



EAGLE COUNTY SCHOOLS

Comprehensive Annual Financial Report

For the Fiscal Year
Ended 6.30.2015



Eagle County School District RE-50J

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended June 30, 2015
County of Eagle
State of Colorado*

*Jason Glass, Ed.D.
Superintendent*



Prepared by:
Business Services

Sandra Mutchler, CPA
Chief Operating Officer

EAGLE COUNTY SCHOOLS
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For the fiscal year ended June 30, 2015

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Sandra Mutchler, C.P.A.

Chief Operating Officer
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December 1, 2015

Members of the Eagle County Schools Community
Members of the Board of Education
Dr. Jason Glass, 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, 2015.

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 2015 Comprehensive Annual Financial Report (CAFR) 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 district-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

Swanhorst & Company LLC, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Eagle County Schools financial statements for the year ended June 30, 2015. 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 850 professionals engaging 6,724 students. Our student population is diverse in both demographics and economic background. With 34.6% of students being English Language Learners compared with the state average of 14.3% 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, 42.2% 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 vision is to prepare all of our students to be internationally competitive graduates, who will be successful in their careers or college experience and contribute to their communities in positive and effective ways. The District benchmarks international top performing schools to model practices that lead to success for all students. We believe that the only way to improve learning outcomes for students is through better instruction. Consequently, we focus our efforts on an instructional core of educators, learners, and standards. All actions, initiatives, and efforts are viewed through this lens with the expectation that they must shape on of these tenets to be effective.

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, Expeditionary Learning 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 component unit of Eagle County Schools for the 2014-15 CAFR.

Budget Process

The Board of Education is required by state law to adopt an initial budget no later than June 30 of the preceding the next 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

Economic Outlook for 2015-16

On December 8, 2014 the economic outlook for calendar year 2015 was presented at the 50th Annual Colorado Business Economic Outlook by the Business Research Division of the Colorado Leeds School of Business. Colorado's economy is recovering. In fact, 2013, 2014, and 2015 will be the three best years for the state since the start of the century.

The Denver-Boulder-Greeley Consumer Price Index (CPI) is the measure of inflation that is generally used for the state of Colorado. The 2014 rate increase, used as a function of funding increases for the 2015-16 was 2.7% and is currently being projected for 2016-17 at 2.2%. School districts face a significant challenge as an improvement in fiscal resources for K-12 education typically lags in an economic recovery. Although state revenues are growing specific elements of Colorado law restrict the amount of revenue the state can retain and thus will limit the resources available to K-12 education as well as other state departments and services. A unique provision of the Colorado Constitution, referred to as the Taxpayer Bill of Rights (TABOR), specifies a limit on the amount of revenue that can be collected and retained by Colorado governments. The cap on revenue collections is allowed to grow each year by no more than the sum of the rates of Colorado's population growth and inflation. Current revenue forecasts indicate that the state will reach the cap on revenue collections in FYE 2016, which suggests a possibility that the cap could be reached even sooner. If the state collects revenue in excess of the cap, it must return the money to taxpayers unless voters give permission to retain it. Such an event will limit the state's ability to maintain the current trend in hiring and thereby limit growth in state government employment beginning in 2015.

The following observations are from page 117 of the 2015 Colorado Business Economic Outlook and can be found at:

<https://www.colorado.edu/leeds>

National and International

- A slowing global economy poses risks to Colorado exports in 2015. U.S. GDP growth will likely exceed 3% in 2015.
- The debt ceiling debate will likely resume in 2015, elevating uncertainty about government expenditures, shutdowns, and sequestration.
- The change in Federal policy will begin putting slight upward pressure on interest rates, particularly during the second half of the year.
- Inflation will continue in check for another year, and interest rates will remain at historically low levels.

Colorado

- Employment growth will place Colorado in the top 10 states in 2015.
- Weather fluctuations will continue to cause volatility for agriculture production, as well as tourism.
- Home prices will continue to creep higher in Colorado as inventory is absorbed, making housing affordability a detriment to some communities in the state.
- In terms of population, Colorado is the fourth-fastest growing state in the nation in percentage terms. The state will continue to attract people from out of state, which will contribute to population growth of 1.7%.
- Colorado will sustain a sub-5% unemployment rate. With Colorado's skilled workforce; high-tech, diversified economy, relatively low cost of doing business, global economic access, and exceptional quality of life, the committee believes the state is poised for both and short term and long-term economic growth.

The following observations begin on page iii of the 2014 Eagle County Comprehensive Annual Financial Report and can be found at:

http://www.eaglecounty.us/Finance/Documents/2014_Comprehensive_Annual_Financial_Report/

Local

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 2013/2014 ski season saw a 2.8% decrease in Vail and Beaver Creek skier days. Skier days in 2014 were higher in November and December over the prior year due to great snow conditions and summer visits began to approach pre-recession numbers. Although skier traffic slightly decreased, revenues increased. County sales tax receipts correspondingly increased by more than 7.6% in 2014.

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 14 golf courses increased 3.5%. This partially explains the increasing summer sales tax revenues that the County has been receiving over the past few years.

Unemployment rates have decreased significantly and are continuing to improve. After reaching a peak average of 9.6% in 2010, annual average rates declined to 6.6% in 2013 and 4.2% in 2014.

The Eagle County Regional Airport reported a total of 166,216 enplanements in 2014, a 1.2% decrease from 2013. This decrease was primarily attributable to a rare two day closure of the airport due to a massive snowstorm. Airlines providing air service are: American, Delta, United, and Air Canada. The airlines provide seasonal non-stop flights from the following major U.S. cities: Atlanta, Chicago, Dallas, Denver, Houston, Los Angeles, Miami, Minneapolis, Newark, New York, and Toronto.

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. The Flat Tops area outside of Dotsero is home to North America's largest elk herd.

2014 Eagle County real estate ended the year with \$1,779,363,469 in total dollar volume representing 1,802 transactions. Average sales price county wide was \$994,312, the median sales price, county wide was \$480,000. 2014 year-end sales were up when compared with 2013 year-end sales prices. The average priced single family home at year-end 2014 was \$1,236,694, up 27% when compared with 2013 at \$970,764. The average price of a multi-family home at year-end 2014 was \$900,299, an increase of 12% over 2013 at \$802,332.

Workforce and affordable housing continues to be a consideration for new and existing businesses wishing to expand in Eagle County. In 2014, there were 32 re-sales in the county's deed-restricted inventory. This represents \$8,436,703 in sales with an average sales price of \$263,647.

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 Section 8 housing (Eagle Riverview Affordable Housing Corp.),

down payment assistance program (DPA), affordable senior housing (Golden Eagle Elderly Housing Corp.) and Castle Peak Senior Care Community, a project co-developed by Eagle County that will bring 64 units of skilled nursing and assisted living to the community. Castle Peak is scheduled to start construction summer of 2015. In 2014, Eagle County approved 9 down payment assistance loans, with an average loan about of \$12,236 for a total investment of \$110,122. Additionally Eagle County approved 3 loan refinances that included DPA loans, saving 3 families on average \$224 per month on their monthly mortgage payments.

In 1996, Eagle County voters approved an additional 0.5% 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 transportation; however, its mission also includes providing trails and other enhancements to transportation in Eagle County. Since its inception, ECO Transit has increased its bus ridership from 400,000 to 945,199 riders in 2009. However, as a result of a down economy, ridership dropped to a low of 726,390 passenger trips in 2011. As another sign of recovery, ridership saw an increase of 5% in 2013 and another 13% in 2014 to 889,876. ECO Transit's safety record remains impeccable, while logging millions of miles per year, often on icy mountain roads.

Long-term Financial Planning

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 Operating 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 expectations for constitutionally mandated funding increases existed 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.

For the 2014-15 fiscal year, the legislature increased base per pupil funding by 2.8 percent for K-12 public education as well as provided additional dollars for statewide student growth and a minimal reduction to the negative factor. Including student growth, this equates to a \$3.7M year-over-year increase to Eagle County Schools from the 2013-14 School Finance Act funding. The "Negative Factor" reduction to statewide total program funding as calculated in the School Finance Act is now \$880M, or 12.92 percent. For Eagle County Schools, the negative factor is \$7.3M for the 2014-15 fiscal year and \$32.8M cumulative since 2010-11. While many expect this funding reduction should reflect a "new normal" for K-12 public education, many community leaders and advocacy groups are pushing to restore funding to prerecession levels and provide resources necessary to address student achievement.

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 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 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, 2015, 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.

Vision, Mission and Values

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.

Unparalleled Altitude, a working plan, was authored by Dr. Jason Glass, Superintendent in October of 2013. This was the beginning of the district focusing on clarity, coherence and compassion followed by the Board of Education adopting an updated vision, mission, values, strategies and tactics September 2014. We believe in the power of this community and in the talent and passion of the individuals who are part of Eagle County Schools.

Mission: In safe environments, 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: Internationally competitive graduates

Values: Aligned with our new 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.

- Respecting educators
- Engaging students and improving achievement
- Equitably preparing a diverse student body
- Involving the community
- Delivering a challenging curriculum

Although the current state funding plan for K-12 education creates a challenging environment within which operations must continue the district is committed to the course our learning community is taking in 2015-16 as we work toward the mission, vision and tactics at both the district and school levels. These strategies and values reflect the districts determination to stop nothing short of “world-class” quality.

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,

Swanhorst & Company 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 Dr. Jason Glass, Superintendent of Schools and the Board of Education for their interest in and support of the finance and accounting operations of Eagle County Schools.

Respectfully Submitted,



Sandy Mutchler, CPA Chief Operating Officer

Board of Education Members



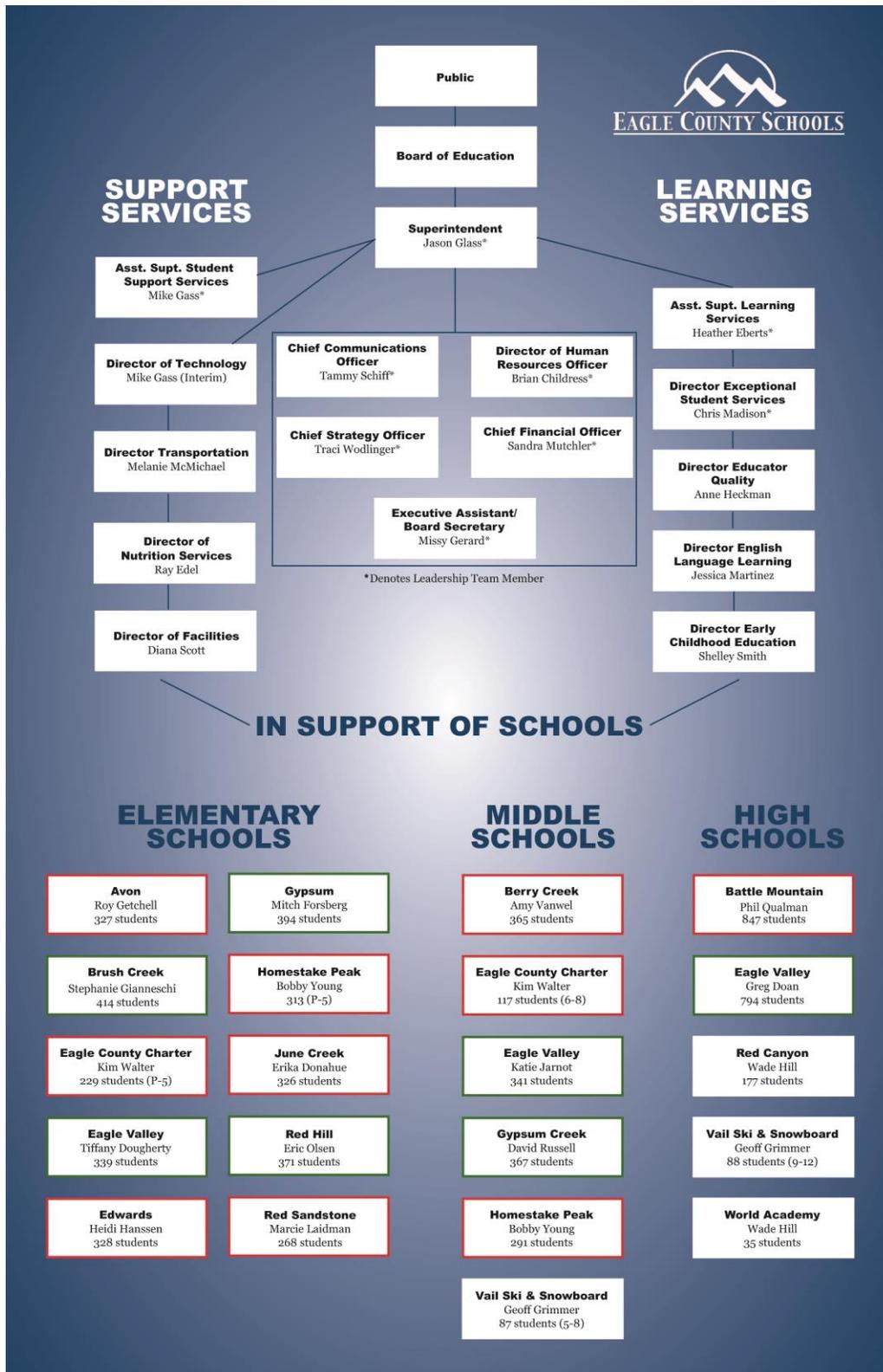
Carrie Larson, Director, District E; **Tessa Kirchner**, Secretary/Treasurer, District A;
Shelly Jarnot, Director, District G; **Kate Cocchiarella**, Vice President, District B;
Felicia Battle, Director, District D; **Carrie Benway**, President, District C;
Patrick Hirn, Director, District F

Superintendent's Leadership Team



- Dr. Jason Glass Superintendent
- Mike Gass Asst. Superintendent of Student Services
- Heather Eberts Asst. Superintendent of Learning Services
- Traci Wodlinger Chief Strategy Officer
- Sandra Mutchler Chief Operating Officer
- Tammy Schiff Chief Communications Officer
- Brian Childress Chief Human Resources Officer
- Chris Madison Director of Exceptional Student Services

Eagle County Schools Organization Chart 2014-15



Board of Education
Eagle County Schools
Eagle, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the 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 the Eagle County Schools as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Eagle County Schools, 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 includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 the Eagle County Schools as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in the year ended June 30, 2015, the Eagle County Schools adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters (Required Supplementary Information)

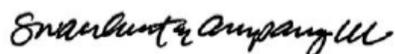
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of 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 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.

Other Matters (Other Information)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eagle County Schools' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section, and auditors integrity report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the auditors integrity report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2015, on our consideration of the Eagle County Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Eagle County Schools' internal control over financial reporting and compliance.



November 11, 2015

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal on pages 1-7 of this report.

Financial Highlights

At June 30, 2015:

- The primary government has a district-wide deficit net position of \$74,080,168 primarily due to implementing the Governmental Accounting Standards Board's No. 68, *Accounting and Financial Reporting for Pensions*, and recognizing its proportionate share of a net pension liability of \$117,646,711.
- Effective July 1, 2014, the District's Nutrition Services Fund was no longer reported as a business-type activity. The fund's beginning balances for capital assets, accumulated depreciation and net investment in capital assets were restated as of June 30, 2014. The fund is reported instead as a special revenue fund and part of the primary government's governmental activities.
- Total net position of the primary government decreased \$2,979,524 during the year ended June 30, 2015, primarily as a result of recognizing its proportionate share of the pension expense under GASB Statement No. 68.
- At the end of the current fiscal year, primary government's governmental funds reported combined ending fund balances of \$25,964,062, an increase of \$161,050 from the prior year. This is a net result of closing and transferring the net position of the Employee Benefit Trust Fund for \$1,187,294 and planned spending from the Capital Reserve Fund of \$1,587,169.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$8,789,128 or 13.9% of total General Fund expenditures.
- The primary government's long-term general obligation debt decreased by \$9,189,972 to \$148,847,531.

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) district-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.

District-Wide Financial Statements

The district-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 district-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 and liabilities. The difference between assets and liabilities 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 district-wide financial statements distinguish functions of the district that are principally supported by taxes and intergovernmental revenues (governmental activities) 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, Capital Reserve Fund and the Transportation Fund.

Business-type activities include the District Housing Fund.

The district-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 district-wide financial statements can be found on pages 29-31 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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-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 district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-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.

Eagle County Schools maintains three individual governmental funds called major funds: the General Fund, Governmental Designated-Purpose Grants Fund and the Bond Redemption Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined; Nutrition Services, Capital Reserve and the Transportation Fund, are labeled as non-major governmental funds.

The basic governmental fund financial statements can be found on pages 32-35 of this report.

Proprietary Funds

The district maintains two types of proprietary funds. Enterprise funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The district uses an enterprise fund to account for its district housing operation. Internal service funds are used to accumulate and allocate costs internally among the district's various functions. The district used an internal service fund to account for employee benefit programs for health and dental insurance. Because the district changed the method of providing employee benefit programs, 2014-15 was the last year any transactions occurred in the Employee Benefit Trust fund. As the financial statements reflect, this fund was closed and the remaining net position was transferred to the General Fund.

The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because these sources of funds are not available to support the district's direct educational programs. The accounting method used for fiduciary funds is much like that used for proprietary funds. The Fiduciary Fund used by the district accounts for student clubs and other organizations which exist with the explicit approval of, and are subject to revocation by the district's Board of Education.

The basic fiduciary fund financial statements can be found on pages 39 and 78 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found on pages 40-63 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, 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 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 on pages 65-68 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 70-78 of this report.

District-wide Financial Analysis

The assets of the district are composed of the current assets, other noncurrent assets, and capital assets. Cash and investments, receivables, prepaid expenses, deposits and inventories are current assets. These assets are available to provide resources for the near-term operations of the district. 88.7% of the current assets are cash and investments.

Other noncurrent assets include restricted cash and investments. 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 5.

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. Due to the implementation of GASB Statement No. 68, deferred outflows of resources also include the net difference between projected and actual earnings on pension plan investments, change in proportion, as well as contributions made subsequent to Colorado Public Employees' Retirement Association's (PERA) measurement date (December 31, 2014).

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 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 2016. Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2016. Also included in noncurrent liabilities is the district's proportionate share of the net pension liability.

Deferred inflows of resources include the difference between expected and actual experience, with regard to economic and demographic factors, is PERA's pension plan.

As of June 30, 2015, the liabilities plus deferred inflows exceed assets plus deferred outflows of the primary government's governmental activities exceed by \$74,936,514 with an unrestricted deficit net position of \$100,488,719. In prior fiscal years, the district was able to report positive balances in all three categories of net position. In the current fiscal year, due to the implementation of GASB Statement No. 68, the district reported a negative unrestricted net position.

Effective July 1, 2014, the district's Nutrition Services Fund was no longer reported as a business-type activity. The fund's beginning balances for capital assets, accumulated depreciation and net investment in capital assets were restated as of June 30, 2014. The fund is reported instead as a special revenue fund and part of the primary government's governmental activities.

In fiscal year 2015, the amount of "capital assets, net of accumulated depreciation" for the primary government's governmental activities decreased by \$6,957,639 to \$157,155,927.

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, increased \$186,680 as of June 30, 2015, resulting in a total of \$2,030,200.

The \$107,017,736 increase in liabilities plus deferred inflows is primarily attributable to the District recognizing its proportionate share of PERA's net pension liability of \$117,646,711.

District-wide Activities

Total assets decreased by \$8,567,250 and total deferred outflows of resources increased by \$6,631,523.

Table 1 provides a summary of the District's net position as of June 30, 2015 compared to June 30, 2014.

Table 1
Comparative Summary of Net Position
As of June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Assets:						
Current and other assets	\$ 34,035,635	\$ 35,425,552	\$ 762,102	\$ 554,000	\$ 34,797,737	\$ 35,979,552
Capital assets	157,155,927	164,147,716	98,584	492,230	157,254,511	164,639,946
Total Assets	191,191,562	199,573,268	860,686	1,046,230	192,052,248	200,619,498
Deferred Outflows	17,975,402	11,343,879	-	-	17,975,402	11,343,879
Liabilities:						
Other liabilities	17,479,940	16,730,287	4,009	5,941	17,483,949	16,736,228
Long-term liabilities	266,614,754	160,388,597	331	-	266,615,085	160,388,597
Total Liabilities	284,094,694	177,118,884	4,340	5,941	284,099,034	177,124,825
Deferred Inflows	8,784	-	-	-	8,784	-
Net Position:						
Net Investment in						
Capital Assets	10,026,377	7,874,116	98,584	492,230	10,124,961	8,366,346
Restricted	15,525,828	14,083,361	-	-	15,525,828	14,083,361
Unrestricted	(100,488,719)	11,840,786	757,762	548,059	(99,730,957)	12,388,845
Total Net Position	\$ (74,936,514)	\$ 33,798,263	\$ 856,346	\$ 1,040,289	\$ (74,080,168)	\$ 34,838,552



Governmental Activities

Governmental activities decreased the net position of the District \$2,795,581 during the year ended June 30, 2015, primarily the result of recognizing its proportionate share of the pension expense under GASB Statement No. 68.

Table 2 provides a summary of the District's change in net position for 2015 compared to 2014.

Table 2
Comparative Summary of Changes in Net Position
For the Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Revenues:						
Program revenues						
Charges for services	\$ 2,698,520	\$ 2,931,853	\$ 135,896	\$ 139,660	\$ 2,834,416	\$ 3,071,513
Operating grants and contributions	9,150,663	8,055,594	-	-	9,150,663	8,055,594
Capital grants and contributions	125,425	121,681	-	-	125,425	121,681
General revenues						
Property taxes	51,257,231	50,150,229	-	-	51,257,231	50,150,229
Specific ownership taxes	2,761,851	2,386,297	-	-	2,761,851	2,386,297
State revenue	17,470,913	13,311,387	-	-	17,470,913	13,311,387
Not restricted grants	479,744	-	-	-	479,744	-
Investment earnings	20,148	21,489	-	-	20,148	21,489
Other	1,342,711	1,340,913	-	-	1,342,711	1,340,913
Total revenues	85,307,206	78,319,443	135,896	139,660	85,443,102	78,459,103
Expenditures:						
Direct Instruction	46,693,195	43,222,676	-	-	46,693,195	43,222,676
Supporting Services	35,801,713	29,610,047	-	-	35,801,713	29,610,047
Interest	5,777,879	6,099,948	-	-	5,777,879	6,099,948
Food services	-	-	-	-	-	-
Employee housing	-	-	149,839	116,806	149,839	116,806
	<u>88,272,787</u>	<u>78,932,671</u>	<u>149,839</u>	<u>116,806</u>	<u>88,422,626</u>	<u>79,049,477</u>
Changes in net position before transfers	(2,965,581)	(613,228)	(13,943)	22,854	(2,979,524)	(590,374)
Transfers	170,000	-	(170,000)	-	-	-
Changes in net position after transfers	(2,795,581)	(613,228)	(183,943)	22,854	(2,979,524)	(590,374)
Net position - July 1	33,821,117	34,411,491	1,554,457	1,017,435	35,375,574	35,428,926
Restatements**	(105,962,050)	-	(514,168)	-	(106,476,218)	-
Net position, restated	<u>(72,140,933)</u>	<u>34,411,491</u>	<u>1,040,289</u>	<u>1,017,435</u>	<u>(71,100,644)</u>	<u>35,428,926</u>
Net position - June 30	\$ (74,936,514)	\$ 33,798,263	\$ 1,026,346	\$ 1,040,289	\$ (74,080,168)	\$ 34,838,552

*The restatements above include the change in reporting of the Nutrition Services Fund from a business-type activity to a governmental activity, as well as the implementation of GASB Statement No. 68.

Table 3 provides a summary of the district's change in Assets & Deferred Outflows of Resources of Governmental Activities for 2015 compared to 2014.

Table 3
Comparative Summary of Assets & Deferred Outflows of Resources
of Governmental Activities
As of June 30, 2015 and 2014

	FY 2015	FY 2014	Increase (Decrease)
ASSETS			
Cash and Investments	\$ 28,954,464	\$ 30,065,683	\$ (1,111,219)
Restricted Cash and Investments	1,282,013	1,504,974	(222,961)
Accounts Receivable	14,172	402,528	(388,356)
Taxes Receivable	2,382,813	2,345,816	36,997
Grants Receivable	1,354,885	1,056,364	298,521
Inventories	47,288	50,187	(2,899)
Capital Assets, Not Being Depreciated	11,300,761	11,317,836	(17,075)
Capital Assets, Net of Accumulated Dep.	145,855,166	152,829,880	(6,974,714)
Total Assets	<u><u>\$ 191,191,562</u></u>	<u><u>\$ 199,573,268</u></u>	<u><u>\$ (8,381,706)</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Debt Refunding, Net of Accumulated Amortization			
Amortization	\$ 10,314,333	11,343,879	\$ (1,029,546)
Pensions, Net of Accumulated Amortization	7,661,069	-	7,661,069
Total Deferred Outflows of Resources	<u><u>\$ 17,975,402</u></u>	<u><u>\$ 11,343,879</u></u>	<u><u>\$ 6,631,523</u></u>

The \$1.1 million decrease in cash and investments is due to a significant increase of planned spending in the Capital Reserve Fund for capital projects. The \$388,356 decrease in accounts receivable is due to timely collections of accounts as of the year end. Grants receivable increased by \$298,521. The timing of requesting reimbursable grants was delayed due to the pending bonus calculation which was delayed pending test results used in calculating the bonus. The decrease in capital assets not being depreciated of \$17,075 is due to the sale of land adjacent Battle Mountain High School and the \$6,974,714 decrease in capital assets, net of accumulated depreciation is primarily due to the depreciation expense.

The net difference between projected and actual earnings on pension plan investments as well as contributions made by the district after the plan's measurement date resulted in a change in deferred outflows of \$6.6 million.

Table 4
Comparative Summary of Liabilities & Deferred Inflows of Resources
As of June 30, 2015 and 2014

	FY 2015	FY 2014	Increase (Decrease)
LIABILITIES			
Accounts Payable	\$ 948,309	\$ 799,141	\$ 149,168
Accrued Liabilities	637,913	1,978,021	(1,340,108)
Accrued Salaries and Benefits	5,442,902	4,353,005	1,089,897
Unearned Revenues	214,807	87,314	127,493
Insurance Claims Payable	-	268,472	(268,472)
Accrued Interest Payable	531,920	561,557	(29,637)
Noncurrent Liabilities			
Due Within One Year	9,704,089	8,699,368	1,004,721
Due in More Than One Year	148,968,043	160,372,006	(11,403,963)
Net Pension Liability	117,646,711	-	117,646,711
Total Liabilities	\$ 284,094,694	\$ 177,118,884	\$ 106,975,810
DEFERRED INFLOWS OF RESOURCES			
Pensions, Net of Accumulated Amortization	\$ 8,784	\$ -	\$ 8,784

Accounts payable increased by \$149,168 due to delayed timing of vendor payments. Accrued liabilities decreased by \$1,340,108 due to the reduction of claims payable. Accrued salaries, benefits and payroll withholdings increased by \$1,089,897 due to salary increases given, benefit increases and growth in the number of employees. The decrease in accrued interest reflects the decreased bond interest due by the district because of the principal payments made against bonded debt as well as the advance refunding of bonds. The decrease in claims payable is related incurred but reported claims and closing the internal service fund as of June 30, 2015. The increase in unearned revenues is due to decreased grant program activity. The increase in noncurrent liabilities due within one year is primarily due to the increase in bond principal due in December 2015 as compared to December 2014. Noncurrent liabilities due in more than one year decreased as a result of the paying down of bond debt (see Note 7). The increase in pension liability is due to the implementation of GASB Statement No. 68 during the current fiscal year (see Note 10). Deferred inflows of resources increased primarily due to the differences between expected and actual results under GASB Statement No. 68.

Since the Nutrition Services Fund is reported as a governmental activity (instead of a business-type activity), effective July 1, 2014, comparative schedules are no longer provided for business-type activities' assets or liabilities.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA after the 'negative factor' was applied, the district received \$7,299.60 per funded pupil. For the fiscal year ended June 30, 2015, the funded pupil count was 6,723.5, a growth rate of 4% 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 2015, SFA per pupil funding increased by \$397 per student.

The Statement of Activities shows the cost of program services and charges for services, grants and contributions offsetting those services. Table 5 shows the total cost of services and the net cost of services for governmental activities.

Table 5
Comparative Summary of Governmental Activities
For the Year Ended June 30, 2015 and 2014

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Instruction	\$ 46,693,195	\$ 43,222,676	\$ 39,537,807	\$ 36,701,710
Supporting services	35,801,713	29,610,047	31,107,918	25,143,566
Interest Expense	5,777,879	6,099,948	5,652,454	5,978,267
	\$ 88,272,787	\$ 78,932,671	\$ 76,298,179	\$67,823,543

The total cost of instructional services increased this year by \$5.4 million. Total costs of \$48.7 million were supported by \$1.4 million from charges for services and \$5.7 million from operating grants and contributions. Supporting services increased by \$4.4 million. Total costs of \$34 million were supported by \$1.3 million from charges from services and \$3.4 million in operating grants and contributions. The primary increase in total costs is due to an increase in employees, salaries and benefits.

The majority of the district's net cost of services, \$76.3 million, was financed by State and district taxpayers.

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, 2015, the district's governmental funds reported combined fund balances of \$25,964,062, an increase of \$161,050 from the prior year. Total unassigned fund balance of \$8,722,645 constitutes 33.6% of the total fund balance, which is available for spending at the district's discretion. The remainder of the fund balance is; assigned \$921,934, restricted for particular purposes \$16,272,195, and \$47,288 is non-spendable.

Table 6 provides a comparative summary of the district's Combining Balance Sheet for 2015 compared to 2014.

Table 6
Comparative Summary of Combining Balance Sheet
For the Year Ended June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
ASSETS			
Cash and Investments	\$ 28,954,464	\$ 28,742,386	\$ 212,078
Restricted Cash and Investments	1,282,013	1,504,974	(222,961)
Accounts Receivable	14,172	401,838	(387,666)
Taxes Receivable	2,382,813	2,345,816	36,997
Grants Receivable	1,354,885	1,056,364	298,521
Interfund Receivables	861,470	647,499	213,971
Inventories	47,288	50,187	(2,899)
TOTAL ASSETS	\$ 34,897,105	\$ 34,749,064	\$ 148,041
LIABILITIES			
Accounts Payable	\$ 948,309	\$ 799,141	\$ 149,168
Accrued Liabilities	637,913	1,978,021	(1,340,108)
Accrued Salaries and Benefits	5,442,902	4,335,231	1,107,671
Interfund Payables	861,470	647,499	213,971
Unearned Revenues	214,807	87,314	127,493
TOTAL LIABILITIES	8,105,401	7,847,206	258,195
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	827,642	948,734	(121,092)
Grants	-	150,112	(150,112)
TOTAL DEFERRED INFLOWS OF RESOURCES	827,642	1,098,846	(271,204)
FUND BALANCES			
Nonspendable Inventories	47,288	-	47,288
Restricted for Debt Service	12,654,217	11,948,469	705,748
Restricted for Capital Outlay	444,176	667,495	(223,319)
Restricted for Multi-Year Contracts	1,143,602	614,750	528,852
Restricted for Emergencies	2,030,200	1,843,500	186,700
Assigned to Capital Outlay	615,766	1,979,974	(1,364,208)
Assigned to Transportation	56,298	43,150	13,148
Assigned to Nutrition Services	249,870	247,503	2,367
Unrestricted, Unassigned	8,722,645	8,458,171	264,474
TOTAL FUND BALANCES	25,964,062	25,803,012	161,050
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 34,897,105	\$ 34,749,064	\$ 148,041

Table 7 provides a comparative summary of the district's Revenues, Expenditures and Changes in Fund Balance for 2015 compared to 2014.

Table 7
Comparative Summary of Combining Statement of
Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
REVENUES			
Local Sources	\$ 59,710,466	\$ 58,839,632	\$ 870,834
State Sources	20,724,080	15,663,754	5,060,326
Federal Sources	4,905,939	4,676,488	229,451
Total Revenues	<u>85,340,485</u>	<u>79,179,874</u>	<u>6,160,611</u>
EXPENDITURES			
Current			
Instruction	39,243,507	36,969,071	2,274,436
Supporting Services	29,846,730	26,149,057	3,697,673
Capital Outlay	2,526,607	1,287,594	1,239,013
Debt Service			
Principal	8,605,000	8,665,000	(60,000)
Interest and Fiscal Charges	6,569,885	6,886,340	(316,455)
Total Expenditures	<u>86,791,729</u>	<u>79,957,062</u>	<u>6,834,667</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,451,244)	(777,188)	(674,056)
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	255,000	-	255,000
Transfers In	3,877,294	2,320,247	1,557,047
Transfers Out	(2,520,000)	(2,320,247)	(199,753)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,612,294</u>	<u>-</u>	<u>1,612,294</u>
NET CHANGE IN FUND BALANCES	161,050	(777,188)	938,238
FUND BALANCES, Beginning	<u>25,803,012</u>	<u>26,580,200</u>	<u>(777,188)</u>
FUND BALANCES, Ending	<u><u>\$ 25,964,062</u></u>	<u><u>\$ 25,803,012</u></u>	<u><u>\$ 161,050</u></u>

General Fund Highlights

The General Fund is the main operating fund of the district. The General Fund had \$62,797,490 in revenues and \$60,590,356 in expenditures. As of June 30, 2015, the General Fund reflects an ending fund balance of \$11,962,930, an increase of \$874,428 from the prior year. The increase is primarily the result of transferring the remaining balance of the Employee Benefit Trust, upon closing, to the General Fund of \$1,187,294.

Approximately 77.5% of General Fund expenditures are for staff salaries and benefits. For the 2014-15 fiscal year all employees received up to a 5.0% salary increase for a cost of living increase and performance pay. Additionally, the district was required to make an additional 0.9% contribution to PERA, the State of Colorado's retirement plan.

General Fund expenditures by school level/department are shown in Table 8 below. The district spent 77.76% of General Fund dollars on instruction related activities. Schools and various departments include both instructional and support expenditures.

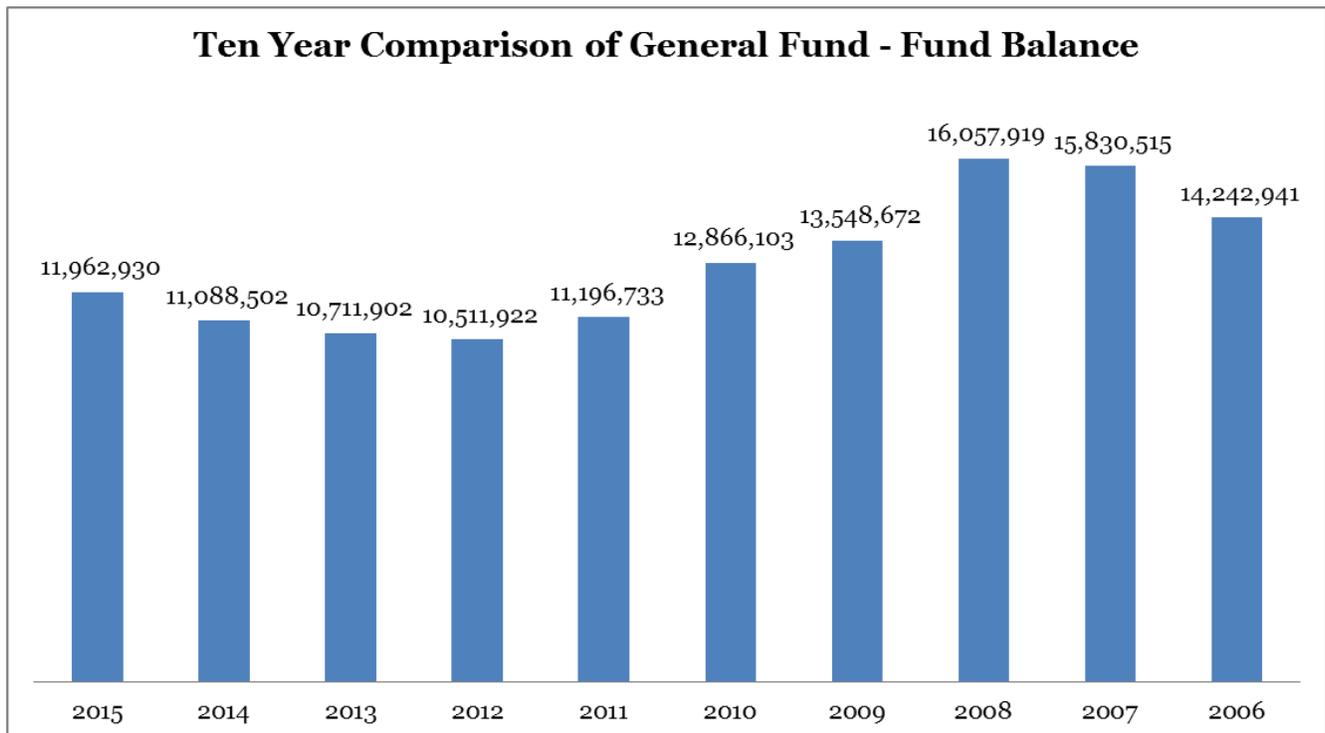
Table 8
General Fund Expenditures by School Level/Department
For the Year Ended June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
EXPENDITURES			
Regular instruction			
Elementary schools	\$ 17,078,309	\$ 16,091,625	\$ 986,684
Middle schools	5,622,048	5,387,830	234,218
High schools	12,217,274	11,203,780	1,013,494
Special instruction			
Exceptional Student Services	7,016,427	6,131,620	884,807
Early Childhood	2,814,582	2,348,169	466,413
Support services			
Superintendent	1,097,243	1,098,184	(941)
Educator Quality	536,190	234,563	301,627
Instructional Services	1,286,406	680,967	605,439
Student Services	609,154	675,123	(65,969)
Assessment	104,065	151,284	(47,219)
ELA	2,430,851	2,047,679	383,172
Community Relations	189,992	179,185	10,807
Business Services	1,204,957	877,079	327,878
Human Resources	1,283,733	1,213,646	70,087
Maintenance	1,757,466	1,850,910	(93,444)
Technology	2,173,338	1,947,364	225,974
County services (Pilt)	239,507	231,768	7,739
Charter School Allocation	2,928,814	2,708,299	220,515
Transfers	2,520,000	2,320,247	199,753
Total Expenditures	\$ 63,110,356	\$ 57,379,322	\$ 5,731,034

Table 9
General Operating Fund Expenditures By Function
For the Past Five Fiscal Years (Percentages)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instruction	61.17%	62.83%	61.39%	62.27%	60.68%
Supporting Services	38.83%	37.17%	37.35%	37.73%	39.18%
Debt Service					
Principal	-	-	0.33%	-	-
Interest and Fiscal Charges	-	-	0.94%	-	0.14%
Total	<u><u>100%</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>

An analysis of the district's General Fund ending fund balance is shown in the following chart. Over the 10 year period 2005-06 to 2014-15, the fund balance of the General Fund has fluctuated from a low of \$10,511,922 at June 30, 2012 to a high of \$16,057,919 at June 30, 2008 to its current amount of \$11,962,931.



General Fund 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 2014-15 fiscal year was adopted by the board of education at its June 11, 2014 meeting, amended August 13, 2014 and the revised budget was adopted at its January 28, 2015 meeting. The total General Fund appropriation was increased primarily due to increased funding provided by the School Finance Act, additional specific ownership taxes, additional state reimbursement program revenues and additional local revenues.

A Budgetary Comparison Schedule for the General Fund is included on page 66 of this document. Significant differences between final budgeted and actual revenues are as follows:

There is an approximate \$1.9 million negative variance between actual revenues and the final budget amount. The major variances include a \$2.2 million negative variance in state equalization due to including total program funding for the local charter school authorized by the Charter School Institute (CSI). CSI school funding flows through the district and generally is not budgeted for.

Total positive variance between final budget and actual expenditures is \$1.6 million, which is due to reducing staffing allocations to operate within expected revenues combined with the transfer of \$1,187,294 from the employee benefit trust fund resulted in a net total variance of \$874,428.

Staffing Allocations

The budgets were based on projections and assumptions created and revised in the prior 18 months. Schools and departments then manage their personnel costs on an FTE basis instead of a dollar basis. This savings is due to the fact that the average salary and benefit cost was slightly higher than the actual cost for most positions. In addition, a process was put in place for position control providing a significant savings for the year.

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, 2015 and 2014 are \$157,155,927 and \$98,584 respectively.

Table 10
Comparative Summary of Capital Assets
For the Year Ended June 30, 2015 and 2014
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Assets:						
Land	11,300,761	11,317,836	11,776	11,776	11,312,537	11,329,612
Buildings and Improvements	144,074,412	151,434,962	86,808	480,454	144,161,220	151,915,416
Vehicles and Equipment	1,780,754	1,394,918	-	-	1,780,754	1,394,918
Total Assets	<u>\$ 157,155,927</u>	<u>\$ 164,147,716</u>	<u>\$ 98,584</u>	<u>\$ 492,230</u>	<u>\$ 157,254,511</u>	<u>\$ 164,639,946</u>
Governmental Activities:						
Instruction	\$ 5,616,036					
Supporting Services	2,642,840					
Total	<u>\$ 8,258,876</u>					
Business-Type Activities						
District Housing			\$ 29,479			

Additional information on the district's capital assets can be found in Note 5 of this report.

At June 30, 2015, the district had total (principal and interest) bonded debt outstanding of \$148,847,531 backed by the full faith and credit of the district and Certificates of Participation total (principal and interest) debt outstanding of \$15,584,045. Additionally, the district has long-term debt obligations for compensated absences in the amount of \$784,073 outstanding at the end of the current fiscal year.

Table 11
Comparative Summary of Long Term Debt
For the Year Ended June 30, 2015 and 2014

	2015	2014
General Obligation Bonds	\$ 148,847,531	\$ 158,037,503
Compensated Absences	784,073	804,174
Certificates of Participation	9,040,528	10,247,471
Total Long Term Debt	<u>\$ 158,672,132</u>	<u>\$ 169,089,148</u>

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, 2015, the district's legal debt limit is \$480,016,150 and the District's total outstanding general obligation bonds are under the legal debt limit by \$351,382,530.

Additional information on the district's long-term obligations can be found in Note 7 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 Operating 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 75% of the district's General Fund revenues are a result of state level decisions. The Colorado State Legislature approved the 2015-16 School Finance Act (SFA) and increased the statewide per pupil base funding by inflation, or 2.8 percent, and an additional amount beyond inflation and student growth. However, for the sixth consecutive year the Colorado State Legislature continued to lower the statewide total funding by applying a negative factor to reduce total program funding received by each school district. For Eagle County schools, this negative factor in the SFA averages over \$6.6 million and annually and has accumulated to over \$32.8 million cumulatively in lost state revenues. The district's projected state per pupil revenue (PPR) for 2015-16 is \$7,575.71.

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. Eagle County Schools projected an increase in funded pupil count of 109 for the 2015-16 fiscal year.

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

sandra.mutchler@eaglecountyschools.net

BASIC FINANCIAL STATEMENTS

EAGLE COUNTY SCHOOLS

STATEMENT OF NET POSITION
June 30, 2015

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	EAGLE COUNTY CHARTER ACADEMY
ASSETS				
Cash and Investments	\$ 28,954,464	\$ 762,102	\$ 29,716,566	\$ 1,692,626
Restricted Cash and Investments	1,282,013	-	1,282,013	-
Accounts Receivable	14,172	-	14,172	80,233
Taxes Receivable	2,382,813	-	2,382,813	-
Grants Receivable	1,354,885	-	1,354,885	-
Prepaid Expenses	-	-	-	7,029
Inventories	47,288	-	47,288	10,698
Capital Assets, Not Being Depreciated	11,300,761	11,776	11,312,537	-
Capital Assets, Net of Accumulated Depreciation	145,855,166	86,808	145,941,974	10,974,520
TOTAL ASSETS	191,191,562	860,686	192,052,248	12,765,106
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding, Net of Accumulated Amortization	10,314,333	-	10,314,333	-
Pensions, Net of Accumulated Amortization	7,661,069	-	7,661,069	293,736
TOTAL DEFERRED OUTFLOWS OF RESOURCES	17,975,402	-	17,975,402	293,736
LIABILITIES				
Accounts Payable	948,309	-	948,309	134,667
Accrued Liabilities	637,913	-	637,913	37,360
Accrued Salaries and Benefits	5,442,902	-	5,442,902	281,668
Unearned Revenues	214,807	-	214,807	24,863
Security Deposits	-	4,009	4,009	-
Accrued Interest Payable	531,920	-	531,920	-
Noncurrent Liabilities				
Due Within One Year	9,704,089	-	9,704,089	-
Due in More Than One Year	148,968,043	331	148,968,374	-
Net Pension Liability	117,646,711	-	117,646,711	5,326,168
TOTAL LIABILITIES	284,094,694	4,340	284,099,034	5,804,726
DEFERRED INFLOWS OF RESOURCES				
Pensions, Net of Accumulated Amortization	8,784	-	8,784	24,514
NET POSITION				
Net Investment in Capital Assets	10,026,377	98,584	10,124,961	10,974,520
Restricted for Capital Renewal	-	-	-	79,534
Restricted for Debt Service	12,352,026	-	12,352,026	-
Restricted for Multi-Year Contracts	1,143,602	-	1,143,602	-
Restricted for Emergencies	2,030,200	-	2,030,200	99,000
Unrestricted	(100,488,719)	757,762	(99,730,957)	(3,923,452)
TOTAL NET POSITION	\$ (74,936,514)	\$ 856,346	\$ (74,080,168)	\$ 7,229,602

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

EAGLE COUNTY SCHOOLS

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 46,693,195	\$ 1,423,944	\$ 5,731,444	\$ -
Supporting Services	35,801,713	1,881,903	2,811,892	-
Interest on Long-Term Debt	<u>5,777,879</u>	<u>-</u>	<u>-</u>	<u>125,425</u>
Total Governmental Activities	<u>88,272,787</u>	<u>3,305,847</u>	<u>8,543,336</u>	<u>125,425</u>
Business-Type Activities				
District Housing	<u>149,839</u>	<u>135,233</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 88,422,626</u>	<u>\$ 3,441,080</u>	<u>\$ 8,543,336</u>	<u>\$ 125,425</u>
COMPONENT UNIT				
Eagle County Charter Academy	<u>\$ 4,586,896</u>	<u>\$ 380,758</u>	<u>\$ -</u>	<u>\$ 103,173</u>
GENERAL REVENUES				
Local Property Taxes				
Specific Ownership Taxes				
State Equalization				
Per Pupil Revenue				
Grants and Contributions not Restricted to Specific Programs				
Investment Income				
Other				
TRANSFERS				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
PRIMARY GOVERNMENT			COMPONENT UNIT
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	EAGLE COUNTY CHARTER ACADEMY
\$ (39,537,807)	\$ -	\$ (39,537,807)	\$ -
(31,107,918)	-	(31,107,918)	-
(5,652,454)	-	(5,652,454)	-
<u>(76,298,179)</u>	<u>-</u>	<u>(76,298,179)</u>	<u>-</u>
-	(14,606)	(14,606)	-
<u>(76,298,179)</u>	<u>(14,606)</u>	<u>(76,312,785)</u>	<u>-</u>
-	-	-	(4,102,965)
51,257,231	-	51,257,231	415,923
2,761,851	-	2,761,851	-
17,470,913	-	17,470,913	-
-	-	-	2,409,718
479,744	-	479,744	885,618
20,148	-	20,148	1,640
1,342,711	663	1,343,374	2,203
<u>170,000</u>	<u>(170,000)</u>	<u>-</u>	<u>-</u>
<u>73,502,598</u>	<u>(169,337)</u>	<u>73,333,261</u>	<u>3,715,102</u>
(2,795,581)	(183,943)	(2,979,524)	(387,863)
<u>(72,140,933)</u>	<u>1,040,289</u>	<u>(71,100,644)</u>	<u>7,617,465</u>
\$ <u>(74,936,514)</u>	\$ <u>856,346</u>	\$ <u>(74,080,168)</u>	\$ <u>7,229,602</u>

EAGLE COUNTY SCHOOLS

BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2015

	GENERAL	GOVERNMENT DESIGNATED - PURPOSE GRANTS	BOND REDEMPTION	NONMAJOR FUNDS	TOTAL
ASSETS					
Cash and Investments	\$ 16,558,628	\$ -	\$ 11,451,980	\$ 943,856	\$ 28,954,464
Restricted Cash and Investments	-	-	-	1,282,013	1,282,013
Accounts Receivable	6,409	-	-	7,763	14,172
Taxes Receivable	1,747,057	-	594,129	41,627	2,382,813
Grants Receivable	-	1,354,885	-	-	1,354,885
Interfund Receivables	861,470	-	-	-	861,470
Inventories	-	-	-	47,288	47,288
TOTAL ASSETS	\$ 19,173,564	\$ 1,354,885	\$ 12,046,109	\$ 2,322,547	\$ 34,897,105
LIABILITIES					
Accounts Payable	\$ 948,309	\$ -	\$ -	\$ -	\$ 948,309
Accrued Liabilities	600,455	-	-	37,458	637,913
Accrued Salaries and Benefits	5,078,352	345,091	-	19,459	5,442,902
Interfund Payables	-	861,470	-	-	861,470
Unearned Revenues	-	214,807	-	-	214,807
TOTAL LIABILITIES	6,627,116	1,421,368	-	56,917	8,105,401
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	583,518	-	229,729	14,395	827,642
FUND BALANCES					
Nonspendable Inventories	-	-	-	47,288	47,288
Restricted for Debt Service	-	-	11,816,380	837,837	12,654,217
Restricted for Capital Outlay	-	-	-	444,176	444,176
Restricted for Multi-Year Contracts	1,143,602	-	-	-	1,143,602
Restricted for Emergencies	2,030,200	-	-	-	2,030,200
Assigned to Capital Outlay	-	-	-	615,766	615,766
Assigned to Transportation	-	-	-	56,298	56,298
Assigned to Nutrition Services	-	-	-	249,870	249,870
Unrestricted, Unassigned	8,789,128	(66,483)	-	-	8,722,645
TOTAL FUND BALANCES	11,962,930	(66,483)	11,816,380	2,251,235	25,964,062
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 19,173,564	\$ 1,354,885	\$ 12,046,109	\$ 2,322,547	\$ 34,897,105

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

EAGLE COUNTY SCHOOLS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2015

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 25,964,062
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	157,155,927
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.	827,642
Long-term liabilities and related items, including bonds payable (\$148,847,531), certificates of participation (\$9,040,528), compensated absences (\$784,073) loss on refunding \$10,314,333, and accrued interest payable (\$531,920) are not due and payable in the current year and, therefore, are not reported in governmental funds.	(148,889,719)
Pension liability (\$117,646,711) and related deferred inflows (\$8,784) and deferred outflows \$7,661,069 are not due and payable in the current year and, therefore, are not reported in the funds.	<u>(109,994,426)</u>
Total Net Position of Governmental Activities	<u>\$ (74,936,514)</u>

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

EAGLE COUNTY SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2015

	GENERAL	GOVERNMENT DESIGNATED - PURPOSE GRANTS	BOND REDEMPTION	NONMAJOR FUNDS	TOTAL
REVENUES					
Local Sources	\$ 42,097,419	\$ 1,139,511	\$ 14,217,743	\$ 2,255,793	\$ 59,710,466
State Sources	20,220,327	34,542	-	469,211	20,724,080
Federal Sources	479,744	3,131,624	-	1,294,571	4,905,939
TOTAL REVENUES	62,797,490	4,305,677	14,217,743	4,019,575	85,340,485
EXPENDITURES					
Current					
Instruction	37,065,745	2,177,762	-	-	39,243,507
Supporting Services	23,524,611	2,022,317	-	4,299,802	29,846,730
Capital Outlay	-	-	-	2,526,607	2,526,607
Debt Service					
Principal	-	-	7,405,000	1,200,000	8,605,000
Interest and Fiscal Charges	-	-	6,107,353	462,532	6,569,885
TOTAL EXPENDITURES	60,590,356	4,200,079	13,512,353	8,488,941	86,791,729
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,207,134	105,598	705,390	(4,469,366)	(1,451,244)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	-	-	-	255,000	255,000
Transfers In	1,187,294	-	-	2,690,000	3,877,294
Transfers Out	(2,520,000)	-	-	-	(2,520,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,332,706)	-	-	2,945,000	1,612,294
NET CHANGE IN FUND BALANCES	874,428	105,598	705,390	(1,524,366)	161,050
FUND BALANCES, Beginning	11,088,502	(172,081)	11,110,990	3,775,601	25,803,012
FUND BALANCES, Ending	\$ 11,962,930	\$ (66,483)	\$ 11,816,380	\$ 2,251,235	\$ 25,964,062

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

EAGLE COUNTY SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2015

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$	161,050
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. This is the amount by which depreciation expense (\$8,258,876) and disposals (\$17,075) exceeded capital outlay \$1,284,162 in the current year.		(6,991,789)
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 (\$121,092) and grants (\$150,112) not available as current financial resources.		(271,204)
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.		8,605,000
Debt proceeds provide current financial resources to governmental funds but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: amortization of debt premiums \$1,791,915 and amortization of loss on refundings (\$1,029,546).		762,369
An internal service fund is used by management to charge the costs of health and dental insurance to individual funds. Net income of the internal service fund is reported with governmental activities in the statement of activities.		131,779
In prior years an internal service fund was used by management. When closing the account the balance was transferred to the General Fund.		(1,187,294)
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 accrued interest payable \$29,637, compensated absences payable \$20,101, net pension liability (\$8,349,956), pension-related deferred outflows of resources \$4,303,510, and pension-related deferred inflows of resources (\$8,784) in the current year.		<u>(4,005,492)</u>
Change in Net Position of Governmental Activities	\$	<u>(2,795,581)</u>

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

EAGLE COUNTY SCHOOLS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2015

		BUSINESS-TYPE ACTIVITIES
		DISTRICT HOUSING
		<u> </u>
ASSETS		
Current Assets		
Cash and Investments	\$	<u>762,102</u>
Total Current Assets		<u>762,102</u>
Long-Term Assets		
Capital Assets, Not Being Depreciated		11,776
Capital Assets, Net of Accumulated Depreciation		<u>86,808</u>
Total Long -Term Assets		<u>98,584</u>
TOTAL ASSETS		<u>860,686</u>
LIABILITIES		
Current Liabilities		
Security Deposits		4,009
Long-term Liabilities		
Accrued Compensated Absences		<u>331</u>
TOTAL LIABILITIES		<u>4,340</u>
NET POSITION		
Net Investment in Capital Assets		98,584
Unrestricted		<u>757,762</u>
TOTAL NET POSITION	\$	<u><u>856,346</u></u>

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

EAGLE COUNTY SCHOOLS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2015

	BUSINESS-TYPE ACTIVITIES <u>DISTRICT HOUSING</u>	GOVERNMENTAL ACTIVITIES <u>INTERNAL SERVICE</u>
OPERATING REVENUES		
Rental Income	\$ 135,233	\$ -
Other Income	663	-
TOTAL OPERATING REVENUES	<u>135,896</u>	<u>-</u>
OPERATING EXPENSES		
Salaries	20,428	-
Employee Benefits	7,269	-
Purchased Services	71,614	94,953
Supplies and Materials	18,296	-
Equipment	2,753	-
Claims	-	(226,732)
Depreciation	29,479	-
TOTAL OPERATING EXPENSES	<u>149,839</u>	<u>(131,779)</u>
OPERATING INCOME (LOSS) BEFORE TRANSFERS	(13,943)	131,779
Transfers Out	<u>(170,000)</u>	<u>(1,187,294)</u>
CHANGE IN NET POSITION	(183,943)	(1,055,515)
NET POSITION, Beginning	<u>1,040,289</u>	<u>1,055,515</u>
NET POSITION, Ending	\$ <u><u>856,346</u></u>	\$ <u><u>-</u></u>

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

EAGLE COUNTY SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 Increase (Decrease) in Cash and Cash Equivalents
 Year Ended June 30, 2015

	BUSINESS-TYPE ACTIVITIES DISTRICT HOUSING	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Tenants	\$ 133,851	\$ -
Cash Paid to Suppliers	(99,932)	(94,953)
Cash Paid to Employees	(20,097)	-
Claims Paid / Refunds	-	(41,050)
	<u>13,822</u>	<u>(136,003)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to Other Funds	(170,000)	(1,187,294)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Sale of Capital Assets	364,830	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	208,652	(1,323,297)
CASH AND CASH EQUIVALENTS, Beginning	553,450	1,323,297
CASH AND CASH EQUIVALENTS, Ending	\$ 762,102	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (13,943)	\$ 131,779
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Gain on Sale of Capital Assets	(663)	
Depreciation	29,479	-
Changes in Assets and Liabilities		
Accounts Receivable	550	690
Insurance Claims Payable	-	(268,472)
Security Deposits	(1,932)	-
Accrued Compensated Absences	331	-
	<u>27,765</u>	<u>(267,782)</u>
Total Adjustments		
Net Cash Provided (Used) by Operating Activities	\$ 13,822	\$ (136,003)

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

EAGLE COUNTY SCHOOLS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUND
 June 30, 2015

	<u>STUDENT ACTIVITY</u>
ASSETS	
Cash and Investments	\$ <u>1,066,068</u>
TOTAL ASSETS	<u>1,066,068</u>
LIABILITIES	
Due to Student Groups	<u>1,066,068</u>
TOTAL LIABILITIES	\$ <u><u>1,066,068</u></u>

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

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

District-wide and Fund Financial Statements

The district-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 units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund 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 certain legally separate *component units* for which the district is financially accountable.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

District-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 funds, and fiduciary fund, even though the latter is excluded from the district's district-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 district-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 FINANCIAL STATEMENTS
June 30, 2015

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 and internal service 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:

General Fund - The General Fund is the district's primary operating fund. It accounts for all financial resources of the district, except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership (personal property) taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended. 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 Government Designated-Purpose Grants Fund is used to account for restricted state and federal grants that are obtained primarily to provide for specific instructional programs.

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.



Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

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

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 had two enterprise funds until June 30, 2014. Effective July 1, 2014, the Colorado Department of Education required that the Nutrition Services Fund, be reported as a special revenue fund therefore, as of July 1, 2014, the only remaining enterprise fund is the District Housing Fund which is used to account for the rental and maintenance of housing provided to district employees.

Internal Service Fund – The District has one Internal Service Fund to account for the district's employee health and dental insurance programs, which were self-insured by the district. The District no longer manages their own self-insured pool and now is a member of the Colorado School Districts Self Insurance Pool. The Employee Benefit Trust Fund reflects 2014-15 fiscal year transactions only tied to closing the self-insurance pool. All other 2014-15 insurance transactions were accounted for in the General Fund. The Employee Benefit Trust Fund was closed as of June 30, 2015 with the remaining balance transferred to the General Fund.

Fiduciary Fund – The District's only agency fund is the Student Activity Fund. The Agency Fund is used to account for resources used to support each District's student and fundraising activities. The district holds all resources in a purely custodial capacity.

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.

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.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

Interfund Receivables and Payables - During the course of operations, numerous transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *payables*. Any residual balances outstanding between governmental and business-type activities are reported in the government- wide financial statements as internal balances.

Inventories - Materials and supplies inventories are stated using the first-in/first-out (FIFO) method. Food 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.

Capital Assets - Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements and the proprietary funds 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 estimated fair market value at 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 to 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.

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.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

Assets, Liabilities and Fund Equity *(continued)*

These compensated absences are recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the district-wide financial statements for the accrued compensated absences.

Long-Term Debt - In the district-wide financial statements and the proprietary funds 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 (SDTF), 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. 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.

Deferred Inflows of Resources – In the governmental fund financial statements, deferred inflows of resources include property taxes earned but not available as current financial resources.

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 district-wide financial statements and the proprietary funds 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 FINANCIAL STATEMENTS
June 30, 2015

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 FINANCIAL STATEMENTS
June 30, 2015

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 2015 are certified to the county in December 2014 and are available for collection on the levy date, January 1, 2015. 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 and the charter schools receive capital construction funding 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, Capital Reserve Fund and the Agency Fund is recorded when earned in the related fund.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At June 30, 2015, The Grants Fund had a negative fund balance of \$66,483 because reimbursements were not received and final collection of these funds from the original grantor is uncertain. Management expects this negative balance to be eliminated as the revenues are collected by granting sources.

NOTE 3: CASH AND INVESTMENTS

At June 30, 2015, the district had the following cash and investments:

Cash on Hand	\$ 2,080
Deposits	4,844,784
Investments	27,217,783
Total	\$ 32,064,647

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

Cash and Investments	\$ 29,716,566
Restricted Cash and Investments	1,282,013
Agency fund Cash and Investments	1,066,068
	\$ 32,064,647

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3: CASH AND INVESTMENTS *(continued)*

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, 2015, the district had bank deposits of \$4,775,866 collateralized with securities held by the financial institutions' agents but not in the district's name.

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 specified ratings provided by nationally recognized statistical rating organizations, depending on the type of investment.

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

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 3: CASH AND INVESTMENTS *(continued)*

Investments *(continued)*

Local Government Investment Pool - At June 30, 2015, the district had \$27,217,783 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 as promulgated under the Investment Company Act of 1940, as amended, which includes the maintenance of 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, 2015, the Capital Reserve fund held cash and investments of \$444,176 representing unspent debt proceeds restricted for capital projects. In addition, the Capital Reserve Fund reported a debt service reserve for the Certificates of Participation (See Note 7) of \$837,837.

NOTE 4: INTERFUND BALANCES AND TRANSFERS

Interfund balances and transactions as of and for the year ended June 30, 2015, consisted of the following

<u>Interfund Receivables</u>	<u>Interfund Payables</u>	
General Fund	Grants Fund	\$ 861,470
<u>Transfers In</u>	<u>Transfers Out</u>	
Capital Reserve Fund	General Fund	\$ 2,020,000
Transportation Fund	General Fund	500,000
Capital Reserve Fund	District Housing Fund	170,000
General Fund	Employee Benefit Trust Fund	1,187,294
		\$ 3,877,294

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4: INTERFUND BALANCES AND TRANSFERS *(continued)*

The General Fund has temporarily covered the negative cash balance in the Grants Fund.

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 District Housing Fund sold two units with the intent of the proceeds from one of the units being available to purchase office space for our Early Childhood Program. Because the self-insurance plan was eliminated effective January 1, 2014, the Employee Benefit Trust Fund was closed during the year ended June 30, 2015 and the remaining balance was transferred to the General Fund.



Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 5: CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2015, is summarized below. Beginning balances have been reclassified for governmental activity capital assets previously reported in an enterprise fund.

	Balances 6/30/2014	Additions	Reductions	Balances 6/30/2015
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 11,317,836	\$ -	\$ 17,075	\$ 11,300,761
Capital Assets, Being Depreciated				
Buildings and Improvements	264,048,366	596,488	-	264,644,854
Equipment and Vehicles	12,249,325	687,674	170,532	12,766,467
Total Capital Assets, Being Depreciated	<u>276,297,691</u>	<u>1,284,162</u>	<u>170,532</u>	<u>277,411,321</u>
Less Accumulated Depreciation For				
Buildings and Improvements	112,613,404	7,957,038	-	120,570,442
Equipment and Vehicles	10,854,407	301,838	170,532	10,985,713
Total Accumulated Depreciation	<u>123,467,811</u>	<u>8,258,876</u>	<u>170,532</u>	<u>131,556,155</u>
Total Capital Assets, Being Depreciated, Net	<u>152,829,880</u>	<u>(6,974,714)</u>	<u>-</u>	<u>145,855,166</u>
Governmental Activities Capital Assets, Net	<u>\$ 164,147,716</u>	<u>\$ (6,974,714)</u>	<u>\$ 17,075</u>	<u>\$ 157,155,927</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 11,776	-	-	\$ 11,776
Capital Assets, Being Depreciated				
Buildings and Improvements	1,303,498	-	500,000	803,498
Less Accumulated Depreciation For				
Buildings and Improvements	823,044	29,479	135,833	716,690
Total Capital Assets, Being Depreciated, Net	<u>480,454</u>	<u>(29,479)</u>	<u>364,167</u>	<u>86,808</u>
Business Type Activities Capital Assets, Net	<u>\$ 492,230</u>	<u>\$ (29,479)</u>	<u>\$ 364,167</u>	<u>\$ 98,584</u>

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

Governmental Activities:	
Instruction	5,616,036
Supporting Services	2,642,840
Total	<u>\$ 8,258,876</u>

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6: SHORT-TERM DEBT

During the year ended June 30, 2015, the District borrowed \$10,182,467 from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full in March 2015, from property taxes received in February and March.

NOTE 7: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the district for the year ended June 30, 2015. Beginning balances for compensated absences have been reclassified for governmental activities previously reported in an enterprise fund.

	Balances 6/30/2014	Additions	Reductions	Balances 6/30/2015	Due Within One Year
Governmental Activities					
General Obligation Bonds					
2013 Refunding Bonds	\$ 101,875,000	\$ -	\$ -	\$ 101,875,000	\$ -
Bond Premium	17,158,068	-	1,319,851	15,838,217	-
2009 Refunding Bonds	8,200,000	-	1,000,000	7,200,000	1,625,000
Bond Premium	591,571	-	147,893	443,678	-
2007 Refunding Bonds	8,475,000	-	2,700,000	5,775,000	2,825,000
Bond Premium	439,922	-	146,640	293,282	-
2005 Refunding Bonds	20,445,000	-	3,705,000	16,740,000	3,885,000
Bond Premium	852,942	-	170,588	682,354	-
Total General Obligation Bonds	158,037,503	-	9,189,972	148,847,531	8,335,000
2010 Certificate of Participation	10,060,000	-	1,200,000	8,860,000	1,275,000
COPs Premium	187,471	-	6,943	180,528	-
Compensated Absences	804,174	342,422	362,523	784,073	94,089
Total Governmental Activities	\$ 169,089,148	\$ 342,422	\$ 10,759,438	\$ 158,672,132	\$ 9,704,089

Compensated absences of the governmental activities are expected to be liquidated with revenues of the General Fund.

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:

- \$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 on December 1, 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.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 7: LONG-TERM DEBT *(continued)*

General Obligation Bonds *(continued)*

- \$13,800,000 General Obligation Refunding Bonds, Series 2009, were issued to refund a portion of the outstanding General Obligation Improvement and Refunding Bonds, Series 1999. Principal payments are due annually on December 1, through 2018. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2.25% to 5% per annum.
- \$128,370,000 General Obligation Bonds, Series 2007, were issued to construct new school facilities and provide for other capital improvements projects. Principal payments are due annually on December 1, through 2026. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 4.5% to 5% per annum.
- \$33,870,000 General Obligation Refunding Bonds, Series 2005, were issued to refund a portion of the General Obligation Improvement and Refunding Bonds, Series 1999. Principal payments are due annually on December 1, through 2018. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 3.5% to 5% per annum.

Bond payments, to maturity, are as follows.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 8,335,000	\$ 5,741,463	\$ 14,076,463
2017	8,800,000	5,332,338	14,132,338
2018	9,205,000	4,886,463	14,091,463
2019	9,665,000	4,426,432	14,091,432
2020	10,130,000	3,958,925	14,088,925
2021-2025	58,280,000	12,046,988	70,326,988
2026-2027	<u>27,175,000</u>	<u>957,775</u>	<u>28,132,775</u>
	<u>\$ 131,590,000</u>	<u>\$ 37,350,384</u>	<u>\$ 168,940,384</u>

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 7: LONG-TERM DEBT *(continued)*

Certificates of Participation

In September, 2010, the District issued \$4,995,000 Certificates of Participation, Series 2010A and \$6,525,000 Certificates of Participation, 2010B, to finance the demolition of the Meadow Mountain Elementary School and the renovation of the former Battle Mountain High School. Principal payments on the Series 2010A debt are due annually beginning December 1, 2010, through 2040. Interest accrues at rates ranging from 2% to 4.75% per annum and is due semi-annually on June 1 and December 1. Principal payments on the Series 2010B are due annually beginning December 1, 2025 through 2040. Interest accrues at rates ranging from 5.13% to 6.0% per annum and are due semi-annually on June 1 and December 1. The Series 2010B Certificates of Participation were issued as Build America Bonds whereby the District will receive a subsidy from the United States Treasury equal to 35% of each interest payment. Debt payments, to maturity, are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 1,275,000	\$ 429,453	\$ 1,704,453
2017	200,000	407,828	607,828
2018	200,000	402,328	602,328
2019	200,000	396,328	596,328
2020	225,000	388,828	613,828
2021-2025	1,175,000	1,785,978	2,960,978
2026-2030	1,400,000	1,446,405	2,846,405
2031-2035	1,695,000	1,001,572	2,696,572
2036-2040	2,025,000	451,438	2,476,438
2041	465,000	13,887	478,887
	<u>\$ 8,860,000</u>	<u>\$ 6,724,045</u>	<u>\$ 15,584,045</u>

Defeased Debt

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 are considered defeased and the liability has been removed from the financial statements. The outstanding balance of the defeased debt at June 30, 2015, was \$103,590,000.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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 and Internal Service Funds. Effective June 30, 2015, the district will no longer account for risk activities in the Internal Service 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 FINANCIAL STATEMENTS
June 30, 2015

NOTE 8: RISK MANAGEMENT *(continued)*

Internal Service Fund – Employee Benefit Trust

The district established a partially self-insured program for employee health and dental benefits. Transactions of the self-insurance program are reported in the Employee Benefit Trust Fund, an internal service fund. The district purchased excess insurance policies to cover individual claims in excess of \$85,000 annually. Effective January 1, 2014, the district discontinued its self-insured program and began purchasing health and dental insurance from an outside provider.

Claims liabilities, including estimated incurred but not reported claims (IBNR), are reported in the government-wide financial statements and the internal service fund if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Other than current amounts, the District does not believe the estimated claims liability is fully measurable, and the District could incur additional costs related to IBNR claims.

Changes in claims payable were as follows:

	2015	2014
Claims Payable, Beginning	\$ 268,472	\$ 821,583
Claims Incurred and Adjustments	(226,732)	2,431,021
Claims Paid	(41,740)	(2,984,132)
Claims Payable, Ending	\$ -	\$ 268,472

NOTE 9: JOINTLY GOVERNED ORGANIZATION

The District, in conjunction with other surrounding Districts, created the Mountain Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The BOCES financial statements can be obtained at their administrative offices located at 1713 Mount Lincoln Drive West, Leadville, Colorado 80641. During the year ended June 30, 2015, the District paid \$273,226 to the BOCES.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLAN

General Information

Plan Description – The district contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (PERA). All employees of the district participate in the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS) assigns the authority to establish and amend plan provisions to the State Legislature. PERA issues a publicly available financial report that includes information on the SDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided – The SDTF provides retirement, disability, and survivor benefits to plan participants or their beneficiaries. Retirement benefits are determined by the amount of service credit earned or purchased, highest average salary, the benefit structure in place, the benefit option selected at retirement and age at retirement. The retirement benefit is the greater of the a) highest average salary multiplied by 2.5% and then multiplied by years of service credit, or b) the value of the participant’s contribution account plus an equal match on the retirement date, annualized into a monthly amount based on life expectancy and other actuarial factors. In no case can the benefit amount exceed the highest average salary or the amount allowed by applicable federal regulations.

Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began employment before January 1, 2007, receive an annual increase of 2%, unless the plan has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

Disability benefits are available for plan participants once they reach five years or earned service credit and meet the definition of a disability. The disability benefit amount is based on the retirement benefit formula described previously, considering a minimum of twenty years of service credit.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure in place, and the qualified survivor receiving the benefits.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLAN *(continued)*

General Information *(continued)*

Contributions – The district and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The district’s contribution rate for calendar years 2014 and 2015 was 17.45% and 18.35%, respectively. However, a portion of the district’s contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 11). The district’s contributions to the SDTF for the year ended June 30, 2015, were \$6,736,964 equal to the required contributions.

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

At June 30, 2015, the district reported a net pension liability of \$117,646,711, representing its proportionate share of the net pension liability of the SDTF. The net pension liability was measured at December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The district’s proportion of the net pension liability was based on the district’s contributions to the SDTF for the calendar year ended December 31, 2014, relative to the contributions of all participating employers. At December 31, 2014, the district’s proportion was .8680262317%, which was an increase of .0111310000% from its proportion measured at December 31, 2013.

For the year ended June 30, 2015, the district recognized pension expense of \$10,591,829. At June 30, 2015, 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
Differences between expected and actual experience	\$ -	\$ 8,784
Net difference between projected and actual earnings on plan investments	2,705,490	-
Change in proportion	1,036,038	-
Contributions subsequent to the measurement date	3,919,541	-
Total	\$ 7,661,069	\$ 8,784

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLAN (continued)

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

District contributions subsequent to the measurement date of \$3,919,541 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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 <u>June 30,</u>		
2016	\$	1,056,838
2017		1,056,838
2018		942,702
2019		676,366
Total	\$	<u>3,732,744</u>

Actuarial Assumptions – The actuarial valuation at December 31, 2013, determined the total pension liability using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.8%
Real wage growth.....	1.1%
Wage inflation.....	3.9%
Salary increases, including wage inflation.....	3.9% - 10.1%
Long-term investment rate of return, net of plan. Investment expense, including price inflation..	7.5%
Future post-retirement benefit increases:	
Hired prior to January 1, 2007.....	2.0%
Hired after December 31, 2006.....	ad hoc

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years.

The actuarial assumptions used in the December 31, 2013, valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's governing board on November 13, 2012, and an economic assumptions study, adopted by PERA's governing board on November 15, 2013 and January 17, 2014.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLAN *(continued)*

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

The long-term expected rate of return on plan investments was determined using 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 most recent analysis of the long-term expected rate of return was presented to the PERA governing board on November 15, 2013, and included the target allocation and best estimates of geometric real rates of return for each major asset class as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
U.S. Equity - Large Cap	26.76%	5.00%
U.S. Equity - Small Cap	4.40%	5.19%
Non U.S. Equity - Developed	22.06%	5.29%
Non U.S. Equity - Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	



Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 10: 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 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at the rates specified in State statutes, which currently require annual increases, to a total of 20.15% of covered salaries for the year ended December 31, 2018. When the actuarially determined funding ratio reaches 103 percent, the employer contribution rate will decrease 1% each year, to a minimum of 10.15%. Based on those assumptions, the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments to current participants. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. In addition, the discount rate did not change from the prior measurement date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the district’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as the district’s proportionate share of the net pension liability if it were calculated using a discount that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net Pension Liability	<u>\$ 155,127,937</u>	<u>\$ 117,646,711</u>	<u>\$ 86,274,290</u>

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.

NOTE 11: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description - The district contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained as described previously.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 11: POSTEMPLOYMENT HEALTHCARE BENEFITS *(continued)*

Funding Policy - The district is required to contribute at a rate of 1.02% of covered salaries for all PERA participants. No employee contributions are required. The contribution requirements for the district are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The district's apportionment to the HCTF for the years ended June 30, 2015, 2014, and 2013 was \$383,924, \$361,916 and \$340,966, respectively, equal to the required amounts for each year.

NOTE 12: 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, 2015 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.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the "Amendment") to the State Constitution which limits state and local government tax powers and imposes spending limitations. The district is subject to the Amendment.

In November 2000, voters within the district authorized the district to collect, retain, and spend the full revenues received by the district from any source effective July 1, 2000, and continuing thereafter as exemptions to the limits which would otherwise apply under the Amendment. The Amendment is subject to many interpretations, but the district believes it is in substantial compliance with the Amendment.

The Amendment requires the district to establish a reserve for emergencies representing 3% of qualifying expenditures. At June 30, 2015, fund balance of \$2,030,200 was restricted in the General Fund to satisfy the reserve requirement.

Eagle County Schools
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 13: RESTATEMENT

Effective July 1, 2014, the Colorado Department of Education required that districts report their food service operations as a governmental activity (special revenue fund) instead of a business -type activity (enterprise fund). As a result, the Nutrition Services Fund's beginning fund balance was decreased by \$266,655. All remaining assets and liabilities of the fund are not recognized at the fund level under modified accrual and have been reclassified as assets and liabilities of the governmental activities as of July 1, 2014.

	Nutrition Services Fund	Business- Type Activities	Governmental Activities
Balances, June 30, 2014, as Originally Stated	\$ 514,168	\$ 1,554,457	\$ 33,284,095
Reclassification	<u>(266,665)</u>	<u>(514,168)</u>	<u>514,168</u>
Balances, June 30, 2014, as Restated	<u>\$ 247,503</u>	<u>\$ 1,040,289</u>	<u>\$ 33,798,263</u>

NOTE 14: CHANGE IN ACCOUNTING PRINCIPLE

During the year, the District and component units adopted GASB Statements No. 68, Accounting and Financial Reporting for Pensions, and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The primary objective of these Statements is to improve the accounting and financial reporting by state and local governments for pensions. As a result of implementing these statements, the District recognized \$109,296,755, its proportionate share of a net pension liability and the related deferred inflows and outflows (refer to Note 10), and restated net position as follows:

Net position, June 30, 2014, as originally stated	\$ 33,798,263
Deferred outflows of resources	3,357,559
Net pension liability	<u>(109,296,755)</u>
Net position, restated, June 30, 2014	<u>\$ (72,140,933)</u>

REQUIRED SUPPLEMENTARY INFORMATION

EAGLE COUNTY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2015

	<u>12/31/2014</u>	<u>12/31/2013</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY		
District's Proportion of the Net Pension Liability	0.8680262317%	0.8568952317%
District's Proportionate Share of the Net Pension Liability	\$ 117,646,711	\$ 109,296,755
District's Covered-Employee Payroll	\$ 36,364,064	\$ 34,544,173
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63%	64%
	<u>6/30/2015</u>	<u>6/30/2014</u>
DISTRICT CONTRIBUTIONS		
Statutorily Required Contribution	\$ 6,353,040	\$ 5,667,716
Contributions in Relation to the Statutorily Required Contribution	<u>(6,353,040)</u>	<u>(5,667,716)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 37,639,638	\$ 35,481,967
Contributions as a Percentage of Covered Employee Payroll	16.88%	15.97%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report.



EAGLE COUNTY SCHOOLS

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 37,000,000	\$ 36,294,363	\$ 36,235,131	\$ (59,232)
Specific Ownership Taxes	2,726,000	2,726,000	2,710,136	(15,864)
Delinquent Taxes, Penalties and Interest	-	15,730	25,624	9,894
Tuition and Fees	600,290	703,479	764,107	60,628
Pupil Activities	300,000	729,957	659,837	(70,120)
Charter School Services	-	445,000	457,657	12,657
Investment Income	30,000	16,000	19,363	3,363
Other	2,683,710	1,358,371	1,225,564	(132,807)
Total Local Sources	43,340,000	42,288,900	42,097,419	(191,481)
State Sources				
State Equalization	16,117,000	19,646,949	17,470,913	(2,176,036)
Special Education	1,000,000	1,000,000	1,422,224	422,224
English Language Proficiency Act (ELPA)	500,000	813,288	813,288	-
Other	43,000	469,450	513,902	44,452
Total State Sources	17,660,000	21,929,687	20,220,327	(1,709,360)
Federal Sources				
Grants	-	479,740	479,744	4
TOTAL REVENUES	61,000,000	64,698,327	62,797,490	(1,900,837)
EXPENDITURES				
Salaries	35,000,000	36,313,973	34,892,001	1,421,972
Employee Benefits	12,000,000	12,033,547	12,047,325	(13,778)
Purchased Services	4,000,000	5,591,781	5,361,466	230,315
Supplies and Materials	4,400,000	4,312,654	4,335,738	(23,084)
Property	-	160,262	198,246	(37,984)
Other	-	557,553	826,766	(269,213)
Charter School	2,980,000	2,879,000	2,928,814	(49,814)
Reserves	-	329,556	-	329,556
TOTAL EXPENDITURES	58,380,000	62,178,326	60,590,356	1,587,970
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,620,000	2,520,001	2,207,134	(312,867)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,187,294	1,187,294
Transfers Out	(2,620,000)	(2,520,000)	(2,520,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,620,000)	(2,520,000)	(1,332,706)	1,187,294
NET CHANGE IN FUND BALANCE	-	1	874,428	874,427
FUND BALANCE, Beginning	11,100,000	11,088,502	11,088,502	-
FUND BALANCE, Ending	\$ 11,100,000	\$ 11,088,503	\$ 11,962,930	\$ 874,427

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
GOVERNMENT DESIGNATED-PURPOSE GRANTS FUND
Year Ended June 30, 2015

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES			
Local Grants	\$ 1,065,475	\$ 1,139,511	\$ 74,036
State Grants	54,037	34,542	(19,495)
Federal Grants	<u>3,253,946</u>	<u>3,131,624</u>	<u>(122,322)</u>
TOTAL REVENUES	<u>4,373,458</u>	<u>4,305,677</u>	<u>(67,781)</u>
EXPENDITURES			
Salaries	2,166,811	2,104,646	62,165
Employee Benefits	561,127	546,486	14,641
Purchased Services	1,093,727	1,065,762	27,965
Supplies and Materials	233,084	177,299	55,785
Other	178,532	179,490	(958)
Indirect Costs	<u>140,177</u>	<u>126,396</u>	<u>13,781</u>
TOTAL EXPENDITURES	<u>4,373,458</u>	<u>4,200,079</u>	<u>173,379</u>
NET CHANGE IN FUND BALANCE	-	105,598	105,598
FUND BALANCE, Beginning	<u>-</u>	<u>(172,081)</u>	<u>(172,081)</u>
FUND BALANCE, Ending	\$ <u>-</u>	\$ <u>(66,483)</u>	\$ <u>(66,483)</u>

See the accompanying Independent Auditors' Report.

Eagle County Schools
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

NOTE 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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.

Legal Compliance

For the year ended June 30, 2015, the Bond Redemption Fund expenditures exceeded the amount budgeted by \$3,353 due to additional agent fees of \$5,500. In addition, transfers out of the Employee Benefit Trust Internal Service Fund were not budgeted. These may be violations of State statutes.

Supplementary Information
Combining and Individual Fund Financial Statements and Schedules



EAGLE COUNTY SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015

	NUTRITION SERVICES	CAPITAL RESERVE	TRANSPORTATION	TOTAL
ASSETS				
Cash and Investments	\$ 262,727	\$ 615,766	\$ 65,363	\$ 943,856
Restricted Cash and Investments	-	1,282,013	-	1,282,013
Accounts Receivable	6,602	-	1,161	7,763
Taxes Receivable	-	-	41,627	41,627
Inventories	47,288	-	-	47,288
TOTAL ASSETS	\$ 316,617	\$ 1,897,779	\$ 108,151	\$ 2,322,547
LIABILITIES				
Accrued Liabilities	\$ -	\$ -	\$ 37,458	\$ 37,458
Accrued Salaries and Benefits	19,459	-	-	19,459
TOTAL LIABILITIES	19,459	-	37,458	56,917
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	14,395	14,395
FUND BALANCES				
Nonspendable Inventories	47,288	-	-	47,288
Restricted for Debt Service	-	837,837	-	837,837
Restricted for Capital Outlay	-	444,176	-	444,176
Assigned to Capital Outlay	-	615,766	-	615,766
Assigned to Transportation	-	-	56,298	56,298
Assigned to Nutrition Services	249,870	-	-	249,870
TOTAL FUND BALANCES	297,158	1,897,779	56,298	2,251,235
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 316,617	\$ 1,897,779	\$ 108,151	\$ 2,322,547

See the accompanying Independent Auditors' Report.



EAGLE COUNTY SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	NUTRITION SERVICES	CAPITAL RESERVE	TRANSPORTATION	TOTAL
REVENUES				
Local Sources	\$ 607,327	\$ 31,545	\$ 1,616,921	\$ 2,255,793
State Sources	35,960	-	433,251	469,211
Federal Sources	1,169,146	125,425	-	1,294,571
TOTAL REVENUES	<u>1,812,433</u>	<u>156,970</u>	<u>2,050,172</u>	<u>4,019,575</u>
EXPENDITURES				
Supporting Services	1,762,778	-	2,537,024	4,299,802
Capital Outlay	-	2,526,607	-	2,526,607
Debt Service				
Principal	-	1,200,000	-	1,200,000
Interest and Fiscal Charges	-	462,532	-	462,532
TOTAL EXPENDITURES	<u>1,762,778</u>	<u>4,189,139</u>	<u>2,537,024</u>	<u>8,488,941</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>49,655</u>	<u>(4,032,169)</u>	<u>(486,852)</u>	<u>(4,469,366)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	255,000	-	255,000
Transfers In	-	2,190,000	500,000	2,690,000
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>2,445,000</u>	<u>500,000</u>	<u>2,945,000</u>
NET CHANGE IN FUND BALANCES	49,655	(1,587,169)	13,148	(1,524,366)
FUND BALANCES, Beginning	<u>247,503</u>	<u>3,484,948</u>	<u>43,150</u>	<u>3,775,601</u>
FUND BALANCES, Ending	<u>\$ 297,158</u>	<u>\$ 1,897,779</u>	<u>\$ 56,298</u>	<u>\$ 2,251,235</u>

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 NUTRITION SERVICES FUND
 Year Ended June 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Charges for Services				
Student Lunches	\$ 575,000	\$ 600,000	\$ 607,327	\$ 7,327
State Sources	50,000	54,000	35,960	(18,040)
Federal Sources				
Donated Commodities	90,000	90,000	105,602	15,602
National School Lunch Program	985,000	999,000	936,697	(62,303)
School Breakfast Program	-	-	126,847	126,847
TOTAL REVENUES	<u>1,700,000</u>	<u>1,743,000</u>	<u>1,812,433</u>	<u>69,433</u>
EXPENDITURES				
Salaries	727,200	748,050	716,574	31,476
Employee Benefits	230,400	250,600	273,523	(22,923)
Purchased Services	21,100	25,100	6,915	18,185
Donated Commodities	90,000	90,000	105,602	(15,602)
Supplies and Materials	688,100	688,100	656,092	32,008
Other	3,200	3,200	4,072	(872)
Depreciation	40,000	-	-	-
TOTAL EXPENDITURES	<u>1,800,000</u>	<u>1,805,050</u>	<u>1,762,778</u>	<u>42,272</u>
OTHER FINANCING SOURCES				
Transfers In	100,000	-	-	-
NET CHANGE IN FUND BALANCE	-	(62,050)	49,655	111,705
FUND BALANCE, Beginning	<u>326,317</u>	<u>514,168</u>	<u>247,503</u>	<u>(266,665)</u>
FUND BALANCE, Ending	\$ <u>326,317</u>	\$ <u>452,118</u>	\$ <u>297,158</u>	\$ <u>(154,960)</u>

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 TRANSPORTATION FUND
 Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 1,000,000	\$ 1,000,000	\$ 899,825	\$ (100,175)
Specific Ownership Taxes	44,000	50,000	51,715	1,715
Charges for Services	400,000	608,138	665,381	57,243
State Sources				
Transportation Funding	440,000	440,062	433,251	(6,811)
TOTAL REVENUES	1,884,000	2,098,200	2,050,172	(48,028)
EXPENDITURES				
Operations and Maintenance	37,000	37,000	38,204	(1,204)
Transportation	2,269,200	2,497,400	2,436,741	60,659
Training Services	63,800	63,800	62,079	1,721
TOTAL EXPENDITURES	2,370,000	2,598,200	2,537,024	61,176
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(486,000)	(500,000)	(486,852)	13,148
OTHER FINANCING SOURCES				
Transfers In	500,000	500,000	500,000	-
NET CHANGE IN FUND BALANCE	14,000	-	13,148	13,148
FUND BALANCE, Beginning	37,288	43,150	43,150	-
FUND BALANCE, Ending	\$ 51,288	\$ 43,150	\$ 56,298	\$ 13,148

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 BOND REDEMPTION FUND
 Year Ended June 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Local Sources				
Property Taxes	\$ 13,509,000	\$ 13,011,343	\$ 14,209,527	\$ 1,198,184
Delinquent Taxes, Penalties and Interest	<u>-</u>	<u>-</u>	<u>8,216</u>	<u>8,216</u>
TOTAL REVENUES	<u>13,509,000</u>	<u>13,011,343</u>	<u>14,217,743</u>	<u>1,206,400</u>
EXPENDITURES				
Debt Service				
Principal	7,405,000	7,405,000	7,405,000	-
Interest and Fiscal Charges	<u>6,104,000</u>	<u>6,104,000</u>	<u>6,107,353</u>	<u>(3,353)</u>
TOTAL EXPENDITURES	<u>13,509,000</u>	<u>13,509,000</u>	<u>13,512,353</u>	<u>(3,353)</u>
NET CHANGE IN FUND BALANCE	-	(497,657)	705,390	1,203,047
FUND BALANCE, Beginning	<u>10,032,505</u>	<u>11,110,990</u>	<u>11,110,990</u>	<u>-</u>
FUND BALANCE, Ending	\$ <u>10,032,505</u>	\$ <u>10,613,333</u>	\$ <u>11,816,380</u>	\$ <u>1,203,047</u>

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Investment Income	\$ -	\$ -	\$ 785	\$ 785
Other	40,000	31,020	30,760	(260)
Federal Sources				
Build America Bonds Interest Subsidy	-	-	125,425	125,425
TOTAL REVENUES	40,000	31,020	156,970	125,950
EXPENDITURES				
Capital Outlay	1,899,000	2,562,575	2,526,607	35,968
Debt Service				
Principal	1,202,500	1,202,500	1,200,000	2,500
Interest and Fiscal Charges	458,500	460,578	462,532	(1,954)
Repairs	-	283,347	-	283,347
TOTAL EXPENDITURES	3,560,000	4,509,000	4,189,139	319,861
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,520,000)	(4,477,980)	(4,032,169)	445,811
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	255,000	255,000	-
Transfers In	2,020,000	2,190,000	2,190,000	-
TOTAL OTHER FINANCING SOURCES	2,020,000	2,445,000	2,445,000	-
NET CHANGE IN FUND BALANCE	(1,500,000)	(2,032,980)	(1,587,169)	445,811
FUND BALANCE, Beginning	3,500,000	3,484,948	3,484,948	-
FUND BALANCE, Ending	\$ 2,000,000	\$ 1,451,968	\$ 1,897,779	\$ 445,811

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 DISTRICT HOUSING FUND
 Year Ended June 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
REVENUES				
Rental Income	\$ 160,000	\$ 140,000	\$ 135,233	\$ (4,767)
Other Income	-	170,000	663	(169,337)
TOTAL REVENUES	<u>160,000</u>	<u>310,000</u>	<u>135,896</u>	<u>(174,104)</u>
EXPENSES				
Salaries	21,000	21,000	20,428	572
Employee Benefits	8,000	8,000	7,269	731
Purchased Services	54,000	54,000	71,614	(17,614)
Supplies and Materials	40,000	40,000	18,296	21,704
Capital Outlay	-	37,000	2,753	34,247
Depreciation	<u>37,000</u>	<u>-</u>	<u>29,479</u>	<u>(29,479)</u>
TOTAL EXPENSES	<u>160,000</u>	<u>160,000</u>	<u>149,839</u>	<u>10,161</u>
INCOME (LOSS) BEFORE TRANSFERS	-	150,000	(13,943)	(163,943)
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>
CHANGE IN NET POSITION	-	(20,000)	(183,943)	(163,943)
NET POSITION, Beginning	<u>1,017,435</u>	<u>1,040,289</u>	<u>1,040,289</u>	<u>-</u>
NET POSITION, Ending	<u>\$ 1,017,435</u>	<u>\$ 1,020,289</u>	<u>\$ 856,346</u>	<u>\$ (163,943)</u>

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS
 BUDGETARY COMPARISON SCHEDULE
 EMPLOYEE BENEFIT TRUST FUND
 Year Ended June 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Positive (Negative)</u>
EXPENSES				
Administration Fees	\$ 902	\$ 10,000	\$ 94,953	\$ (84,953)
Claims	<u>499,098</u>	<u>1,045,515</u>	<u>(226,732)</u>	<u>1,272,247</u>
TOTAL EXPENSES	<u>500,000</u>	<u>1,055,515</u>	<u>(131,779)</u>	<u>1,187,294</u>
INCOME (LOSS) BEFORE TRANSFERS	(500,000)	(1,055,515)	131,779	1,187,294
OTHER FINANCING USES				
Transfers Out	<u>-</u>	<u>-</u>	<u>(1,187,294)</u>	<u>(1,187,294)</u>
CHANGE IN NET POSITION	(500,000)	(1,055,515)	(1,055,515)	-
NET POSITION, Beginning	<u>500,000</u>	<u>1,055,515</u>	<u>1,055,515</u>	<u>-</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditors' Report.

EAGLE COUNTY SCHOOLS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 STUDENT ACTIVITY
 Year Ended June 30, 2015

	BALANCES 6/30/2014	ADDITIONS	DEDUCTIONS	BALANCES 6/30/2015
ASSETS				
Cash and Investments	\$ <u>1,144,903</u>	\$ <u>981,151</u>	\$ <u>1,059,986</u>	\$ <u>1,066,068</u>
LIABILITIES				
Due to Student Groups	\$ <u>1,144,903</u>	\$ <u>981,151</u>	\$ <u>1,059,986</u>	\$ <u>1,066,068</u>

See the accompanying Independent Auditors' Report.

STATISTICAL SECTION

EAGLE COUNTY SCHOOLS
Net Position by Component
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Governmental activities					
Net Investment in Capital Assets	\$ 4,670,066	\$ (116,623,360)	\$ 25,396,437	\$ 31,051,569	\$ 21,142,826
Restricted	7,225,673	12,264,184	11,561,732	11,680,649	13,211,059
Unrestricted	16,389,688	146,342,508	9,642,870	5,558,406	10,972,742
Total governmental activities net position	<u>\$ 28,285,427</u>	<u>\$ 41,983,332</u>	<u>\$ 46,601,039</u>	<u>\$ 48,290,624</u>	<u>\$ 45,326,627</u>
Business-type activities					
Net Investment in Capital Assets	\$ 378,594	\$ 340,205	\$ 301,072	\$ 809,505	\$ 797,478
Unrestricted	(46,263)	108,737	169,996	213,221	186,355
Total business-type activities net position	<u>\$ 332,331</u>	<u>\$ 448,942</u>	<u>\$ 471,068</u>	<u>\$ 1,022,726</u>	<u>\$ 983,833</u>
Primary government					
Net Investment in Capital Assets	\$ 5,048,660	\$ (116,283,155)	\$ 25,697,509	\$ 31,861,074	\$ 21,940,304
Restricted	7,225,673	12,264,184	11,561,732	11,680,649	13,211,059
Unrestricted	16,343,425	146,451,245	9,812,866	5,771,627	11,159,097
Total primary government net position	<u>\$ 28,617,758</u>	<u>\$ 42,432,274</u>	<u>\$ 47,072,107</u>	<u>\$ 49,313,350</u>	<u>\$ 46,310,460</u>

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.

TABLE 1

2011	2012	2013	2014	2015
\$ 15,745,542	\$ 9,797,454	\$ 7,734,444	\$ 7,874,116	\$ 10,026,377
14,456,158	14,558,291	14,285,280	14,083,361	15,525,828
8,758,457	10,531,879	12,025,450	11,840,786	(100,488,719)
<u>\$ 38,960,157</u>	<u>\$ 34,887,624</u>	<u>\$ 34,045,174</u>	<u>\$ 33,798,263</u>	<u>\$ (74,936,514)</u>
\$ 737,996	\$ 746,240	\$ 814,385	\$ 492,230	\$ 98,584
222,520	332,518	569,367	548,059	757,762
<u>\$ 960,516</u>	<u>\$ 1,078,758</u>	<u>\$ 1,383,752</u>	<u>\$ 1,040,289</u>	<u>\$ 856,346</u>
\$ 16,483,538	\$ 10,543,694	\$ 8,548,829	\$ 8,366,346	\$ 10,124,961
14,456,158	14,558,291	14,285,280	14,083,361	15,525,828
8,980,977	10,864,397	12,594,817	12,388,845	(99,730,957)
<u>\$ 39,920,673</u>	<u>\$ 35,966,382</u>	<u>\$ 35,428,926</u>	<u>\$ 34,838,552</u>	<u>\$ (74,080,168)</u>

EAGLE COUNTY SCHOOLS
Changes in Net Position
Last Ten Fiscal Years

	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
Current:					
Instruction	\$ 28,479,456	\$ 27,911,528	\$ 31,779,754	\$ 38,245,670	\$ 42,826,781
Supporting services	19,644,370	21,378,476	24,363,714	24,101,064	30,830,181
Interest on long term debt	3,009,685	5,082,286	8,984,827	7,217,294	7,434,997
Total governmental activities	<u>51,133,511</u>	<u>54,372,290</u>	<u>65,128,295</u>	<u>69,564,028</u>	<u>81,091,959</u>
Business-type activities					
Food service	1,356,779	1,400,582	1,541,759	1,602,255	1,744,765
Employee housing	90,851	92,091	90,506	126,281	133,348
Total business-type activities	<u>1,447,630</u>	<u>1,492,673</u>	<u>1,632,265</u>	<u>1,728,536</u>	<u>1,878,113</u>
Total primary government expenses	<u>\$ 52,581,141</u>	<u>\$ 55,864,963</u>	<u>\$ 66,760,560</u>	<u>\$ 71,292,564</u>	<u>\$ 82,970,072</u>
Program revenues					
Governmental activities:					
Charges for service	\$ 816,315	\$ 753,254	\$ 868,357	\$ 1,032,204	\$ 1,242,220
Operating grants and contributions	3,617,003	4,390,928	3,935,164	5,197,724	6,552,789
Capital grants and contributions	39,611	54,315	-	-	-
Total governmental activities program revenue	<u>4,472,929</u>	<u>5,198,497</u>	<u>4,803,521</u>	<u>6,229,928</u>	<u>7,795,009</u>
Business-type activities:					
Charges for service					
Food service	867,575	898,989	927,920	839,829	732,889
District housing	141,860	141,874	130,603	138,159	145,787
Operating grants and contributions	525,940	553,063	595,868	735,171	906,166
Capital grants and contributions	-	15,358	-	500,000	-
Total business-type activities program revenue	<u>1,535,375</u>	<u>1,609,284</u>	<u>1,654,391</u>	<u>2,213,159</u>	<u>1,784,842</u>
Total primary government program revenues	<u>\$ 6,008,304</u>	<u>\$ 6,807,781</u>	<u>\$ 6,457,912</u>	<u>\$ 8,443,087</u>	<u>\$ 9,579,851</u>
Net (Expense) / Revenue					
Governmental activities	\$ (46,660,582)	\$ (49,173,793)	\$ (60,324,774)	\$ (63,334,100)	\$ (73,296,950)
Business-type activities	87,745	116,611	22,126	484,623	(93,271)
Total primary government net expense	<u>\$ (46,572,837)</u>	<u>\$ (49,057,182)</u>	<u>\$ (60,302,648)</u>	<u>\$ (62,849,477)</u>	<u>\$ (73,390,221)</u>

*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.

TABLE 2

2012	2013	2014	2015
\$ 41,816,115	\$ 41,032,263	\$ 43,222,676	\$ 46,693,195
30,191,463	26,224,131	29,610,047	35,801,713
7,738,412	7,293,570	6,099,948	5,777,879
<u>79,745,990</u>	<u>74,549,964</u>	<u>78,932,671</u>	<u>88,272,787</u>
1,632,902	1,636,314	-	-
106,371	131,311	116,806	149,839
<u>1,739,273</u>	<u>1,767,625</u>	<u>116,806</u>	<u>149,839</u>
<u>\$ 81,485,263</u>	<u>\$ 76,317,589</u>	<u>\$ 79,049,477</u>	<u>\$ 88,422,626</u>
\$ 1,530,516	\$ 1,921,745	\$ 2,931,853	\$ 1,483,866
5,971,961	5,696,852	8,055,594	8,543,336
-	-	121,681	125,425
<u>7,502,477</u>	<u>7,618,597</u>	<u>11,109,128</u>	<u>10,152,627</u>
725,109	835,578	-	-
155,962	139,482	139,660	135,233
976,444	1,047,559	-	-
-	-	-	-
<u>1,857,515</u>	<u>2,022,619</u>	<u>139,660</u>	<u>135,233</u>
<u>\$ 9,359,992</u>	<u>\$ 9,641,216</u>	<u>\$ 11,248,788</u>	<u>\$ 10,287,860</u>
\$(72,243,513)	\$(66,931,367)	\$(67,828,543)	\$(78,120,160)
118,242	254,994	22,854	(14,606)
<u>\$(72,125,271)</u>	<u>\$(66,676,373)</u>	<u>\$(67,800,689)</u>	<u>\$(78,134,766)</u>

EAGLE COUNTY SCHOOLS
Changes in Net Position - Continued
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Local property taxes	\$ 38,428,577	\$ 46,732,834	\$ 56,017,342	\$ 55,843,506	\$ 62,493,060
Specific ownership taxes	2,618,053	2,864,549	3,025,835	2,679,333	2,310,004
State equalization	8,179,420	9,091,628	892,042	4,385,923	3,662,810
Grants not restricted to specific programs	1,183,453	687,662	241,924	217,871	-
Investment income	517,704	3,994,797	5,045,414	1,968,306	553,378
Other	-	-	-	(4,214)	1,368,079
Transfers	-	-	(280,077)	(67,038)	(54,379)
Total governmental activities	<u>50,927,207</u>	<u>63,371,470</u>	<u>64,942,480</u>	<u>65,023,687</u>	<u>70,332,952</u>
Business-type activities:					
Other	-	-	-	-	-
Transfers	-	-	-	67,038	54,379
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,038</u>	<u>54,379</u>
Total primary government	<u>\$ 50,927,207</u>	<u>\$ 63,371,470</u>	<u>\$ 64,942,480</u>	<u>\$ 65,090,725</u>	<u>\$ 70,387,331</u>
Change in Net Position					
Governmental activities	\$ 4,266,625	\$ 14,197,677	\$ 4,617,706	\$ 1,689,587	\$ (2,963,998)
Business-type activities	87,745	116,611	22,126	551,661	(38,892)
Total primary government	<u>\$ 4,354,370</u>	<u>\$ 14,314,288</u>	<u>\$ 4,639,832</u>	<u>\$ 2,241,248</u>	<u>\$ (3,002,890)</u>

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.

TABLE 3

2011	2012	2013	2014	2015
\$62,448,639	\$54,203,228	\$53,498,964	\$50,150,229	\$ 51,257,231
2,098,497	2,065,651	2,204,151	2,386,297	2,761,851
355,434	9,704,283	10,273,931	13,311,387	17,470,913
1,674,514	300,292	125,491	-	479,744
373,872	28,650	37,537	21,489	20,148
1,264,129	1,076,228	1,097,715	1,340,913	1,342,711
(40,000)	-	(50,000)	-	170,000
<u>68,175,085</u>	<u>67,378,332</u>	<u>67,187,789</u>	<u>67,210,315</u>	<u>73,502,598</u>
-	-	-	-	663
40,000	-	50,000	-	(170,000)
40,000	-	50,000	-	(169,337)
<u>\$ 68,215,085</u>	<u>\$ 67,378,332</u>	<u>\$ 67,237,789</u>	<u>\$ 67,210,315</u>	<u>\$ 73,333,261</u>
\$ (6,366,470)	\$ (4,865,181)	\$ 256,422	\$ (613,228)	\$ (2,795,581)
(23,317)	118,242	304,994	22,854	(183,943)
<u>\$ (6,389,787)</u>	<u>\$ (4,746,939)</u>	<u>\$ 561,416</u>	<u>\$ (590,374)</u>	<u>\$ (2,979,524)</u>

EAGLE COUNTY SCHOOLS
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 3,120,053	\$ 1,214,800	\$ 1,292,800	\$ 1,508,000	\$ 1,870,000
Unreserved	11,122,888	14,615,715	14,765,119	12,040,672	10,996,103
Restricted	-	-	-	-	-
Unrestricted, Unassigned	-	-	-	-	-
Total General Fund	\$ 14,242,941	\$ 15,830,515	\$ 16,057,919	\$ 13,548,672	\$ 12,866,103
All Other Governmental Funds					
Reserved	\$ 5,680,629	\$ 137,643,000	\$ 95,954,849	\$ 32,983,779	\$ -
Nonspendable Inventories	-	-	-	-	-
Unreserved, reported in:					
Debt service fund	-	-	-	-	10,777,163
Capital projects funds	2,530,360	3,963,120	1,938,841	305,766	10,250,949
Restricted For:					
Debt Service	-	-	-	-	-
Capital Projects	-	-	-	-	-
Assigned To:					
Capital Outlay	-	-	-	-	-
Transportation	-	-	-	-	-
Nutrition Services	-	-	-	-	-
Unrestricted, Unassigned	-	-	-	-	-
Total all other governmental funds	\$ 8,210,989	\$ 141,606,120	\$ 97,893,690	\$ 33,289,545	\$ 21,028,112

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.

TABLE 4

2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,667,000	2,001,848	1,775,000	2,458,250	3,173,802
9,529,733	8,510,074	8,936,902	8,630,252	8,789,128
<u>\$ 11,196,733</u>	<u>\$ 10,511,922</u>	<u>\$ 10,711,902</u>	<u>\$ 11,088,502</u>	<u>\$ 11,962,930</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	47,288
-	-	-	-	-
-	-	-	-	-
11,323,445	12,733,092	12,633,775	11,948,469	12,654,217
12,056,033	3,002,273	2,334,556	667,495	444,176
150,573	121,908	1,082,731	1,979,974	615,766
64,538	17,184	17,163	43,150	56,298
-	-	-	247,503	249,870
(446,926)	(55,287)	(299,579)	(172,081)	(66,483)
<u>\$ 23,147,663</u>	<u>\$ 15,819,170</u>	<u>\$ 15,768,646</u>	<u>\$ 14,714,510</u>	<u>\$ 14,001,132</u>

EAGLE COUNTY SCHOOLS
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010
REVENUES					
Federal Sources	\$ 7,485,935	\$ 8,633,487	\$ 2,178,917	\$ 5,928,228	\$ 4,250,314
State Sources	1,848,441	2,248,376	2,378,624	3,459,496	5,785,951
Local Sources	<u>46,037,077</u>	<u>57,653,394</u>	<u>64,607,202</u>	<u>60,953,138</u>	<u>68,468,900</u>
Total revenues	<u>55,371,453</u>	<u>68,535,257</u>	<u>69,164,743</u>	<u>70,340,862</u>	<u>78,505,165</u>
EXPENDITURES					
Current:					
Instruction	25,352,454	26,548,549	28,895,819	32,325,020	37,515,839
Supporting Services	17,960,550	20,854,490	20,872,741	23,132,882	25,079,284
Capital outlay	2,263,463	13,554,336	47,522,618	67,181,371	16,037,277
Debt Service:					
Principal	3,895,000	4,140,000	6,465,000	6,150,000	2,100,000
Interest and Fiscal Charges	3,169,758	5,346,655	8,955,035	8,684,935	7,927,073
Debt Issuance Costs	303,769	-	-	-	120,057
Total expenditures	<u>52,944,994</u>	<u>70,444,030</u>	<u>112,711,213</u>	<u>137,474,208</u>	<u>88,779,530</u>
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	<u>2,426,459</u>	<u>(1,908,773)</u>	<u>(43,546,470)</u>	<u>(67,133,346)</u>	<u>(10,274,365)</u>
OTHER FINANCING SOURCES (USES)					
Debt Issued	37,018,967	-	-	-	13,800,000
Debt Premium	-	-	-	-	1,064,828
Payment to Escrow Agent	(36,715,197)	-	-	-	(19,494,923)
Sale of Capital Assets	-	-	61,446	19,953	-
Transfers in	438,186	-	-	-	1,503,258
Transfers out	(528,558)	-	-	-	(1,503,258)
Total other financing sources (uses)	<u>213,398</u>	<u>-</u>	<u>61,446</u>	<u>19,953</u>	<u>(4,630,095)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,639,857</u>	<u>\$ (1,908,773)</u>	<u>\$ (43,485,024)</u>	<u>\$ (67,113,393)</u>	<u>\$ (14,904,460)</u>
Debt service as a percentage of noncapital expenditures	14.5%	16.7%	23.7%	21.1%	13.9%

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.

TABLE 5

2011	2012	2013	2014	2015
\$ 5,567,694	\$ 2,986,046	\$ 1,891,057	\$ 4,676,488	\$ 4,905,939
2,354,302	10,495,253	11,080,005	15,663,754	20,724,080
67,950,937	62,447,059	61,732,151	58,839,632	59,710,466
75,872,933	75,928,358	74,703,213	79,179,874	85,340,485
35,464,796	35,891,461	34,937,057	36,969,071	39,243,507
27,606,284	26,185,023	23,393,321	26,149,057	29,846,730
7,733,457	7,213,170	647,920	1,287,594	2,526,607
6,875,000	7,275,000	7,605,000	8,665,000	8,605,000
8,351,065	8,212,609	7,920,459	6,886,340	6,569,885
251,792	-	873,588	-	-
86,282,394	84,777,263	75,377,345	79,957,062	86,791,729
(10,409,461)	(8,848,905)	(674,132)	(777,188)	(1,451,244)
11,520,000	-	102,245,000	-	-
215,243	-	18,477,919	-	-
-	-	(119,849,331)	-	-
-	-	-	-	255,000
941,433	534,352	1,238,183	2,320,247	3,877,294
(981,433)	(534,352)	(1,288,183)	(2,320,247)	(2,520,000)
11,695,243	-	823,588	-	1,612,294
\$ 1,285,782	\$ (8,848,905)	\$ 149,456	\$ (777,188)	\$ 161,050
19.7%	20.0%	21.9%	19.8%	18.0%

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
2006	2,129,023,580	19,586,189,670	78,303,670	269,153,670	157,640,110	540,946,660
2007	2,205,824,260	20,289,843,370	80,195,980	272,650,180	141,234,740	549,068,860
2008	3,070,713,070	28,665,521,650	84,770,040	471,309,270	222,567,340	937,768,360
2009	3,098,324,840	29,762,511,660	89,144,250	308,228,950	223,818,220	936,862,780
2010	3,512,789,430	34,245,196,420	101,651,460	350,522,450	300,211,100	1,193,813,520
2011	3,532,369,970	34,694,499,120	92,521,320	319,038,940	306,005,580	1,216,552,680
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

Source: Eagle County Assessor's Office

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

Years	Residential	Commercial
2005	7.96%	29.00%
2006	7.96%	29.00%
2007	7.96%	29.00%
2008	7.96%	29.00%
2009	7.96%	29.00%
2010	7.96%	29.00%
2011	7.96%	29.00%
2012	7.96%	29.00%
2013	7.96%	29.00%
2014	7.96%	29.00%

TABLE 6

Total Value		Ratio of Total Assessed Value to Total Estimated Actual Value
Assessed Value	Estimated Value	
2,364,967,360	20,396,290,000	11.60%
2,427,254,980	21,111,562,410	11.50%
3,378,050,450	30,074,599,280	11.23%
3,411,287,310	31,007,603,390	11.00%
3,914,651,990	35,789,532,390	10.94%
3,930,896,870	36,230,090,740	10.85%
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%

EAGLE COUNTY SCHOOLS
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

	2006	2007	2008	2009	2010
Eagle County School District					
General operations	15.639	15.489	14.586	14.855	14.359
General obligation debt service	3.505	7.090	5.123	5.218	4.736
Transportation	0.451	0.471	0.342	0.341	0.306
Total direct property tax rate	<u>19.595</u>	<u>23.050</u>	<u>20.051</u>	<u>20.414</u>	<u>19.401</u>
County Government					
General Fund	4.919	4.924	4.924	4.924	4.924
Special Revenue Funds	1.960	2.032	2.014	2.014	2.014
Capital Expenditures Fund	0.043	0.043	0.061	0.061	0.061
Debt Service Funds	0.077	0.000	0.000	0.000	0.000
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	0.230	0.221	0.191	0.199	0.000
Total County-wide levies	<u>12.726</u>	<u>12.717</u>	<u>12.687</u>	<u>12.695</u>	<u>12.496</u>
Municipalities					
Avon	13.339	13.287	12.271	11.392	11.208
Basalt	6.474	6.560	5.058	5.181	3.873
Eagle	3.327	3.173	2.683	3.997	3.547
Gypsum	5.664	5.604	5.414	5.094	5.094
Minturn	17.934	17.934	17.934	17.934	17.934
Redcliff	48.916	51.687	38.827	37.820	33.878
Vail	4.702	4.699	4.690	4.979	4.690
Fire Protection, Ambulance and Hospital Districts					
Several, range from high of	7.927	10.000	10.000	10.000	10.000
to low of	2.010	2.006	2.019	2.055	1.780
Water, Sanitation, Library, Metro and Cemetery Districts					
Several, range from high of	45.345	50.981	45.000	99.000	67.000
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 7

2011	2012	2013	2014	2015
14.382	15.085	15.087	15.030	15.180
4.785	6.120	5.878	5.382	5.961
0.307	0.396	0.397	0.414	0.376
<u>19.474</u>	<u>21.601</u>	<u>21.362</u>	<u>20.826</u>	<u>21.517</u>
4.924	4.924	4.924	4.924	4.924
2.014	2.014	2.014	2.014	2.014
0.061	0.061	0.061	0.006	0.061
0.000	0.000	0.000	0.000	0.000
<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>
8.499	8.499	8.499	8.499	8.499
3.997	3.997	3.997	3.997	3.997
<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
<u>12.496</u>	<u>12.496</u>	<u>12.496</u>	<u>12.496</u>	<u>12.496</u>
11.220	11.220	11.983	12.258	12.207
4.066	4.066	6.386	7.560	9.881
3.659	3.659	4.064	4.475	4.499
5.094	5.094	5.094	5.094	5.094
17.934	17.934	17.934	17.934	17.934
33.878	33.878	33.878	33.878	33.878
4.726	4.726	4.765	4.706	4.735
10.000	10.000	10.000	10.000	10.000
1.768	1.768	2.023	2.006	2.019
62.000	62.000	100.000	115.000	112.000
0.000	0.000	0.000	0.000	0.000

TABLE 8

EAGLE COUNTY SCHOOLS
Principal Property Tax Payers
6/30/2015 and 9 Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	2014 Rank	% of Total County Taxable Assessed Valuation	Taxable Assessed Value	2014 Rank	% of Total County Taxable Assessed Valuation
Vail Corp	62,097,050	1	2.17%	52,973,890	1	2.17%
Vail Associates	25,211,050	2	0.88%	13,302,730	4	0.88%
Union Pacific Corp	24,139,900	4	0.84%	10,158,210	7	0.84%
DiamondRock Vail Owner LLC	18,056,060	3	0.63%	7,325,530	11	0.63%
Public Service Co of CO	19,512,400	5	0.68%			
Holy Cross Electric Assoc Inc.	18,995,800	6	0.66%	9,026,530	10	0.66%
Solaris Property Owner LLC	10,310,110	7	0.36%			
Ferruco Vail Ventures LLC	10,580,610	8	0.37%			
Ritz-Carlton Development CO INC	10,152,490	9	0.35%			
WTCC Beaver Creek Investors LLC	9,666,680	11	0.34%			
Arrabelle at Vail Square				14,661,340	2	0.75%
Crescent Real Estate Funding				14,064,200	3	0.72%
Bachelor Gulch Operating				11,089,690	5	0.57%
Vail Associates INC				10,333,860	6	0.53%
Vail Plaza Development				9,681,740	8	0.50%
L-O Vail Holding INC				9,564,090	9	0.49%
Total Assessed Valuation	\$ 208,722,150		7.28%	\$ 162,181,810		8.74%

Source: Eagle County Assessor's Office

TABLE 9

EAGLE COUNTY SCHOOLS
Property Tax Levies And Collections
Last Ten Fiscal Years

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
2006	40,478,703	39,442,989	97.4%	795,707	40,238,696	99.4%
2007	48,988,525	47,806,306	97.6%	960,197	48,766,503	99.5%
2008	58,596,416	55,372,153	94.5%	1,979,979	57,352,132	97.9%
2009	59,888,244	59,413,901	99.2%	1,908,877	61,322,778	102.4%
2010	63,412,390	62,493,060	98.6%	1,503,665	63,996,725	100.9%
2011	63,509,868	60,953,478	96.0%	2,238,913	63,192,391	99.5%
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	50,911,821	98.6%	1,189,526	52,101,347	100.9%

Source: Eagle County Schools Finance Department

TABLE 10

EAGLE COUNTY SCHOOLS
Ratio Of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Net Bonded Debt per Capita	Percentage of Per Capita Income
2006	64,875,000	2.74%	1,329	3.01%
2007	189,105,000	7.79%	3,736	7.95%
2008	182,640,000	5.41%	3,478	7.32%
2009	176,490,000	5.17%	3,275	6.60%
2010	169,300,000	4.32%	3,063	6.74%
2011	162,425,000	4.13%	3,112	6.96%
2012	155,250,000	5.14%	2,860	6.24%
2013	146,475,000	4.85%	2,729	5.61%
2014	138,995,000	4.84%	2,502	5.16%
2015	131,390,000	4.59%	2,505	4.97%

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
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assessed valuation	<u>\$2,065,766,954</u>	<u>\$2,125,308,501</u>	<u>\$2,922,368,820</u>	<u>\$2,933,681,930</u>	<u>\$3,268,342,952</u>
Debt limit (20% of assessed valuation)	\$ 413,153,391	\$ 425,061,700	\$ 584,473,764	\$ 586,736,386	\$ 653,668,590
Debt applicable to limit:					
General obligation bonds	\$ 64,875,000	\$ 189,105,000	\$ 182,640,000	\$ 176,490,000	\$ 169,300,000
Less: Amount set aside for repayment of general obligation debt	<u>(5,680,629)</u>	<u>(11,049,384)</u>	<u>(15,419,426)</u>	<u>(10,172,649)</u>	<u>(10,777,163)</u>
Total net debt applicable to limit	<u>59,194,371</u>	<u>178,055,616</u>	<u>167,220,574</u>	<u>166,317,351</u>	<u>158,522,837</u>
Legal debt margin	<u>\$ 353,959,020</u>	<u>\$ 247,006,084</u>	<u>\$ 417,253,190</u>	<u>\$ 420,419,035</u>	<u>\$ 495,145,753</u>
Total net debt applicable to the limit as a percentage of debt limit	2.87%	8.38%	5.72%	5.67%	4.85%

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 11

2011	2012	2013	2014	2015
<u>\$3,261,264,657</u>	<u>\$2,525,433,131</u>	<u>2,519,484,390</u>	<u>2,498,757,550</u>	<u>2,400,080,750</u>
<u>\$ 652,252,931</u>	<u>\$ 505,086,626</u>	<u>\$ 503,896,878</u>	<u>\$ 499,751,510</u>	<u>\$ 480,016,150</u>
\$ 162,425,000	\$ 155,250,000	\$ 146,475,000	\$ 138,995,000	\$ 140,450,000
<u>(11,323,445)</u>	<u>(11,896,492)</u>	<u>(11,796,093)</u>	<u>(11,110,990)</u>	<u>(11,816,380)</u>
<u>151,101,555</u>	<u>143,353,508</u>	<u>134,678,907</u>	<u>127,884,010</u>	<u>128,633,620</u>
<u>\$ 501,151,376</u>	<u>\$ 361,733,118</u>	<u>\$ 369,217,971</u>	<u>\$ 371,867,500</u>	<u>\$ 351,382,530</u>
4.63%	5.68%	5.35%	5.12%	5.36%

TABLE 12

EAGLE COUNTY SCHOOLS
Direct and Overlapping Governmental Activities Debt
June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Town of Avon	1,005,000	100.00%	1,005,000
Town of Eagle	461,528	100.00%	461,528
Town of Basalt	7,030,223	65.97%	4,638,049
Basalt & Rural Fire District	165,083	58.00%	95,748
Basalt Regional Library District	8,910,000	50.60%	4,508,460
Airport Commerce Center Metro District	3,200,000	100.00%	3,200,000
Arrowhead Metro District	13,595,000	100.00%	13,595,000
Beaver Creek Metro District	6,908,019	100.00%	6,908,019
Berry Creek Metro District	3,865,000	100.00%	3,865,000
Eagle Vail Metro District	6,110,000	100.00%	6,110,000
Bachelor Gulch Metro District	20,465,000	100.00%	20,465,000
Lake Creek Metro District	176,082	100.00%	176,082
Cotton Ranch Metro District	7,840,000	100.00%	7,840,000
Eagle Ranch Metro District	15,955,000	100.00%	15,955,000
Crown Mountain Park & Rec District	3,070,000	55.96%	1,717,972
Solaris Metro District No. 1	28,191,000	100.00%	28,191,000
Red Sky Ranch Metro District	6,260,000	100.00%	6,260,000
Ruedi Shores Metro District	1,764,000	100.00%	1,764,000
Buckhorn Valley Metro District #2	9,280,000	100.00%	9,280,000
Western Eagle County Metro Rec District	3,115,000	100.00%	3,115,000
Traer Creek Metro District	40,175,000	100.00%	40,175,000
Cascade Village Metro District	2,035,000	100.00%	2,035,000
Confluence Metro District	23,550,000	100.00%	23,550,000
Chatfield Corners Metro District	2,740,000	100.00%	2,740,000
Cordillera Valley Club Metro District	21,202	100.00%	21,202
Valagua Metro District	21,000,000	100.00%	21,000,000
Cordillera Metro District	11,750,000	100.00%	11,750,000
Cordillera Mountain Metro District	5,915,000	100.00%	5,915,000
Mid-Valley Metro			
School District JT-1 (West Grand)	8,535,000	2.95%	251,783
School District RE-1 (Roaring Fork)	82,859,984	19.75%	16,364,847
Vail Square Metro District No. 1	14,560,000	100.00%	14,560,000
Basalt Sanitation District	1,915,050	44.52%	852,580
Eagle River Water & Sanitation Dist (Wastewater)	2,573,865	100.00%	2,573,865
Eagle River Water & San Dist- Water Sub Dist- Vail	9,805,000	100.00%	9,805,000
Subtotal, Total Overlapping Debt	\$ 374,801,036		\$ 290,745,135
Eagle County School District direct debt			\$ 140,450,000
Total direct and overlapping debt			<u>\$ 431,195,135</u>

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.

TABLE 13

EAGLE COUNTY SCHOOLS
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Per Capita Income	October 1 School Enrollment	October 1 Funded Pupil Count	Unemployment Rate
2006	48,820	44,220	5,332	4,989.0	3.3%
2007	50,612	46,985	5,427	5,096.5	3.4%
2008	52,517	47,511	5,681	5,288.0	3.1%
2009	53,898	49,635	6,007	5,637.0	3.6%
2010	55,269	45,430	6,244	5,880.0	7.3%
2011	52,197	44,709	6,181	5,846.0	9.5%
2012	54,283	45,807	6,344	5,993.7	8.6%
2013	53,681	48,618	6,408	6,013.5	8.1%
2014	55,548	48,485	6,520	6,182.4	6.6%
2015	52,460	50,416	6,713	6,371.0	4.2%

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.

TABLE 14

EAGLE COUNTY SCHOOLS
Principal Employers
6/30/2015 and 9 Years Ago

<u>Employer</u>	<u>2015</u>			<u>2006</u>
	<u>Rank</u>	<u>Number of Employees</u>	<u>Percentage of Total County Employment</u>	<u>Rank</u>
Vail Resorts Inc.	1	7,200	22.0%	1
Vail Valley Medical Center	2	881	2.7%	3
Eagle County School District	3	830	2.5%	2
Vail Cascade Resort	4	451	1.4%	6
Eagle County Government	5	446	1.4%	5
Ritz Carlton- Bachelor Gulch	6	375	1.1%	4
Vail Marriot	7	325	1.0%	
Sonnenalp Resort	8	325	1.0%	10
Town of Vail	9	324	1.0%	
Park Hyatt Beaver Creek Resort & Spa	10	298	0.9%	7
Wal-Mart Stores	11	250	0.8%	9
East West Resorts				8

Source: Eagle County

TABLE 15

EAGLE COUNTY SCHOOLS
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Governmental Fund Expenditures	Funded Students	Cost Per Pupil	Percentage Change
2006	52,944,994	4,989.0	10,612	-4.0%
2007	70,444,030	5,096.5	13,822	30.2%
2008	112,711,213	5,288.0	21,315	54.2%
2009	137,474,208	5,637.0	24,388	14.4%
2010	88,779,530	5,880.0	15,099	-38.1%
2011	86,282,394	5,847.0	14,757	-2.3%
2012	84,777,263	5,994.0	14,144	-4.2%
2013	75,377,345	6,013.5	12,535	-11.4%
2014	78,270,896	6,182.4	12,660	1.0%
2015	86,784,443	6,723.5	12,908	2.0%

Source: Eagle County Schools Finance

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

TABLE 16

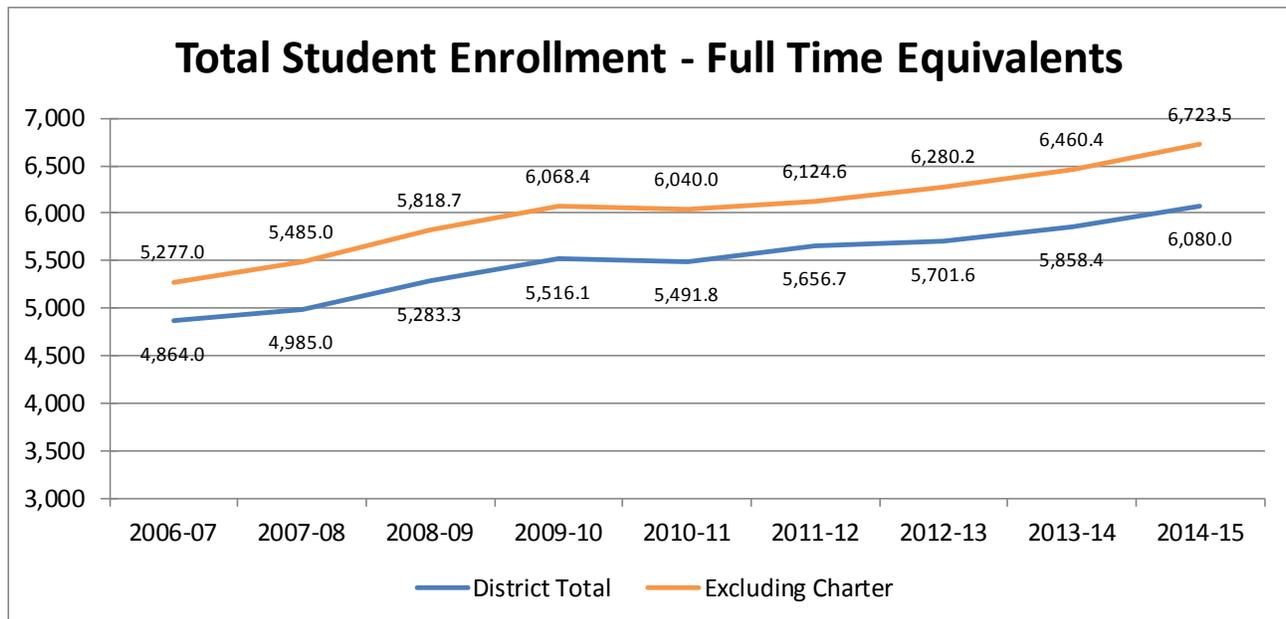
EAGLE COUNTY SCHOOLS
District Employees - Full Time Equivalents
6/30/2015

Location	100-104	105-125	201-209	210-220	230-239	320-358	360-399	400-499	500-599	600-699	Total FTEs
	District Admin	School Admin	Teachers	Other Teachers	ESS Certified Staff	Professional Staff	Technical Support	Instructional Support Staff	Office/Admin Support	Trades & Services	
General Fund											
110 Eagle Valley Elementary		1.00	20.15					6.57	1.50	1.38	30.60
120 Brush Creek Elementary		1.00	25.31	0.40				8.60	1.88	2.00	39.19
130 Avon Elementary		1.50	18.45	0.40				8.63	1.50	2.00	32.48
140 Red Sandstone Elementary		1.00	19.46					3.99	1.50	1.50	27.45
160 Gypsum Elementary		1.00	23.26	0.50				9.09	2.00	2.00	37.85
170 Edwards Elementary		1.00	19.66	1.10				2.63	2.00	2.00	28.39
180 Red Hill Elementary		1.00	22.96	0.75				12.57	1.94	1.94	41.16
190 June Creek Elementary		1.00	24.12	1.00				15.48	2.00	2.00	45.60
210 Eagle Valley Middle		2.00	17.50	0.50				2.00	2.00	1.38	25.38
230 Berry Creek Middle		1.60	24.60	1.40				8.86	2.63	1.75	40.84
240 Gypsum Creek Middle		2.00	21.85	0.50				5.85	2.00	2.00	34.20
310 Battle Mountain High		3.00	44.54	3.24				5.11	4.00	5.00	64.89
320 Eagle Valley High		3.00	34.80	4.61				6.00	4.50	4.00	56.91
340 Vail Ski and Snowboard Academy		1.50	11.50	1.00				1.14	1.00	1.00	17.14
390 Red Canyon High		1.50	14.38	0.75				2.86	1.50	1.00	21.99
461 World Academy			0.50								0.50
501 Homestake Peak School		2.00	37.22	1.00				11.66	2.00	3.00	56.88
610 Superintendent & Board of Education	2.00					1.00					3.00
619 Gifted & Talented			5.00	-				1.00			6.00
620 Educator Quality	1.00			2.00		1.00					4.00
621 Instructional Services		1.00		2.00					1.00		4.00
622 Student Services	1.00			2.00		2.00					5.00
623 Assessment											-
624 Nursing					2.00			13.82			15.82
625 Exceptional Student Services	1.00	2.00	1.00	3.81	18.91	1.20		3.00	3.00		33.92
626 English Language Acquisition (ELA)				1.00		4.00					5.00
627 Preschool				0.75				2.13	1.88		4.76
629 Community Relations/Grant Writer	1.00										1.00
630 Business Services	1.00					1.00			3.00	1.13	6.13
640 Human Resources	1.00	1.00							4.00	1.00	7.00
650 Technology							13.00		1.00		14.00
670 Food Services											-
710 Maintenance						1.00			1.00	12.19	14.19
720 Transportation											-
950 ECCA			1.81								1.81
General Fund Total	8.00	29.10	388.07	28.71	20.91	11.20	13.00	130.99	48.83	48.27	727.08
Other District Funds											
21 Nutrition Services Fund						1.00			1.75	22.42	25.17
22 Grants Fund			27.36	1.25				11.33	2.63		42.57
25 Transportation Fund						1.00		0.30	5.38	30.70	37.38
52 District Housing Fund										1.25	1.25
Total District Funds	-	-	27.36	1.25	-	2.00	-	11.63	9.76	54.37	106.37
Total All Funds	8.00	29.10	415.43	29.96	20.91	13.20	13.00	142.62	58.59	102.64	833.45

TABLE 17

EAGLE COUNTY SCHOOLS
Student Enrollment - Full Time Equivalents
Last Ten Fiscal Years

Year	General (Excluding Charters)	District (Total)	CSI	ECCA/NAS	Charter
2006-07	4,864.0	5,277.0	149.0	264.0	413.0
2007-08	4,985.0	5,485.0	195.0	305.0	500.0
2008-09	5,283.3	5,818.7	181.4	354.0	535.4
2009-10	5,516.1	6,068.4	188.3	364.0	552.3
2010-11	5,491.8	6,040.0	193.2	355.0	548.2
2011-12	5,656.7	6,124.6	130.9	337.0	467.9
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



Source: Eagle County Schools Finance

TABLE 18

EAGLE COUNTY SCHOOLS
Schedule of Insurance
(Unaudited)

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

TABLE 19

EAGLE COUNTY SCHOOLS
Facility Statistics

	<u>SCHOOL</u>	<u>GRADE LEVEL</u>	<u>BLDG. SQ. FT.</u>	<u>APPROX. ACREAGE</u>	<u>YEAR BUILT</u>	<u>CAPACITY</u>
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	47,739	see EVMS	1973	550
6	Eagle Valley High	9-12	155,147	17.0	1975/2009	800
7	Eagle Valley Middle	6-8	53,779	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	June Creek Elementary	P-5	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	6,000	0.2	leased	70
15	Red Hill Elementary	K-5	62,943	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
			1,241,201	207.7		7,827
	Other buildings - add		<u>39,300</u>			
			<u>1,280,501</u>			

Source: Eagle County Schools Maintenance Department



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COMPLIANCE SECTION

SINGLE AUDIT

Board of Education
Eagle County Schools
Eagle, Colorado

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

We have audited, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Eagle County Schools as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Eagle County Schools, and have issued our report thereon dated November 11, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Eagle County Schools' internal control over financial reporting 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 Eagle County Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Eagle County Schools' internal control over financial reporting.

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 Eagle County Schools' 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 the Eagle County Schools' internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Eagle County Schools' financial statements are free from 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*.

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 Eagle County Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Eagle County Schools' internal control and compliance. Accordingly, this report is not suitable for any other purpose.



November 11, 2015

Board of Education
Eagle County Schools
Eagle, Colorado

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

Report on Compliance for Each Major Federal Program

We have audited the Eagle County Schools' compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Eagle County Schools' major federal programs for the year ended June 30, 2015. The Eagle County Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Eagle County Schools' 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Eagle County Schools' 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 of the Eagle County Schools' compliance.

Opinion on Each Major Federal Program

In our opinion, the Eagle County Schools 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, 2015.

Report on Internal Control Over Compliance

Management of the Eagle County Schools 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 Eagle County Schools' 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 OMB Circular A-133, 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 Eagle County Schools' internal control over compliance.

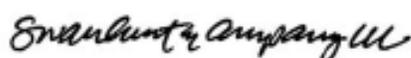
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 Eagle County Schools' 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 deficiencies. 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.

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 on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the 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 the Eagle County Schools as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Eagle County Schools. We issued our report thereon dated November 11, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eagle County Schools' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.



November 11, 2015

**EAGLE COUNTY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015**

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditors' report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

yes no

Identification of major federal programs:

84.010 Title I
93.600 Head Start

Dollar threshold used to distinguish between type A and type B program: \$300,000

Auditee qualified as low-risk auditee? yes no

Financial Statement Findings

The audit of the financial statements did not disclose significant deficiencies in internal control that would be considered material weaknesses and did not disclose fraud, violations of provisions of contracts and grant agreements, or abuse that were material to those financial statements.

Federal Awards Findings and Questioned Costs

The audit of federal awards did not disclose significant deficiencies in internal control that would be considered material weaknesses, and did not disclose instances of noncompliance or abuse that were material to those federal awards.

EAGLE COUNTY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Expenditures
U.S. Department of Education			
Passed through Colorado Department of Education			
Title I	4010	84.010	765,447
Special Education	4027	84.027	1,071,814
Special Education - Preschool	4173	84.173	27,224
English Language Acquisition	4365	84.365	124,780
Mathematics and Science Partnerships	5366	84.366	558,848
Improving Teacher Quality	4367	84.367	104,068
Race to the Top - Early Learning Challenge	5412	84.412	2,857
Passed through Colorado Community College System			
Career and Technical Education		84.048	<u>22,950</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>2,677,988</u>
U.S. Department of Health and Human Services			
Direct Program			
Head Start		93.600	<u>453,636</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>453,636</u>
U.S. Department of Agriculture			
Passed through Colorado Department of Education			
School Breakfast Program	4553	10.553	126,847
National School Lunch Program	4555	10.555	936,697
Passed through Colorado Department of Human Services			
Donated Commodities		10.555	<u>105,602</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,169,146</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 4,300,770</u>

See the accompanying Independent Auditors' Report.

Eagle County Schools
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 0910 - EAGLE COUNTY RE SO
 Fiscal Year 2014-15
 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	11,086,500		58,535,971		57,661,542		11,962,930
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
Sub-Totals	11,086,500		58,535,971		57,661,542		11,962,930
11 Charter School Fund	719,870		3,734,761		3,636,013		818,619
20.26-29 Special Revenue Fund	0		0		0		0
21 Food Service Spec Revenue Fund	247,503		1,812,433		1,762,778		297,158
22 Govt Designated Purpose Grants Fund	-172,080		4,305,677		4,200,079		-66,483
23 Pupil Activity Special Revenue Fund	0		0		0		0
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	43,150		2,041,203		2,028,055		56,298
31 Bond Redemption Fund	11,116,990		14,217,743		13,512,353		11,816,380
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	3,484,948		2,601,971		4,185,139		1,897,779
Totals	26,922,661		87,249,759		86,985,959		26,782,661
Proprietary							
50 Other Enterprise Funds	1,040,290		-34,105		149,839		856,346
64 (63) Risk-Related Activity Fund	0		0		0		0
60.65-69 Other Internal Service Funds	1,055,514		-1,187,294		-131,780		0
Totals	2,095,804		-1,221,289		16,059		856,346
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	1,144,904		981,151		1,059,986		1,066,068
79 GASB 34 Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	1,144,904		981,151		1,059,986		1,066,068
							FINAL

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

