,021 |
| 7,945,747 | 8,345,799 | 9,575,923 | 10,860,812 | 12,589,177 |
| 61,073 | - | - | 265,723 | 232,342 |
| 11,847,228 | 12,444,070 | 13,980,163 | 14,857,807 | 16,504,540 |
| - | - | - | - | - |
| 127,184 | 116,375 | 120,682 | 143,779 | 207,971 |
| - | - | - | - | - |
| 127,184 | 116,375 | 120,682 | 143,779 | 207,971 |
| 11,974,412 | 12,560,445 | 14,100,845 | 15,001,586 | 16,712,511 |
| (123,997,210) | (149,747,821) | (80,157,043) | (79,930,445) | (59,268,878) |
| 1,652 | (25,461) | 32,178 | 15,472 | 36,875 |
| (123,995,558) | (149,773,282) | (80,124,865) | (79,914,973) | (59,232,003) |

Eagle County Schools
Changes in Net Position - Continued
Last Ten Fiscal Years

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-------------|------------|------------|-------------|-------------|
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Local property taxes | 54,203,228 | 53,498,964 | 50,150,229 | 51,257,231 | 55,590,666 |
| Specific ownership taxes | 2,065,651 | 2,204,151 | 2,386,297 | 2,761,851 | 2,736,271 |
| State equalization | 9,704,283 | 10,273,931 | 13,311,387 | 17,470,913 | 15,850,394 |
| State capital construction | - | - | - | - | - |
| Grants not restricted to specific programs | 300,292 | 125,491 | - | 479,744 | 504,550 |
| Investment income | 28,650 | 37,537 | 21,489 | 20,148 | 52,248 |
| Gain (loss on asset disposition) | - | - | - | - | - |
| Other | 1,076,228 | 1,097,715 | 1,340,913 | 1,342,711 | 1,227,620 |
| Transfers | - | (50,000) | - | 170,000 | - |
| Total governmental activities | 67,378,332 | 67,187,789 | 67,210,315 | 73,502,598 | 75,961,749 |
| Business-type activities: | | | | | |
| Other | - | - | - | 663 | - |
| Transfers | - | 50,000 | - | (170,000) | - |
| Total business-type activities | - | 50,000 | - | (169,337) | - |
| Total primary government | 67,378,332 | 67,237,789 | 67,210,315 | 73,333,261 | 75,961,749 |
| Change in Net Position | | | | | |
| Governmental activities | (4,865,181) | 256,422 | (613,228) | (2,795,581) | (3,881,053) |
| Business-type activities | 118,242 | 304,994 | 22,854 | (183,943) | (3,630) |
| Total primary government | (4,746,939) | 561,416 | (590,374) | (2,979,524) | (3,884,683) |

Source: Eagle County Schools Finance Department

*The District adopted GASB No. 65 in fiscal year 2013.

As required by the Colorado Department of Education, the district recognized the Nutrition Services Fund (previously reported as a business-type activity) as a Special Revenue fund and Governmental activity as of July 1, 2014.

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The district adopted GASB No. 75 in fiscal year 2018, which required the recognition of net OPEB liability and certain deferred inflows of resources and outflows of resources as of July 1, 2017.

The district adopted GASB No. 84 in fiscal year 2021, which changed the reporting of previously classified fiduciary funds.

TABLE 2

| 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------|---------------------|-------------------|-------------------|-------------------|
| 68,961,670 | 68,777,621 | 68,441,892 | 72,215,363 | 72,016,781 |
| 3,136,892 | 3,761,219 | 3,997,753 | 3,978,151 | 4,337,839 |
| 17,268,541 | 17,137,183 | 19,940,865 | 20,184,613 | 17,613,552 |
| - | - | 410,387 | - | - |
| 536,267 | 540,206 | 621,942 | 572,197 | 682,284 |
| 711,467 | 1,927,169 | 1,036,014 | 462,318 | 48,514 |
| - | 100,000 | - | - | - |
| 1,003,563 | 2,309,048 | 1,900,890 | 570,253 | 1,447,147 |
| - | - | - | - | - |
| 91,618,400 | 94,552,446 | 96,349,743 | 97,982,895 | 96,146,117 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 91,618,400 | 94,552,446 | 96,349,743 | 97,982,895 | 96,146,117 |
| (32,378,810) | (55,195,375) | 16,192,700 | 18,052,450 | 36,877,239 |
| 1,652 | (25,461) | 32,178 | 15,472 | 36,875 |
| (32,377,158) | (55,220,836) | 16,224,878 | 18,067,922 | 36,914,114 |

Eagle County Schools
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | |
| Restricted | 2,001,848 | 1,775,000 | 2,458,250 | 3,173,802 | 3,243,628 |
| Assigned | - | - | - | - | - |
| Unrestricted, Unassigned | 8,510,074 | 8,936,902 | 8,630,252 | 8,789,128 | 8,770,410 |
| Total General Fund | <u>10,511,922</u> | <u>10,711,902</u> | <u>11,088,502</u> | <u>11,962,930</u> | <u>12,014,038</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable Inventories | - | - | - | 47,288 | 65,421 |
| Restricted For: | | | | | |
| Debt Service | 12,733,092 | 12,633,775 | 11,948,469 | 12,654,217 | 13,041,918 |
| Mill Levy Override | - | - | - | - | - |
| Capital Projects | 3,002,273 | 2,334,556 | 667,495 | 444,176 | 445,813 |
| Multi-Year Contracts | - | - | - | - | 1,183,628 |
| Committed To: | | | | | |
| Capital Outlay | 121,908 | 1,082,731 | 1,979,974 | 615,766 | 519,411 |
| Transportation | 17,184 | 17,163 | 43,150 | 56,298 | 58,647 |
| Nutrition Services | - | - | 247,503 | 249,870 | 346,353 |
| Pupil activities | - | - | - | - | - |
| Assigned To: | | | | | |
| Future Projects | - | - | - | - | - |
| Unrestricted, Unassigned | (55,287) | (299,579) | (172,081) | (66,483) | - |
| Total all other governmental funds | <u>15,819,170</u> | <u>15,768,646</u> | <u>14,714,510</u> | <u>14,001,132</u> | <u>15,661,191</u> |

Source: Eagle County Schools Finance Department

As required by the Colorado Department of Education, the district recognized the Nutrition Services Fund (previously reported as a business-type activity) as a Special Revenue fund and Governmental activity as of July 1, 2014.

The district adopted GASB No. 84 in fiscal year 2021, which changed the reporting of previously classified fiduciary funds.

TABLE 3

| 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|
| 4,251,142 | 4,106,898 | 4,073,343 | 3,316,837 | 3,288,601 |
| - | 852,382 | 4,039,821 | 155,735 | 1,776,779 |
| 10,895,793 | 11,985,539 | 10,000,000 | 15,910,403 | 14,529,423 |
| 15,146,935 | 16,944,819 | 18,113,164 | 19,382,975 | 19,594,803 |
| 84,545 | 346,791 | 336,752 | 384,157 | 354,452 |
| 16,186,060 | 16,583,973 | 16,953,515 | 17,269,671 | 18,081,808 |
| - | 208,563 | 26,816 | - | - |
| 130,166,498 | 44,131,565 | 2,448,251 | 154,759 | - |
| - | - | - | - | - |
| 1,219,643 | 1,502,872 | 1,857,134 | 3,055,380 | 2,645,868 |
| 5,334 | 36,017 | 11,089 | 809,290 | 1,015,664 |
| 384,297 | 209,675 | 29,008 | 130,821 | 682,631 |
| - | - | - | - | 1,114,811 |
| - | 372,932 | 1,886,442 | - | - |
| - | - | - | (68,556) | - |
| 148,046,377 | 63,392,388 | 23,549,007 | 21,735,522 | 23,895,234 |

Eagle County Schools
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-------------|---------------|-------------|-------------|-------------|
| REVENUES | | | | | |
| Federal Sources | 2,986,046 | 1,891,057 | 4,676,488 | 4,905,939 | 4,866,203 |
| State Sources | 10,495,253 | 11,080,005 | 15,663,754 | 20,724,080 | 19,264,692 |
| Local Sources | 62,447,059 | 61,732,151 | 58,839,632 | 59,710,466 | 63,864,133 |
| Total revenues | 75,928,358 | 74,703,213 | 79,179,874 | 85,340,485 | 87,995,028 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction | 35,891,461 | 34,937,057 | 36,969,071 | 39,243,507 | 41,077,017 |
| Supporting Services | 26,185,023 | 23,393,321 | 26,149,057 | 29,846,730 | 30,065,020 |
| Capital outlay | 7,213,170 | 647,920 | 1,287,594 | 2,526,607 | 545,518 |
| Debt Service: | | | | | |
| Principal | 7,275,000 | 7,605,000 | 8,665,000 | 8,605,000 | 9,610,000 |
| Interest and Fiscal Charges | 8,212,609 | 7,920,459 | 6,886,340 | 6,569,885 | 6,169,934 |
| Debt Issuance Costs | - | 873,588 | - | - | - |
| Total expenditures | 84,777,263 | 75,377,345 | 79,957,062 | 86,791,729 | 87,467,489 |
| EXCESS (DEFICIENCY) OF | | | | | |
| REVENUES OVER EXPENDITURES | (8,848,905) | (674,132) | (777,188) | (1,451,244) | 527,539 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Debt Issued | - | 102,245,000 | - | - | - |
| Debt Premium | - | 18,477,919 | - | - | - |
| Payment to Escrow Agent | - | (119,849,331) | - | - | - |
| Sale of Capital Assets | - | - | - | 255,000 | - |
| Transfers in | 534,352 | 1,238,183 | 2,320,247 | 3,877,294 | 2,566,583 |
| Transfers out | (534,352) | (1,288,183) | (2,320,247) | (2,520,000) | (2,566,583) |
| Total other financing sources (uses) | - | 823,588 | - | 1,612,294 | - |
| NET CHANGE IN FUND BALANCES | (8,848,905) | 149,456 | (777,188) | 161,050 | 527,539 |
| Debt service as a percentage of noncapital expenditures | 18.27% | 20.84% | 19.45% | 17.48% | 18.04% |

Source: Eagle County Schools Finance Department

As required by the Colorado Department of Education, the district recognized the Nutrition Services Fund (previously reported as a business-type activity) as a Special Revenue fund and Governmental activity as of July 1, 2014.

The district adopted GASB No. 84 in fiscal year 2021, which changed the reporting of previously classified fiduciary funds.

TABLE 4

| 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|--------------|--------------|-------------|-------------|
| 4,611,192 | 4,503,297 | 4,599,356 | 5,872,644 | 8,655,004 |
| 20,757,187 | 20,927,284 | 25,340,248 | 25,487,849 | 21,522,758 |
| 78,490,853 | 81,144,486 | 80,605,493 | 81,434,661 | 83,353,430 |
| 103,859,232 | 106,575,067 | 110,545,097 | 112,795,154 | 113,531,192 |
| | | | | |
| 45,751,132 | 43,254,796 | 45,488,523 | 61,393,790 | 62,704,243 |
| 32,548,311 | 35,854,289 | 36,821,366 | 25,362,496 | 24,991,358 |
| 17,028,989 | 90,001,358 | 46,228,482 | 5,904,377 | 3,970,022 |
| | | | | |
| 9,000,000 | 9,205,000 | 9,665,000 | 10,130,000 | 10,605,000 |
| 7,480,938 | 11,476,328 | 11,016,761 | 10,548,165 | 10,051,490 |
| 987,761 | - | - | - | - |
| 112,797,131 | 189,791,771 | 149,220,132 | 113,338,828 | 112,322,113 |
| | | | | |
| (8,937,899) | (83,216,704) | (38,675,035) | (543,674) | 1,209,079 |
| | | | | |
| 131,770,000 | - | - | - | - |
| 22,332,115 | - | - | - | - |
| (8,462,505) | - | - | - | - |
| - | 100,000 | - | - | - |
| 2,486,746 | 2,787,650 | 4,766,580 | 4,056,652 | 3,314,428 |
| (2,486,746) | (2,787,650) | (4,766,580) | (4,056,652) | (3,314,428) |
| 145,639,610 | 100,000 | - | - | - |
| | | | | |
| 136,701,711 | (83,116,704) | (38,675,035) | (543,674) | 1,209,079 |
| | | | | |
| 14.74% | 20.66% | 19.99% | 18.64% | 18.71% |

Eagle County Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

| Fiscal Year Ended June 30, | Real Property | | Personal Property | | Exemptions of Real Property | |
|-------------------------------------|-------------------|---------------------------|-------------------|---------------------------|--------------------------------|---------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 2012 | 2,692,812,380 | 26,668,651,830 | 87,942,860 | 303,249,230 | 239,377,650 | 958,662,950 |
| 2013 | 2,691,704,460 | 26,713,889,900 | 83,138,600 | 286,684,710 | 242,758,620 | 978,147,950 |
| 2014 | 2,566,361,210 | 25,204,000,320 | 89,975,170 | 310,258,390 | 218,295,890 | 878,280,780 |
| 2015 | 2,556,149,170 | 25,252,094,130 | 86,011,900 | 296,591,660 | 218,850,980 | 880,696,280 |
| 2016 | 2,931,496,730 | 29,359,108,450 | 89,128,230 | 307,339,150 | 245,741,890 | 995,239,760 |
| 2017 | 2,944,003,260 | 29,583,561,050 | 89,423,480 | 308,356,230 | 250,953,490 | 1,021,359,410 |
| 2018 | 3,141,460,270 | 33,215,649,100 | 91,780,670 | 316,484,280 | 265,902,800 | 1,110,810,450 |
| 2019 | 3,149,510,010 | 33,496,890,960 | 95,928,100 | 330,786,260 | 269,485,260 | 1,133,697,460 |
| 2020 | 3,440,211,760 | 36,776,697,810 | 96,747,720 | 333,612,270 | 288,260,650 | 1,207,628,010 |
| 2021 | 3,439,415,460 | 36,994,874,680 | 103,161,850 | 422,360,970 | 296,185,420 | 1,245,174,140 |

Source: Eagle County Assessor's Office

The above information is total property valuation for the entire county, which covers more than the District boundaries.

Note: The assessment ratios for all taxable property in the State of Colorado are as follows:

| Years | Residential | Commercial |
|-------|-------------|------------|
| 2012 | 7.96% | 29.00% |
| 2013 | 7.96% | 29.00% |
| 2014 | 7.96% | 29.00% |
| 2015 | 7.96% | 29.00% |
| 2016 | 7.96% | 29.00% |
| 2017 | 7.20% | 29.00% |
| 2018 | 7.20% | 29.00% |
| 2019 | 7.20% | 29.00% |
| 2020 | 7.20% | 29.00% |
| 2021 | 7.20% | 29.00% |

TABLE 5

| Total Value | | Ratio of Total Assessed Value to Total Estimated Actual Value |
|---------------------------|----------------------------|--|
| Assessed Value | Estimated Value | |
| 3,020,132,890 | 27,930,564,010 | 10.81% |
| 3,017,601,680 | 27,978,722,560 | 10.79% |
| 2,874,632,270 | 26,392,539,490 | 10.89% |
| 2,861,012,050 | 26,429,382,070 | 10.83% |
| 3,266,366,850 | 30,661,687,360 | 10.65% |
| 3,284,380,230 | 30,913,276,690 | 10.62% |
| 3,499,143,740 | 34,642,943,830 | 10.10% |
| 3,514,923,370 | 34,961,374,680 | 10.05% |
| 3,106,599,490 | 38,317,938,090 | 9.98% |
| 3,838,762,730 | 38,662,409,790 | 9.93% |

Eagle County Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|--------|---------|---------|---------|--------|
| Eagle County School District | | | | | |
| General operations | 15.085 | 15.087 | 15.030 | 15.180 | 14.662 |
| General obligation debt service | 6.120 | 5.878 | 5.382 | 5.961 | 5.303 |
| Transportation | 0.396 | 0.397 | 0.414 | 0.376 | 0.366 |
| Total direct property tax rate | 21.601 | 21.362 | 20.826 | 21.517 | 20.331 |
| County Government | | | | | |
| General Fund | 4.924 | 4.924 | 4.924 | 4.924 | 5.285 |
| Special Revenue Funds | 2.014 | 2.014 | 2.014 | 2.014 | 1.653 |
| Capital Expenditures Fund | 0.061 | 0.061 | 0.006 | 0.061 | 0.061 |
| Open Space Fund | 1.500 | 1.500 | 1.500 | 1.500 | 1.500 |
| Total County | 8.499 | 8.499 | 8.499 | 8.499 | 8.499 |
| Miscellaneous County-wide | | | | | |
| Colorado Mountain Jr. College | 3.997 | 3.997 | 3.997 | 3.997 | 3.997 |
| Colorado River Water Conservancy | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total County-wide levies | 12.496 | 12.496 | 12.496 | 12.496 | 12.496 |
| Municipalities | | | | | |
| Avon | 11.220 | 11.983 | 12.258 | 12.207 | 11.765 |
| Basalt | 4.066 | 6.386 | 7.560 | 9.881 | 9.158 |
| Eagle | 3.659 | 4.064 | 4.475 | 4.499 | 3.661 |
| Gypsum | 5.094 | 5.094 | 5.094 | 5.094 | 5.094 |
| Minturn | 17.934 | 17.934 | 17.934 | 17.934 | 17.934 |
| Redcliff | 33.878 | 33.878 | 33.878 | 33.878 | 31.409 |
| Vail | 4.726 | 4.765 | 4.706 | 4.735 | 4.727 |
| Fire Protection, Ambulance and Hospital | | | | | |
| Districts | | | | | |
| Several, range from high of | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 |
| to low of | 1.768 | 2.023 | 2.006 | 2.019 | 2.008 |
| Water, Sanitation, Library, Metro and Cemetery Districts | | | | | |
| Several, range from high of | 62.000 | 100.000 | 115.000 | 112.000 | 98.500 |
| to low of | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Source: Eagle County Assessor's Office

Note: The District's property tax rate may be increased only by a majority vote of the District's residents.
Rates for debt service are set based on each year's requirements.

^aOverlapping rates are those of local and county governments that apply to property owners within the boundaries of the Eagle County School District. Not all overlapping rates apply to all Eagle County School District property owners; for example, although the County property tax rate applies to all school district property owners, the Gypsum Fire District rates apply only to the residents of Gypsum whose property is located within that district's geographic boundaries.

TABLE 6

| 2017 | 2018 | 2019 | 2020 | 2021 |
|--------|--------|--------|--------|--------|
| 17.541 | 17.264 | 17.468 | 17.196 | 17.025 |
| 7.303 | 7.303 | 7.303 | 6.728 | 6.728 |
| 0.365 | 0.345 | 0.344 | 0.316 | 0.316 |
| 25.209 | 24.912 | 25.115 | 24.240 | 24.069 |
| 5.285 | 5.285 | 5.285 | 4.590 | 4.485 |
| 1.653 | 1.653 | 1.653 | 2.409 | 2.514 |
| 0.061 | 0.061 | 0.061 | 0.000 | 0.000 |
| 1.500 | 1.500 | 1.500 | 1.500 | 1.500 |
| 8.499 | 8.499 | 8.499 | 8.499 | 8.499 |
| 3.997 | 3.997 | 3.997 | 4.013 | 4.013 |
| 0.000 | 0.254 | 0.256 | 0.256 | 0.502 |
| 12.496 | 12.750 | 12.752 | 12.768 | 13.014 |
| 8.956 | 8.956 | 8.956 | 8.956 | 8.956 |
| 11.591 | 11.588 | 11.563 | 11.052 | 10.891 |
| 3.853 | 2.286 | 2.423 | 2.265 | 2.333 |
| 5.094 | 5.094 | 5.094 | 5.094 | 5.094 |
| 17.934 | 17.934 | 17.934 | 17.934 | 17.934 |
| 32.798 | 33.878 | 33.878 | 33.878 | 33.878 |
| 4.705 | 4.694 | 4.719 | 4.712 | 4.701 |
| 10.504 | 10.500 | 10.500 | 11.049 | 11.057 |
| 2.755 | 2.753 | 2.753 | 2.781 | 2.755 |
| 98.500 | 98.000 | 98.000 | 95.000 | 84.000 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

**Eagle County Schools
Principal Property Tax Payers
6/30/2021 and 9 Years Ago**

TABLE 7

| Taxpayer | 2021 | | | 2012 | | |
|----------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | % of Total County Taxable Assessed Valuation | Taxable Assessed Value | Rank | % of Total County Taxable Assessed Valuation |
| Vail Corp | 77,869,840 | 1 | 2.03% | 56,692,930 | 1 | 1.88% |
| DiamondRock Vail Owner LLC | 42,688,980 | 2 | 1.11% | 11,962,500 | 6 | 0.00% |
| Ashford BC LP | 34,018,440 | 3 | 0.89% | | | 0.00% |
| Union Pacific Corp | 33,229,600 | 4 | 0.87% | 18,117,600 | 3 | 0.35% |
| Arrabelle at Vail Square LLC | 28,646,250 | 5 | 0.75% | | | 0.00% |
| EX Vail LLC | 26,973,770 | 6 | 0.70% | | | 0.00% |
| Vail Hotels Partners LLC | 24,939,990 | 7 | 0.65% | | | 0.00% |
| Vail Associates inc. | 24,543,890 | 8 | 0.64% | 22,123,560 | 2 | 0.69% |
| Public Service Co of CO | 19,045,700 | 9 | 0.50% | 9,851,000 | 9 | 0.39% |
| Ferruco Vail Ventures LLC | 18,791,700 | 10 | 0.50% | 10,067,520 | 8 | 0.34% |
| Solaris Property Owner LLC | - | - | 0.00% | 17,709,370 | 4 | 0.31% |
| Holy Cross Electric | - | - | 0.00% | 14,267,500 | 5 | 0.49% |
| Vail Residentail 09 LLC | - | - | 0.00% | 11,567,510 | 7 | 0.35% |
| Ritz- Carlton Development CO Inc | - | - | 0.00% | 8,828,110 | 10 | 0.34% |
| Total Assessed Valuation | 330,748,160 | | 8.64% | 181,187,600 | | 5.14% |

Source: Eagle County Assessor's Office

Eagle County Schools
Property Tax Levies And Collections
Last Ten Fiscal Years

TABLE 8

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collection to Date | |
|---|---|---|------------------|--|---------------------------------|-------------------------------|
| | | Amount | % of Levy | | Amount | Percentage of Levy |
| 2012 | 54,551,881 | 52,555,579 | 96.3% | 1,101,283 | 53,656,862 | 98.4% |
| 2013 | 53,821,226 | 51,926,679 | 96.5% | 1,185,359 | 53,112,038 | 98.7% |
| 2014 | 50,290,510 | 49,040,534 | 97.5% | 1,190,365 | 50,230,899 | 99.9% |
| 2015 | 51,642,537 | 49,265,533 | 95.4% | 2,340,368 | 51,605,901 | 99.9% |
| 2016 | 55,866,894 | 52,826,077 | 94.6% | 2,632,243 | 55,458,320 | 99.3% |
| 2017 | 69,068,338 | 66,047,006 | 95.6% | 2,940,540 | 68,987,546 | 99.9% |
| 2018 | 71,940,703 | 69,580,358 | 96.7% | 2,325,915 | 71,906,273 | 100.0% |
| 2019 | 72,652,495 | 70,310,238 | 96.8% | 2,189,212 | 72,499,450 | 99.8% |
| 2020 | 76,357,722 | 72,924,305 | 95.5% | | 72,924,305 | 95.5% |
| 2021 | 76,230,320 | 74,165,804 | 97.3% | - | 75,898,032 | 99.6% |

Source: Eagle County Schools Finance Department

**Eagle County Schools
Legal Debt Margin Information
Last Ten Fiscal Years**

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---------------|---------------|---------------|---------------|---------------|
| Assessed valuation | 2,525,433,131 | 2,519,484,390 | 2,498,757,550 | 2,400,080,750 | 2,734,683,670 |
| Debt limit (20% of assessed valuation) | 505,086,626 | 503,896,878 | 499,751,510 | 480,016,150 | 546,936,734 |
| Debt applicable to limit: | | | | | |
| General obligation bonds | 155,250,000 | 146,475,000 | 138,995,000 | 131,590,000 | 123,255,000 |
| Less: Amount set aside for repayment of general obligation debt | (11,896,492) | (11,796,093) | (11,110,990) | (11,816,380) | (12,202,188) |
| Total net debt applicable to limit | 143,353,508 | 134,678,907 | 127,884,010 | 128,633,620 | 111,052,812 |
| Legal debt margin | 361,733,118 | 369,217,971 | 371,867,500 | 351,382,530 | 435,883,922 |
| Total net debt applicable to the limit as a percentage of debt limit | 5.68% | 5.35% | 5.12% | 5.36% | 4.06% |

Source: Eagle County Schools Finance Department, Eagle County Assessor

Note: Under State of Colorado finance law, the District's outstanding general obligation debt should not exceed 20% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

TABLE 9

| 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------|---------------|---------------|---------------|---------------|
| 2,739,828,540 | 2,900,739,730 | 2,905,528,110 | 3,166,034,880 | 3,825,220,130 |
| 547,965,708 | 580,147,946 | 581,105,622 | 633,206,976 | 765,044,026 |
| 246,225,000 | 237,020,000 | 227,355,000 | 217,225,000 | 206,620,000 |
| (16,186,060) | (16,583,973) | (16,953,515) | (17,269,671) | (18,081,808) |
| 230,038,940 | 220,436,027 | 210,401,485 | 199,955,329 | 188,538,192 |
| 317,926,768 | 359,711,919 | 370,704,137 | 433,251,647 | 576,505,834 |
| 8.40% | 7.60% | 7.24% | 6.32% | 4.93% |

Eagle County Schools
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

TABLE 10

| Fiscal Year | General Obligation Bonds | Net General Obligation Bonds | Certificates of Participation | Total Primary Government | Percentage of Personal Income | Debt Per Capita |
|--------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|------------------------|
| 2012 | 155,250,000 | 143,453,907 | 11,621,657 | 155,075,564 | 0.050% | 3,389 |
| 2013 | 146,475,000 | 135,364,010 | 11,439,414 | 146,803,424 | 0.052% | 3,013 |
| 2014 | 138,995,000 | 127,178,620 | 10,247,471 | 137,426,091 | 0.055% | 2,867 |
| 2015 | 148,847,531 | 136,645,343 | 9,040,528 | 145,685,871 | 0.052% | 2,610 |
| 2016 | 138,727,559 | 122,541,499 | 7,758,585 | 130,300,084 | 0.059% | 2,395 |
| 2017 | 281,775,470 | 265,191,497 | - | 265,191,497 | 0.030% | 2,395 |
| 2018 | 269,781,446 | 252,827,931 | - | 252,827,931 | 0.031% | 2,395 |
| 2019 | 257,475,315 | 240,205,644 | - | 240,205,644 | 0.033% | 2,395 |
| 2020 | 244,874,786 | 226,792,978 | - | 226,792,978 | 0.036% | 2,485 |
| 2021 | 231,799,259 | 213,717,451 | - | 213,717,451 | 0.038% | 2,485 |

Source: Eagle County Schools Finance

Note: General Obligation Bonds and Certificates of Participation include premiums

Note: Personal Income and Population data may be found on Table 13

Note: The Bonds are secured by the District's full faith and credit and are general obligations of the District payable from ad valorem taxes to be levied, without limitation of rate and in an amount sufficient to pay the Bonds when due, against all taxable property within the District.

Eagle County Schools
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

TABLE 11

| Fiscal Year | Net General Obligation Bonds | Percentage of Actual Taxable Value of Property | Net Bonded Debt per Median Household Income | Percentage of Median Household Income |
|------------------------|---|---|--|--|
| 2012 | 143,453,907 | 5.14% | 3,206 | 7.17% |
| 2013 | 135,364,010 | 5.10% | 2,940 | 6.42% |
| 2014 | 127,178,620 | 4.86% | 2,630 | 5.41% |
| 2015 | 136,645,343 | 4.59% | 2,653 | 5.47% |
| 2016 | 122,541,499 | 3.40% | 2,203 | 4.37% |
| 2017 | 265,191,497 | 7.00% | 3,971 | 6.86% |
| 2018 | 252,827,931 | 6.77% | 2,941 | 3.65% |
| 2019 | 240,205,644 | 6.47% | 2,713 | 3.24% |
| 2020 | 226,792,978 | 6.45% | 2,678 | 3.16% |
| 2021 | 213,717,451 | 5.59% | 2,365 | 2.62% |

Source: Eagle County Schools Finance Department

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Eagle County Schools
Direct and Overlapping Governmental Activities Debt
June 30, 2021

TABLE 12

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--|-----------------------------|--|--|
| Debt repaid with property taxes | | | |
| Airport Commerce Center Metro District | 3,200,000 | 100.00% | 3,200,000 |
| Arrowhead Metro District | 10,295,000 | 100.00% | 10,295,000 |
| Bachelor Gulch Metro District | 6,820,000 | 100.00% | 6,820,000 |
| Basalt & Rural Fire District | 3,904,600 | 100.00% | 3,904,600 |
| Basalt Regional Library District | 4,790,000 | 57.00% | 2,730,300 |
| Basalt Sanitation District | 365,000 | 45.73% | 166,915 |
| Beaver Creek Metro District | 4,845,000 | 100.00% | 4,845,000 |
| Berry Creek Metro District | 2,215,000 | 100.00% | 2,215,000 |
| Buckhorn Valley Metro District #2 | 11,746,836 | 100.00% | 11,746,836 |
| Cascade Village Metro District | 1,225,000 | 100.00% | 1,225,000 |
| Chatfield Corners Metro District | 2,380,000 | 100.00% | 2,380,000 |
| Cotton Ranch Metro District | 5,410,000 | 100.00% | 5,410,000 |
| Crown Mountain Park & Rec District | 835,000 | 59.20% | 494,320 |
| Eagle Ranch Metro District | 11,610,000 | 100.00% | 11,610,000 |
| Eagle River Fire Protection District | 22,971,478 | 100.00% | 22,971,478 |
| Eagle River Water & San Dist- Water Sub Dist- Vail | 7,095,100 | 100.00% | 7,095,100 |
| Eagle River Water & Sanitation Dist (Wastewater) | 34,244,700 | 100.00% | 34,244,700 |
| Eagle Vail Metro District | 4,820,000 | 100.00% | 4,820,000 |
| Red Sky Ranch Metro District | 8,757,000 | 100.00% | 8,757,000 |
| Ruedi Shores Metro District | 1,200,000 | 100.00% | 1,200,000 |
| School District JT-1 (West Grand) | 5,071,250 | 1.00% | 50,713 |
| School District RE-1 (Roaring Fork) | 164,609,984 | 100.00% | 164,609,984 |
| Solaris Metro District No. 1 | 32,995,000 | 100.00% | 32,995,000 |
| The Village | 45,000,000 | 100.00% | 45,000,000 |
| Town of Avon | 17,756,032 | 100.00% | 17,756,032 |
| Town of Basalt | 655,000 | 70.60% | 462,430 |
| Vail Square Metro District No. 1 | 12,330,000 | 100.00% | 12,330,000 |
| Valagua Metro District | 21,000,000 | 100.00% | 21,000,000 |
| Subtotal, Total Overlapping Debt | 448,146,980 | | 440,335,408 |
| Eagle County School District direct debt | | | 231,799,259 |
| Total direct and overlapping debt | | | 672,134,667 |

Source: Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of outstanding debt of those overlapping governments that are borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Eagle County Schools
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

TABLE 13

| Fiscal Year | Population | Median Household Income | October 1 School Enrollment | October 1 Funded Pupil Count | Unemployment Rate |
|--------------------|-------------------|--------------------------------|------------------------------------|-------------------------------------|--------------------------|
| 2012 | 54,283 | 75,400 | 6,344 | 5,994 | 8.6% |
| 2013 | 53,681 | 76,400 | 6,408 | 6,014 | 8.1% |
| 2014 | 55,548 | 77,200 | 6,520 | 6,182 | 6.6% |
| 2015 | 52,460 | 78,300 | 6,713 | 6,371 | 4.2% |
| 2016 | 52,921 | 77,600 | 6,804 | 6,463 | 3.1% |
| 2017 | 53,989 | 79,600 | 6,901 | 6,553 | 2.8% |
| 2018 | 54,772 | 80,600 | 6,931 | 6,558 | 2.3% |
| 2019 | 54,993 | 83,803 | 6,874 | 6,556 | 2.7% |
| 2020 | 55,127 | 84,685 | 6,812 | 6,654 | 2.2% |
| 2021 | 55,127 | 90,365 | 6,699 | 6,690 | 9.5% |

Sources: Population, median household income and unemployment rate information provided by Eagle County. School enrollment data provided by the Eagle County School District Business Services Department.

**Eagle County Schools
Principal Employers
6/30/2021 and 9 Years Ago**

TABLE 14

| <u>Employer</u> | <u>2021</u> | | | <u>2012</u> | | |
|--------------------------------------|-------------|----------------------------|--|-------------|----------------------------|--|
| | <u>Rank</u> | <u>Number of Employees</u> | <u>Percentage of Total County Employment</u> | <u>Rank</u> | <u>Number of Employees</u> | <u>Percentage of Total County Employment</u> |
| Vail Resorts Inc. | 1 | >1500 | 14.9% | 1 | 7,200 | 22.0% |
| Eagle County School District | 2 | 500 - 1000 | 2.8% | 2 | 881 | 2.7% |
| Vail Health | 3 | 500 - 1000 | 2.8% | 3 | 830 | 2.5% |
| Eagle County Government | 4 | 400 - 500 | 1.4% | 4 | 451 | 1.4% |
| Grand Hyatt Vail | 5 | 400 - 500 | 1.3% | 6 | 446 | 1.4% |
| Sonnenalp Resort | 6 | 400 - 500 | 1.1% | | 375 | 1.1% |
| Ritz Carlton | 7 | 300 - 400 | 1.1% | 5 | 325 | 1.0% |
| Walmart | 8 | 300 - 400 | 1.0% | 9 | 325 | 1.0% |
| Town of Vail | 9 | 200 - 300 | 0.9% | 8 | 324 | 1.0% |
| Vail Marriott | 10 | 200 - 300 | 0.9% | | | |
| Park Hyatt Beaver Creek Resort & Spa | | | | 7 | 375 | 1.1% |
| Gallegos Corporation | | | | 10 | 200 - 300 | 1.0% |

Source: Eagle County

**Eagle County Schools
Operating Statistics
Last Ten Fiscal Years**

TABLE 15

| Fiscal Year | Governmental Fund Expenditures | Funded Students | Cost Per Pupil | Percentage Change |
|--------------------|---------------------------------------|------------------------|-----------------------|--------------------------|
| 2011-12 | 84,777,263 | 5,994.0 | 14,144 | -2.3% |
| 2012-13 | 75,377,345 | 6,013.5 | 12,535 | -4.2% |
| 2013-14 | 78,270,896 | 6,182.4 | 12,660 | -11.4% |
| 2014-15 | 86,791,729 | 6,723.5 | 12,908 | 1.0% |
| 2015-16 | 87,467,489 | 6,779.8 | 12,901 | 2.0% |
| 2016-17 | 112,797,131 | 6,862.8 | 16,436 | 27.4% |
| 2017-18 | 189,791,771 | 6,894.5 | 28,030 | 70.5% |
| 2018-19 | 149,220,132 | 6,902.0 | 21,621 | -22.9% |
| 2019-20 | 113,338,828 | 7,051.0 | 16,074 | -25.7% |
| 2020-21 | 112,322,113 | 6,999.3 | 16,048 | -0.2% |

Source: Eagle County Schools Finance

Note: Enrollment based on October enrollment. Teaching staff are full-time equivalents for the year as a whole.

**Eagle County Schools
District Employees FTE
June 30, 2021**

TABLE 16

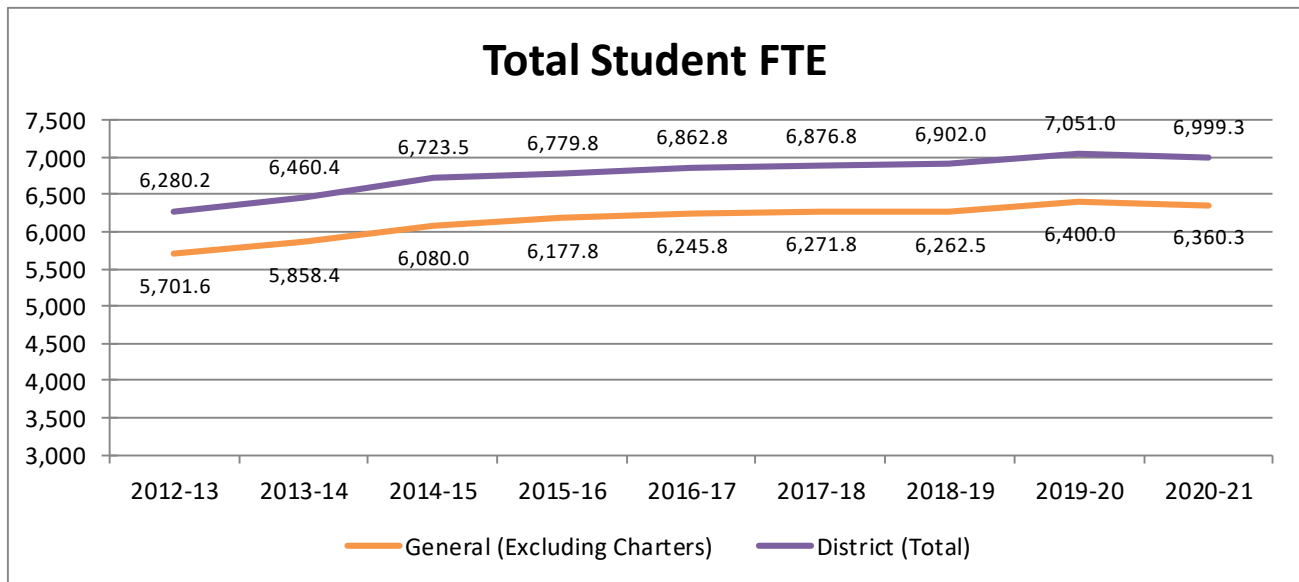
| | 100-104 | 105-125 | 201-209 | 210-220 | 230-239 | 320-358 | 360-399 | 400-499 | 500-599 | 600-699 | |
|---|----------------|--------------|---------------|----------------|-----------------|--------------------|-------------------|-----------------------------|----------------------|-------------------|---------------|
| | | | | | ESS | | | | | | |
| Location | District Admin | School Admin | Teachers | Other Teachers | Certified Staff | Professional Staff | Technical Support | Instructional Support Staff | Office/Admin Support | Trades & Services | Total FTEs |
| General Fund | | | | | | | | | | | |
| 104 Edwards Early Learning Center | | | 4.84 | | | | | 24.74 | | 2.00 | 31.58 |
| 110 Eagle Valley Elementary | | 1.00 | 29.61 | 1.81 | | | | 17.74 | 2.00 | 2.00 | 54.16 |
| 120 Brush Creek Elementary | | 1.00 | 23.94 | 1.00 | | | | 8.36 | 2.00 | 2.00 | 38.30 |
| 130 Avon Elementary | | 1.00 | 30.00 | 1.00 | | | | 3.48 | 1.81 | 2.00 | 39.29 |
| 140 Red Sandstone Elementary | | 1.00 | 17.15 | 0.80 | | | | 5.60 | 1.62 | 1.75 | 27.92 |
| 160 Gypsum Elementary | | 1.00 | 24.80 | 2.00 | | | | 11.24 | 2.00 | 2.00 | 43.04 |
| 170 Edwards Elementary | | 1.00 | 26.75 | 1.00 | | | | 3.03 | 2.00 | 2.00 | 35.78 |
| 180 Red Hill Elementary | | 1.00 | 27.35 | 0.88 | | | | 14.16 | 2.00 | 1.00 | 46.39 |
| 210 Eagle Valley Middle | | 2.00 | 25.76 | 1.00 | | | | 1.79 | 2.00 | 3.00 | 35.55 |
| 230 Berry Creek Middle | | 2.00 | 20.66 | 2.00 | | | | 3.99 | 1.50 | 1.88 | 32.03 |
| 240 Gypsum Creek Middle | | 2.00 | 24.25 | 2.00 | | | | 4.24 | 2.00 | 2.00 | 36.49 |
| 310 Battle Mountain High | | 4.00 | 50.55 | 4.34 | | | | 5.28 | 5.41 | 5.00 | 74.58 |
| 320 Eagle Valley High | | 3.00 | 55.59 | 5.00 | | 1.00 | | 5.74 | 6.13 | 7.00 | 83.46 |
| 340 Vail Ski and Snowboard Academy | | 1.50 | 13.06 | 1.25 | | | | 1.82 | 1.00 | 1.63 | 20.26 |
| 390 Red Canyon High | | 2.00 | 15.15 | 2.00 | | | | | 2.00 | 1.00 | 22.15 |
| 461 World Academy | 1.00 | | | | | | | | | | 1.00 |
| 501 Homestake Peak School | | 3.00 | 40.66 | 3.00 | | | | 7.24 | 3.00 | 3.00 | 59.90 |
| 610 Superintendent & Board of Education | 1.00 | 0.00 | | | | 1.00 | | | | | 2.00 |
| 619 Gifted & Talented | | 1.00 | 8.00 | | | | | | | | 9.00 |
| 620 Educator Quality | 1.00 | | | 1.00 | | 1.00 | | | | | 3.00 |
| 621 Instructional Services | 1.00 | | 0.00 | 1.00 | | | | | | | 2.00 |
| 622 Student Services | 1.00 | | 0.00 | 2.50 | | 1.00 | | | 2.50 | | 7.00 |
| 623 Equity | | | | | | | | | | | 0.00 |
| 624 Nursing | | | | | 3.00 | | | | | | 3.00 |
| 625 Exceptional Student Services | 2.00 | | 1.00 | 1.13 | 18.03 | | | 3.10 | 4.00 | | 29.26 |
| 626 English Language Acquisition (ELA) | 1.00 | | | | | 4.00 | | | 0.00 | | 5.00 |
| 627 Preschool | 0.35 | | | 1.35 | | 0.75 | | 5.22 | 2.50 | | 10.17 |
| 629 Community Relations | 1.00 | | | | | | | 1.00 | 1.00 | | 3.00 |
| 630 Business Services | 2.00 | | | | | 1.00 | | | 3.00 | | 6.00 |
| 640 Human Resources | 1.00 | | 3.20 | | | | | | 4.00 | | 8.20 |
| 650 Technology | | | | 0.00 | | | 16.00 | | 2.00 | 1.00 | 19.00 |
| 710 Maintenance | 1.00 | | | | | 1.00 | | | 1.00 | 16.26 | 19.26 |
| 950 ECCA | | | 0.50 | | | | | 1.00 | | | 1.50 |
| General Fund Total | 13.35 | 27.50 | 442.82 | 36.06 | 21.03 | 10.75 | 16.00 | 128.77 | 56.47 | 56.52 | 809.27 |
| Other District Funds | | | | | | | | | | | |
| 21 Nutrition Services Fund | 1.00 | | | | | 3.76 | | | 1.00 | 24.08 | 29.84 |
| 22 Grants Fund | | | 26.17 | 3.61 | 3.00 | 1.78 | 2.00 | 7.43 | 0.50 | 3.00 | 47.49 |
| 25 Transportation Fund | 1.00 | | | | | | | 1.03 | 4.00 | 19.94 | 25.97 |
| Other District Funds Total | 2.00 | - | 26.17 | 3.61 | 3.00 | 5.54 | 2.00 | 8.46 | 5.50 | 47.02 | 103.30 |
| Total District Funds | 15.35 | 27.50 | 468.99 | 39.67 | 24.03 | 16.29 | 18.00 | 137.23 | 61.97 | 103.54 | 912.57 |

Source: Eagle County Schools Finance and Human Resources Departments

**Eagle County Schools
Student Enrollment FTE
Last Ten Fiscal Years**

TABLE 17

| Year | General (Excluding Charters) | District (Total) | CSI | ECCA/NAS | Charter |
|-------------|---|-----------------------------|------------|-----------------|----------------|
| 2012-13 | 5,701.6 | 6,280.2 | 223.6 | 355.0 | 578.6 |
| 2013-14 | 5,858.4 | 6,460.4 | 278.0 | 324.0 | 602.0 |
| 2014-15 | 6,080.0 | 6,723.5 | 313.5 | 330.0 | 643.5 |
| 2015-16 | 6,177.8 | 6,779.8 | 275.5 | 326.5 | 602.0 |
| 2016-17 | 6,245.8 | 6,862.8 | 271.0 | 346.0 | 617.0 |
| 2017-18 | 6,271.8 | 6,876.8 | 275.0 | 330.0 | 605.0 |
| 2018-19 | 6,262.5 | 6,902.0 | 309.5 | 330.0 | 639.5 |
| 2019-20 | 6,400.0 | 7,051.0 | 321.0 | 330.0 | 651.0 |
| 2020-21 | 6,360.3 | 6,999.3 | 309.0 | 330.0 | 639.0 |



Source: Eagle County Schools Finance

**Eagle County Schools
Schedule of Insurance
(Unaudited)**

TABLE 18

| Description of Insurance | Carrier or Pool | Coverage Limit | Deductible |
|-------------------------------------|--|-----------------------|-------------------|
| General Liability | Colorado School Districts Self Insurance Pool (CSDSIP) | \$2,000,000 | \$0 |
| Property including: | | | |
| Inland marine | CSDSIP | \$65,000,000 | \$1,000 |
| Boiler and machinery | CSDSIP | \$5,000,000 | \$1,000 |
| Automobile liability: | CSDSIP | | |
| Combined single limit | | \$1,000,000 | \$0 |
| Personal injury protection | | \$5,000 | \$0 |
| Uninsured motorist | | \$1,000,000 | \$0 |
| School Leaders Errors and Omissions | CSDSIP | \$2,000,000 | \$0 |
| Public Officials Bond | CSDSIP | \$10,000 | \$100 |
| Crime: | CSDSIP | | |
| Employee dishonesty | | \$150,000 | \$500 |
| Theft | | \$10,000 | \$100 |
| Forgery/alteration | | \$10,000 | \$100 |
| Employment Practices Liability | CSDSIP | \$1,000,000 | \$1,000 |
| Worker's Compensation | Pinnacol | NO LIMIT | \$1,000 |
| Unemployment | Claims basis | NO LIMIT | |

Source: Eagle County Schools Finance

**Eagle County Schools
Facility Statistics**

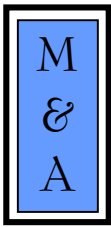
TABLE 19

| | SCHOOL | GRADE LEVEL | BLDG. SQ. FT. | APPROX. ACREAGE | YEAR BUILT | CAPACITY |
|----|-------------------------------|--------------------|----------------------|------------------------|-------------------|-----------------|
| 1 | Avon Elementary | P-5 | 67,780 | 10.0 | 1996 | 410 |
| 2 | Battle Mountain High | 9-12 | 209,000 | 39.0 | 2009 | 1000 |
| 3 | Berry Creek Middle | 6-8 | 80,552 | 15.0 | 1996 | 490 |
| 4 | Brush Creek Elementary | P-5 | 65,143 | 10.0 | 2001 | 500 |
| 5 | Eagle Valley Elementary | P-5 | 74,000 | see EVMS | 2018 | 550 |
| 6 | Eagle Valley High | 9-12 | 220,000 | 17.0 | 1975/2009 | 800 |
| 7 | Eagle Valley Middle | 6-8 | 103,412 | 19.0 | 1980 | 500 |
| 8 | Edwards Elementary | K-5 | 55,000 | 9.0 | 1991 | 430 |
| 9 | Gypsum Creek Middle | 6-8 | 81,590 | 15.0 | 2001 | 500 |
| 10 | Gypsum Elementary | P-5 | 55,000 | see EVHS | 1991 | 430 |
| 11 | Homestake Peak | P-8 | 122,533 | 40.0 | 1975/1991 | 512 |
| 12 | Edwards Early Learning Center | P | 74,000 | 10.5 | 2008 | 500 |
| 13 | Red Canyon High- East | 9-12 | 5,700 | 2.5 | 2008 | 70 |
| 14 | Red Canyon High-West | 9-12 | 27,500 | 0.2 | 2018 | 70 |
| 15 | Red Hill Elementary | K-5 | 66,343 | 10.0 | 2001 | 450 |
| 16 | Red Sandstone Elementary | P-5 | 45,537 | 4.0 | 1977 | 365 |
| 17 | Vail Ski & Snowboard Academy | 5-12 | 53,758 | 6.5 | 1978 | 250 |
| | | | 1,406,848 | 207.7 | | 7,827 |
| | Other buildings - add | | 39,300 | | | |
| | | | <u>1,446,148</u> | | | |

Source: Eagle County Schools Maintenance Department

Compliance Section

Single Audit



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**To the Board of Education
Eagle County Schools
Eagle, CO**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eagle County Schools (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 1, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion of the effectiveness of the District's internal control.

A deficiency in internal control 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Member: American Institute of Certified Public Accountants

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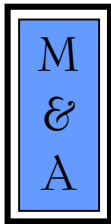
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INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Eagle County Schools
Eagle, CO

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
November 1, 2021



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Education
Eagle County Schools
Eagle, CO**

Report on Compliance for Each Major Program

We have audited the compliance of the Eagle County Schools (the "District") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibilities

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibilities

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance with those requirements.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Eagle County Schools
Eagle, CO

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance


Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiency and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based in the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose


McMahan and Associates, L.L.C.
November 1, 2021

Eagle County Schools
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness identified None noted

Significant deficiency identified None noted

Noncompliance material to financial statements noted None noted

Federal Awards

Internal control over major programs:

Material weakness identified None noted

Significant deficiency identified None noted

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200 None noted

Major programs –

Coronavirus Relief Fund ALN# 21.019

Elementary and Secondary School
Emergency Relief Fund ALN #84.425D

Dollar threshold used to identify Type A from Type B programs \$750,000

Identified as low-risk auditee Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards None noted
Auditor-assigned reference number Not applicable

Part III: Findings Related to Federal Awards

Internal control findings None noted
Compliance findings None noted
Questioned costs None noted

Eagle County Schools
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Note: There were no findings for the fiscal year ended June 30, 2020.

Eagle County Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor/Program Title | Federal ALN Number | Grant Project Code | Expenditures | Amounts Provided to Subrecipients |
|---|---------------------------|---------------------------|---------------------|--|
| United States Department of Education | | | | |
| Passed through State Department of Education: | | | | |
| Title I, Part A | 84.010 | 4010/5010 | \$ 631,758 | |
| Special Education | 84.027 | 4027 | 1,205,626 | B |
| Special Education - Preschool | 84.173 | 4173 | 26,756 | B |
| English Language Acquisition | 84.635A | 4365/7365 | 157,314 | |
| Supporting Effective Education | 84.367 | 4367 | 118,879 | |
| Title IV, Part A - Student Support and Academic Enrichment Grant | 84.424A | 4424 | 43,008 | |
| Special Education - State Personnel Development Grant Program | 84.323A | 5323 | 45,000 | |
| COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II) | 84.425D | 4420 | 179,005 | |
| COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I) | 84.425D | 4425 | 484,179 | 22,355 |
| Subtotal - Elementary and Second School Emergency Relief Fund | | | 663,184 | 22,355 |
| Passed through Colorado Community College System: | | | | |
| Career and Technical Education | 84.048 | 4048 / 5048 | 102,582 | 32,685 |
| Total United States Department of Education | | | 2,994,107 | 55,040 |
| United States Department of Health and Human Services | | | | |
| Passed through State Department of Health and Human Services: | | | | |
| Head Start | 93.600 | 8600 | 591,254 | D |
| Total United States Department of Health and Human Services | | | 591,254 | |
| United States Department of Agriculture | | | | |
| Passed through Colorado Department of Human Services | | | | |
| Food Distribution Commodities | 10.555 | 4555 | 115,699 | A |
| Passed through State Department of Education: | | | | |
| National School Lunch Program Cluster | 10.555 | 4555 | 273,715 | A |
| Summer Food Service Program for Children | 10.559 | 4559 | 1,152,729 | A |
| Passed through Eagle County: | | | | |
| Schools and Roads - Grants to Counties | 10.665 | N/A | 682,284 | C |
| Total United States Department of Agriculture | | | 2,224,427 | |
| United States Department of Treasury | | | | |
| Passed through Colorado Department of Education: | | | | |
| Coronavirus Relief Fund | 21.019 | 4012 | 2,364,595 | |
| Coronavirus Relief Fund: K-12 At-Risk Pupils | 21.019 | 5012 | 375,685 | |
| Subtotal - Coronavirus Relief Fund | | | 2,740,280 | |
| Total United States Department of Treasury | | | 2,740,280 | |
| Total Federal Expenditures | | | \$ 8,550,068 | \$ 55,040 |
| Additional Information for Clusters: | | | | |
| A Child Nutrition Cluster | | | \$ 1,542,143 | |
| B IDEA Cluster | | | \$ 1,232,382 | |
| C Forest Service Schools and Roads Cluster | | | \$ 682,284 | |
| D Head Start Cluster | | | \$ 591,254 | |

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021:

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Eagle County Schools, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Note 2. Basis of Determining the Value of Non-Cash Awards Expended:

Food Commodities: Fair market value of commodities at the time recipient received award.

Note 3. Indirect Facilities and Administration Costs:

The District has elected to use the 10% de minimis cost rate allowed in 200.414, *Indirect (F&A) Costs*, of the Uniform Guidance.



State Compliance

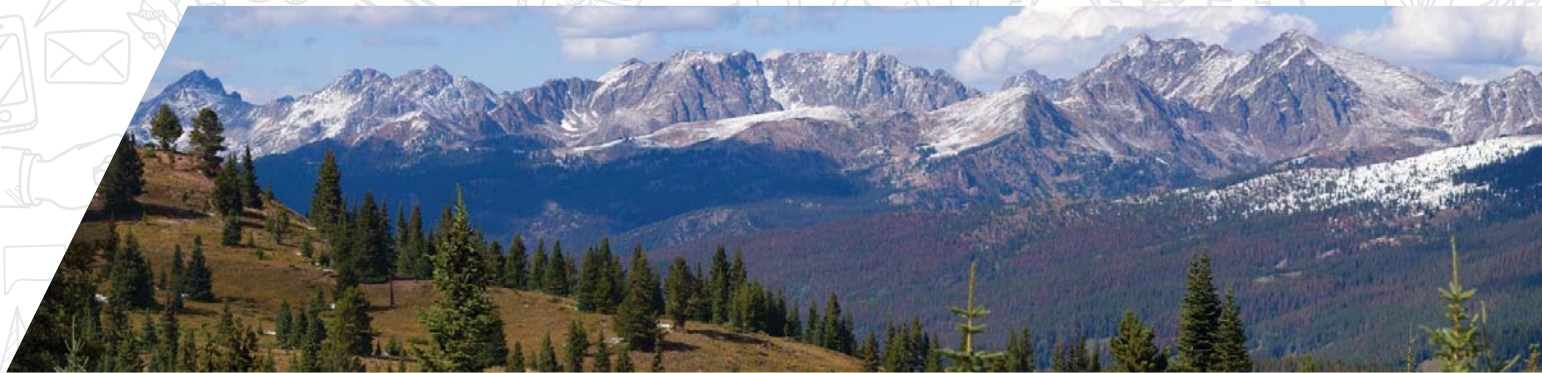


Colorado Department of Education
Auditors Integrity Report
District: 0910 - Eagle County RE 50
Fiscal Year 2020-21
Colorado School District/BOCES

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 | 19,382,975 | 75,848,947 | 75,637,119 | 19,594,803 |
| 18 | Risk Mgmt Sub-Fund of General Fund | 0 | 0 | 0 | 0 |
| 19 | Colorado Preschool Program Fund | 0 | 0 | 0 | 0 |
| Sub- Total | | 19,382,975 | 75,848,947 | 75,637,119 | 19,594,803 |
| 11 | Charter School Fund | 2,020,290 | 4,860,379 | 4,805,888 | 2,074,781 |
| 20,26-29 | Special Revenue Fund | 0 | 0 | 0 | 0 |
| 06 | Supplemental Cap Const, Tech, Main. Fund | 0 | 0 | 0 | 0 |
| 07 | Total Program Reserve Fund | 0 | 0 | 0 | 0 |
| 21 | Food Service Spec Revenue Fund | 130,821 | 2,625,812 | 2,031,660 | 724,973 |
| 22 | Govt Designated-Purpose Grants Fund | 0 | 7,795,198 | 7,795,198 | 0 |
| 23 | Pupil Activity Special Revenue Fund | 1,162,461 | 400,931 | 448,581 | 1,114,811 |
| 24 | Full Day Kindergarten Mill Levy Override | 0 | 0 | 0 | 0 |
| 25 | Transportation Fund | 1,124,892 | 2,084,599 | 1,881,716 | 1,327,774 |
| 31 | Bond Redemption Fund | 17,269,671 | 21,468,627 | 20,656,490 | 18,081,808 |
| 39 | Certificate of Participation (COP) Debt Service Fund | 0 | 0 | 0 | 0 |
| 41 | Building Fund | 154,759 | 267,696 | 422,455 | 0 |
| 42 | Special Building Fund | 0 | 0 | 0 | 0 |
| 43 | Capital Reserve Capital Projects Fund | 3,055,380 | 2,793,055 | 3,202,567 | 2,645,868 |
| 46 | Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| Totals | | 44,301,249 | 118,145,244 | 116,881,675 | 45,564,818 |
| Proprietary | | | | | |
| 50 | Other Enterprise Funds | 876,557 | 207,971 | 171,096 | 913,432 |
| 64 (63) | Risk-Related Activity Fund | 0 | 0 | 0 | 0 |
| 60,65-69 | Other Internal Service Funds | 0 | 0 | 0 | 0 |
| Totals | | 876,557 | 207,971 | 171,096 | 913,432 |
| Fiduciary | | | | | |
| 70 | Other Trust and Agency Funds | 0 | 0 | 0 | 0 |
| 72 | Private Purpose Trust Fund | 0 | 0 | 0 | 0 |
| 73 | Agency Fund | 0 | 0 | 0 | 0 |
| 74 | Pupil Activity Agency Fund | 0 | 0 | 0 | 0 |
| 79 | GASB 34:Permanent Fund | 0 | 0 | 0 | 0 |
| 85 | Foundations | 0 | 0 | 0 | 0 |
| Totals | | 0 | 0 | 0 | 0 |

FINAL



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EAGLE COUNTY SCHOOLS