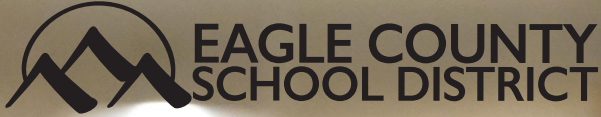


Annual Comprehensive Financial Report



Eagle County School District RE50J
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www.eagleschools.net

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

EAGLE COUNTY SCHOOL DISTRICT RE50J

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023
County of Eagle
State of Colorado

Philip Qualman
Superintendent



Prepared by: Business
Services

Sandra Farrell,
Chief Operating Officer

EAGLE COUNTY SCHOOLS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2023

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
Principal Officials	xi
Organization Chart.....	xii
GFOA Certificate of Excellence in Financial Reporting	xiii
ASBO Certificate of Excellence in Financial Reporting	xiv

FINANCIAL SECTION

Independent Auditor’s Report	A1
Management’s Discussion and Analysis	B1

Basic Financial Statements

Statement of Net Position	C1
Statement of Activities	C2
Balance Sheet – Governmental Funds	C4
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	C5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C6
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C7
Statement of Net Position – Proprietary Fund	C8
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	C9
Statement of Cash Flows – Proprietary Fund.....	C10
Notes to the Basic Financial Statements.....	D1

Required Supplementary Information

Budgetary Comparison Schedule – General Fund.....	E1
Budgetary Comparison Schedule – Government Designated-Purpose Grant Fund.....	E2
Schedule of District’s Proportionate Share of the Net Pension Liability	E3
Schedule of District Pension Contributions	E4
Schedule of District’s Proportionate Share of the Net OPEB Liability	E5
Schedule of District OPEB Contributions	E6
Notes to Required Supplementary Information	E7

Combining and Individual Fund Financial Statements and Schedules

Budgetary Comparison Schedule – Building Fund	F1
Budgetary Comparison Schedule – Bond Redemption Fund	F2
Combining Balance Sheet – Nonmajor Governmental Funds.....	F3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	F4
Budgetary Comparison Schedule – Nutrition Services Fund	F5
Budgetary Comparison Schedule – Pupil Activity Fund	F6
Budgetary Comparison Schedule – Capital Reserve Fund.....	F7
Budgetary Comparison Schedule – Transportation Fund	F8
Budgetary Comparison Schedule – District Housing Fund	F9

STATISTICAL SECTION

Financial Trends

Net Position by Component.....	G1
Changes in Net Position	G3
Fund Balances, Governmental Funds	G7
Changes in Fund Balances, Governmental Funds.....	G9

Revenue Capacity

Assessed Value and Actual Value of Taxable Property	G11
Direct and Overlapping Property Tax Rates.....	G13
Principal Property Tax Payers	G15
Property Tax Levies and Collections	G16

Debt Capacity

Legal Debt Margin Information	G17
Ratio of Outstanding Debt by Type	G19
Ratio of General Bonded Debt Outstanding	G20
Direct and Overlapping Governmental Activities Debt	G21

Demographic and Economic Information

Demographic and Economic Statistics	G22
Principal Employers	G23

Operating Information

Operating Statistics.....	G24
District Employees – Full Time Equivalent	G25
Student Enrollment – Full Time Equivalent.....	G26
Schedule of Insurance	G27
Facility Statistics	G28

COMPLIANCE SECTION**Single Audit**

Independent Auditor's 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	H1
Independent Auditor's Report on Compliance for Each Major Federal Program, Internal Control Over Compliance, and the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	H3
Schedule of Audit Findings and Questioned Costs	H6
Schedule of Expenditures of Federal Awards	H8

State Compliance

Auditors Integrity Report	H12
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Introductory Section

Sandra Farrell
Chief Operating Officer
sandra.farrell@eagleschools.net

February 23, 2024

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

It is our pleasure to submit the Annual Comprehensive Financial Report of the Eagle County Schools for the fiscal year ended June 30, 2023.

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. State law also provides the opportunity to extend this to the last day of February. 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 2023 Annual Comprehensive Financial Report presentation is in compliance with the governmental financial reporting model established by the Governmental Accounting Standards Board (GASB) Statement No. 34 titled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Accounting and financial reporting for state and local governments previously focused on funds to demonstrate fiscal accountability. The GASB Statement No. 34 reporting model parallels private sector reporting by consolidating fund-based presentations into government-wide financial statements designed to ensure and demonstrate fiscal and operational accountability.

McMahan and Associates, LLC, Certified Public Accountants, have issued an unmodified

("clean") opinion on the Eagle County Schools financial statements for the year ended June 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the District

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

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

Serving Pre-K through 12th grade students from Vail to Dotsero, including Bond and McCoy, Eagle County Schools is an innovative district comprised of 1,000+ professionals engaging nearly 6,900 students. Our student population is diverse in both demographics and economic background. With 32% of students being English Language Learners compared with the state average of 12% 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, 34% of our students qualify for free and reduced lunch. Our schools and students are supported by active PTA's, local non-profit foundations, youth services-focused organizations, and a variety of private-public partnerships and individual philanthropists. Our mission is to teach the students of Eagle County to have creative and active minds, compassion for others, enthusiasm for lifelong learning, and the courage to act on their dreams.

The district provides a full and challenging range of educational programs and services

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

One charter school, Eagle County Charter Academy, is included as a discretely presented component unit of Eagle County Schools for the 2022-23 Annual Comprehensive Financial Report.

Budget Process

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

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

Economic Conditions and Outlook

National and International

This summary of the national economic conditions is derived from information posted on the Congressional Budget Office (CBO) website at <https://www.cbo.gov/> . Specific documents cited are: *The 2024 Long-Term Budget Outlook: February 2024*.

In CBO's projections, the federal budget deficit grows from \$1.6 trillion in fiscal year 2024 to \$2.6 trillion in 2034. Deficits also expand in relation to the size of the economy, from 5.6 percent of gross domestic product (GDP) in 2024, when the collection of certain postponed tax payments temporarily boosts revenues, to 6.1 percent of GDP in 2025. In 2026 and 2027, revenues increase faster than outlays, causing the deficit to shrink to 5.2 percent of GDP by 2027. Thereafter, outlays rise faster than revenues. By 2034, the deficit returns to 6.1 percent of GDP— significantly larger than the 3.7 percent that deficits have averaged over the past 50 years.

Debt held by the public rises each year in relation to the size of the economy, reaching 116 percent of GDP in 2034—an amount greater than at any point in the nation’s history.

From 2024 to 2034, increases in mandatory spending and interest costs outpace declines in discretionary spending and growth in revenues and the economy, driving up debt. That trend persists, pushing federal debt to 172 percent of GDP in 2054. In CBO’s projections, federal spending grows from an average of 23 percent of GDP over the 2022–2032 period to an average of 29 percent of GDP over the 2043–2052 period. Federal revenues increase from an average of 18 percent of GDP over the 2022–2032 period to an average of 19 percent over the 2043–2052 period.

Federal outlays in 2024 total \$6.5 trillion, which amounts to 23.1 percent of GDP. They stay close to that level through 2028 and then increase, reaching 24.1 percent of GDP by 2034. Growth in spending on programs that benefit elderly people and rising net interest costs drive those increases. Revenues in 2024 total \$4.9 trillion, or 17.5 percent of GDP. They reach 17.9 percent of GDP in 2027, in part because of the expiration of provisions of the 2017 tax act, and remain near that level through 2034.

Colorado

The Colorado Economic and Fiscal Outlook – December 2023 report by the Office of State Planning and Budgeting (OSPB), presents the OSPB forecasts for Colorado economic and demographic indicators, including employment and unemployment, inflation, wages and income, population and migration. A summary of this information is presented here. The full report can be found at <https://www.colorado.gov/governor/economics>

Both the current U.S. unemployment rate of 3.7 percent and the Colorado rate of 3.3 percent remain above full employment and job growth continues, albeit at a slowing rate. The gap between the number of job openings and unemployed workers remains elevated though it continues to decline, signifying moderately tight but loosening labor market conditions. Job growth in Colorado remains slower than the nationwide average, attributable to a quicker labor market recovery from the pandemic paired with constraints around a more rapidly aging workforce in the state and relatively expensive housing costs.

Consumer spending remains resilient and has elevated recent real GDP readings above expected levels but is slowing in both the U.S. and Colorado due to constraints on savings and credit, especially for lower-income earners. Colorado retail sales have slowed more quickly than the U.S. thus far this year, likely tied to a faster and stronger resurgence out of the pandemic and possibly an earlier shift from goods to services spending.

Given recent home price increases and high interest rates, many homeowners find themselves unmotivated to sell. Meanwhile, potential home buyers are finding that new

builds alone are not enough to keep up with existing demand as permits locally and across the nation still lag behind the levels necessary to handle demand. For the time being, slower times to complete projects has served to keep new housing supply stable, but downside risk

on completions is on the horizon as permitting is not expected to rebound in the near term.

Colorado's demographic composition has been shifting over the last decade with a rapidly aging population that constrains labor supply alongside slowing in-migration and birth rates. A continuation of this long-term trend may also have state revenue and expenditure implications. Colorado will depend on in-migration among young people to maintain economic growth, retain a healthy workforce, support an aging population with increasing public service costs, and supplant income and sales tax revenues as the 65+ population ages out of the workforce and spends less.

Local

The following information has been obtained from Eagle County Annual Comprehensive Financial Report as of December 31, 2022 which can be found at:

[https://cms5.revize.com/revize/eagle/Eagle%20County%202022%20Annual%20Comprehensive%20Financial%20Report%20\(FINAL\).pdf](https://cms5.revize.com/revize/eagle/Eagle%20County%202022%20Annual%20Comprehensive%20Financial%20Report%20(FINAL).pdf)

The average unemployment rate for Eagle County during 2022 was 2.8%, as compared to 4.3% during 2021 and 9.5% during 2020. The County's 2022 unemployment rate was 0.5% lower than the state average of 3.3%, and .9% lower than the U.S average of 3.7%.

The Eagle County Regional Airport experienced a 6.5% increase in enplanements, totaling 219,963, in 2022 over 2021. This increase was primarily attributable to Eagle County continuing to be a popular tourist destination for primarily winter activities. To compare this with the pre-COVID era, 2021 enplanements were 12.8% greater than 2019 enplanements. This affected a relatively small per-passenger fee collected (11.4% of total service revenues in 2022 versus 13.4% in 2022 and 9.3% in 2020), whereas revenues received from airlines (41.8% of total service revenues) remained consistent due to contracts binding airlines to pay a fixed lease space amount. The Airport benefited from \$2.4M from FAA federal funding for COVID-related financial relief. The Airport also received \$574K for a de-icing improvement project. Airlines providing air service are: American, Delta, and United. The airlines provide seasonal non-stop flights from the following major cities: Atlanta, Austin, Chicago, Dallas/Ft. Worth, Denver, Houston, Los Angeles, Miami, Newark, Phoenix, New York, and San Francisco.

The economy in Eagle County continues to be driven 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.

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, 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.

2022 Eagle County real estate ended the year with \$3.6 billion in total dollar volume (16% decrease over 2021) representing 1973 transactions (29% decrease from 2021). These changes reflect a slowing of the real estate market based on lower inventory listed for sale. Average sales price county wide was \$2.5 million and median sales price was \$990K, an increase of 20% from 2021.

Long-term Financial Planning

The primary revenue sources for the District are based on the current provisions of the Colorado Public School Finance Act of 1994, as amended yearly. Funding provided under this Act, which is from local property taxes, specific ownership taxes from vehicle registration, and state equalization, was approximately 51% of the District's Government wide general revenues for fiscal year 2022-23. The District received \$9,944 per pupil FTE as per pupil revenue (PPR) for FY23. This compares to \$9,407 for FY22, an increase of \$537.

For the 2023-24 fiscal year, the legislature increased base per pupil funding by 8.0% for PK-12 public education as well as provided additional dollars for statewide student growth. In addition, the district's student funded full-time equivalent is expected to decrease. Historical information on district enrollment can be found in Table 18 of the Statistical Section of this document.

The Budget Stabilization Factor reduction to statewide total program funding as calculated in the School Finance Act is projected to be \$141.2 million for the 2023-24 fiscal year, or 1.5% of total program funding. For the district, the Budget Stabilization Factor is expected to be \$1.2 million, down from \$2.6 million in the prior year.

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

waived the policy for the 2023-24 fiscal year to provide additional resources to attract and retain staff in a time of high cost of living impacts. The budget in 2024-25 will be adjusted to meet the policy requirements.

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, 2023, 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. This includes the age of ECSD buildings that range from being built in 1975 to our most recent completed schools in 2018.

Major Initiatives

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

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

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

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

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

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

Bond and Mill Levy Program

In November 2023, the district voters approved an \$100,000 million bond with the purpose of constructing an Early Learning Center and employee housing in Gypsum, infrastructure for employee housing in Minturn, increased preschool classrooms in Edwards, safety and security enhancements, as well as facility improvements across the district.

Awards

The District has had four Colorado Principals of the Year, one Superintendent of the Year, and one English Language Director of the Year. Our schools have been recognized as National Blue Ribbon Schools, John Irwin Schools of Excellence, and with the Governor's Distinguished Improvement award from the Colorado Department of Education.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the district for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Excellence and the Certificate of Achievement, the district must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Excellence and the Certificate of Achievement are valid for a period of one year. We believe that our current Comprehensive Annual Financial Report continues to meet the program

requirements for both Certificate of Excellence and Certificate Achievement of programs. This document will be submitted to GFOA and ASBO respectively to determine eligibility for another certificate.

Acknowledgments

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

Respectfully Submitted,

Sandra Farrell

Sandra Farrell, CPA, SFO
Chief Operating Officer

ECSD Board of Education Members



MICHELLE HARTEL STECHER
President | District B | Term Expires 2025

DR. TED R. LONG
Vice President | District C | Term Expires 2023

DAN REYNOLDS
Secretary/Treasurer | District G | Term Expires 2025

KELLY ALTER
Director | District A | Term Expires 2023

LELIA CONLIN
Director | District B | Term Expires 2025

LUCILA TVARKUNAS
Director | District D | Term Expires 2023

JUAN PEÑA
Director | District E | Term Expires 2023

For additional information about the Board of Education: <https://www.eagleschools.net/about-us/board-of-education>

Superintendent's Leadership Team



PHILIP QUALMAN | *Superintendent*

MELISA REWOLD-THUON | *Assistant Superintendent of Student Support Services*

KATIE JARNOT | *Assistant Superintendent of Curriculum & Instruction*

SANDRA FARRELL | *Chief Operating Officer*

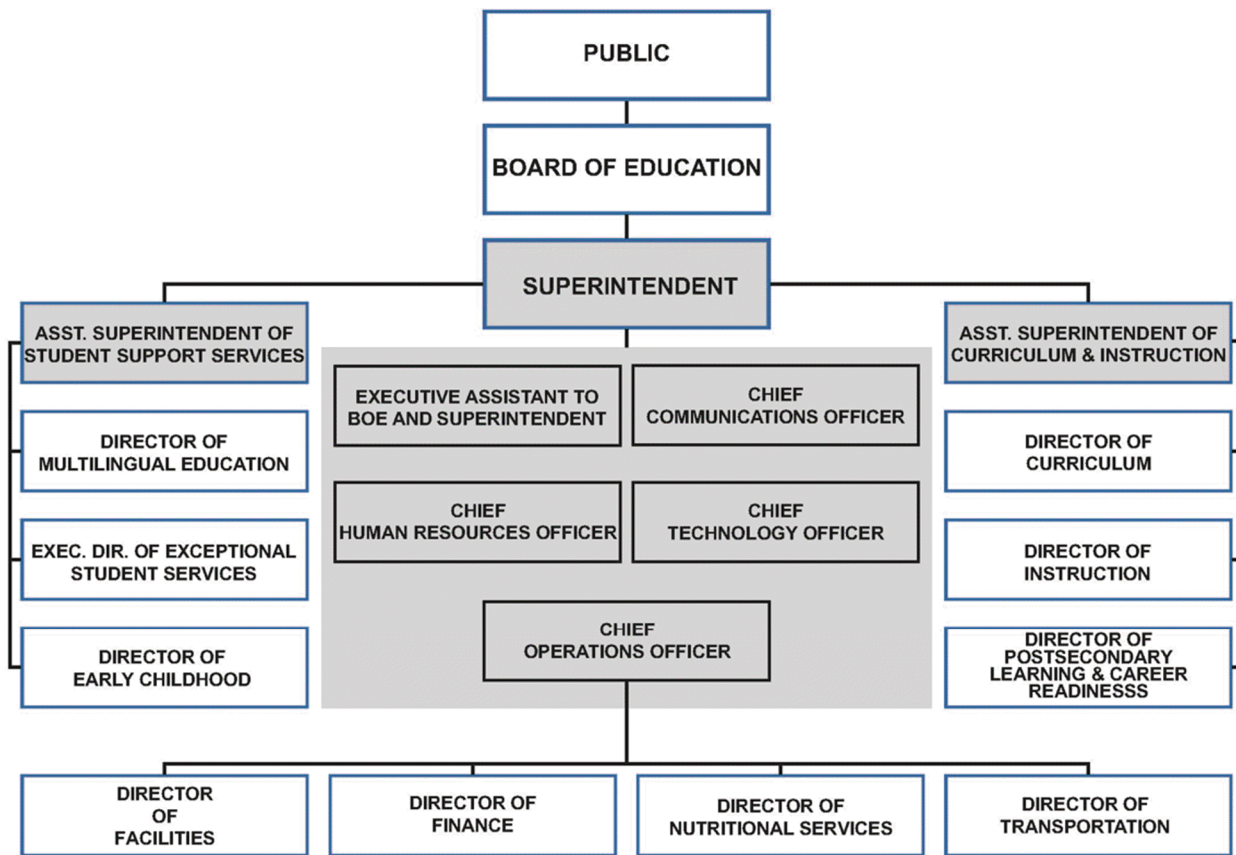
ADELE WILSON | *Chief Human Resources Officer*

MATTHEW MIANO | *Chief Communications Officer*

JOHN DONNELLY | *Chief Technology Officer*

TROY LANGE | *Executive Director of Exceptional Student Services*

ANNE HECKMAN | *Director of Educator Quality*



■ District Leadership Team Member

ELEMENTARY SCHOOLS

Avon Dana Harrison 291 Students	Edwards Matt Abramowitz 297 Students
Brush Creek Brooke Cole 340 Students	Gypsum Mitch Forsberg 320 Students
Eagle County Charter Kim Walter 240 Students (K-5)	Homestake Peak Stephanie Gallegos 196 Students (K-5)
Eagle Valley Michele Miller 305 Students	Red Hill Jennifer Martinez 294 Students
Red Sandstone Anne Heckman 254 Students	

MIDDLE SCHOOLS

Berry Creek Amy Vanwell 219 Students
Eagle County Charter Kim Walter 120 Students (6-8)
Eagle Valley Eric Mandeville 356 Students
Gypsum Creek Dave Russell 374 Students
Homestake Peak Stephanie Gallegos 227 Students (6-8)
Vail Ski & Snowboard Wade Hill 134 Students (5-8)

HIGH SCHOOLS

Battle Mountain Jason Mills 887 Students
Eagle Valley Tom LaFramboise 1053 Students
Red Canyon Monica Lammers 201 Students
Vail Ski & Snowboard Wade Hill 164 Students (9-12)
World Academy Monica Lammers 33 Students

Student count reflects 2023-24 K-12 projected enrollment

■ Feeder Schools to Battle Mountain High School

■ Feeder Schools to Eagle Valley High School



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Eagle County School District RE50J
Colorado**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Merrill

Executive Director/CEO



The Certificate of Excellence in Financial Reporting
is presented to

Eagle County School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



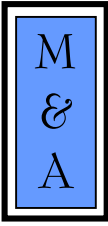
John W. Hutchison
President



Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

Financial Section





MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Eagle County Schools, Colorado (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require Management's Discussion and Analysis in section B, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions, the Schedule of the District's Proportionate Share of the Other Post-Employment Benefits Liability, the Schedule of District Other Post-Employment Benefits Contributions, and the Notes to the Requirement Supplementary Information in Section E, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in section B in accordance with U.S. GAAS, 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.

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

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 such 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 U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements, individual fund budgetary information, the statistical section, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, the statistical section, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the introductory section, combining fund financial statements, individual fund budgetary information, the statistical section, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
February 23, 2024



Management's Discussion and Analysis

As management of the Eagle County Schools (the "District"), we offer readers of the district's Annual Comprehensive Financial Report this narrative and analysis of the financial activities of the district for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the letter of transmittal.

Financial Highlights

At June 30, 2023:

- The primary government has a government-wide deficit net position of \$56,138,994. This is the amount the liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources. The net deficit position is primarily due to the district recognizing its proportionate share of a net pension liability of \$132,692,854.
- Total net position increased by \$18,908 for the fiscal year, which is primarily due the net pension liability increasing by \$39,778,288 and increased grant funding, offset by the significant changes in Deferred Outflows and Deferred Inflows of Resources related to pensions.
- At the end of the current fiscal year, primary government's governmental funds reported combined ending fund balances of \$53,034,199 a decrease of \$11,590,983 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund is \$10,009,439 or 10.41% of total General Fund expenditures and transfers.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader of the district's Comprehensive Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all the district's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between assets plus deferred outflows and liabilities plus deferred inflows, is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

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

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

Business-type activities include the District Housing Fund.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The district, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the District have been divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

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

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

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

Proprietary Funds

The district maintains one type of proprietary fund. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The district uses an enterprise fund to account for its district housing operations.

The basic proprietary fund financial statements can be found on pages C8 – C10 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found in section D of this report.

Other Information

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

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

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The governmental activities liabilities and deferred inflows of resources of the district exceeded its assets and deferred outflows of resources by \$67,588,583 (net position deficit) at June 30, 2023. The assets of the district are composed of the current assets and capital assets.

Current assets include cash, investments, receivables, prepaid expenses, deposits and inventories. Current assets are \$66,787,526. Cash and investments equate to 90.55% of the current assets. These assets are available to provide resources for the near-term operations of the District.

Capital assets are used in the operations of the District. These assets are land, buildings, and equipment. Capital assets are discussed in greater detail in Note 4.

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

Current and noncurrent liabilities are determined based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, accrued interest, and current debt obligations. The liquidation of current liabilities is anticipated to be either from current available resources, current assets or new resources that become available during fiscal year 2024.

Long-term liabilities such as long-term debt obligations and compensated absences will be liquidated from resources that will become available after fiscal year 2024. Also included in noncurrent liabilities is the district's proportionate share of the net pension liability and OPEB liability.

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

As of June 30, 2023, the liabilities plus deferred inflows exceed assets plus deferred outflows of the primary government's governmental activities by \$67,588,583 with an unrestricted deficit net position of \$102,398,029. Prior to implementing GASB Statement No. 68 and 75, the district was able to report positive balances in all three categories of net position.

Capital assets, net of accumulated depreciation for the primary government's governmental activities decreased by \$12,184,413 to \$223,867,403 which was related to the net impact of \$13,155,165 of capitalized assets, less current year's net deletions of \$0, transfers of construction in progress to the District's business-type activities of \$11,214,878 and depreciation expense of \$14,124,700.

Colorado Revised Statute Article X, Section 20, Taxpayer Bill of Rights (TABOR) requires the district to establish reserves. The net position restricted for TABOR, as required by statute as of June 30, 2023 was \$3,691,887.

The \$9,501,612 decrease in liabilities plus deferred inflows is primarily attributable to the decrease in the district proportionate share of PERA's net pension liability of \$39,778,288.

Government-wide Activities

Total assets decreased by \$14,361,288 and total deferred outflows of resources increased by \$4,878,584. Total assets decreased mainly due to depreciation expense of \$14,124,700.

The table below provides a summary of the district's net position as of June 30, 2023 compared to June 30, 2022.

**Comparative Summary of Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Assets:						
Current and other assets	66,787,526	79,544,643	215,128	886,111	67,002,654	80,430,754
Capital assets	223,867,403	236,051,816	11,263,001	11,776	235,130,404	236,063,592
Total Assets	<u>290,654,929</u>	<u>315,596,459</u>	<u>11,478,129</u>	<u>897,887</u>	<u>302,133,058</u>	<u>316,494,346</u>
Deferred Outflows	<u>34,497,528</u>	<u>29,618,944</u>	<u>-</u>	<u>-</u>	<u>34,497,528</u>	<u>29,618,944</u>
Liabilities:						
Other liabilities	27,536,938	28,393,304	28,540	22,600	27,565,478	28,415,904
Long-term liabilities	350,698,357	326,532,682	-	-	350,698,357	326,532,682
Total Liabilities	<u>378,235,295</u>	<u>354,925,986</u>	<u>28,540</u>	<u>22,600</u>	<u>378,263,835</u>	<u>354,948,586</u>
Deferred Inflows	<u>14,505,745</u>	<u>47,322,606</u>	<u>-</u>	<u>-</u>	<u>14,505,745</u>	<u>47,322,606</u>
Net Position						
Net investment						
in capital assets	484,527	-	11,263,001	11,776	11,747,528	11,776,284
Restricted	34,324,919	41,883,956	-	-	34,324,919	41,883,956
Unrestricted	(102,398,029)	(98,917,145)	186,588	863,511	(102,211,441)	(98,053,634)
Total Net Position	<u>(67,588,583)</u>	<u>(57,033,189)</u>	<u>11,449,589</u>	<u>875,287</u>	<u>(56,138,994)</u>	<u>(56,157,907)</u>

Governmental Activities

Governmental activities net position decreased \$99,816 during the year ended June 30, 2023. The decrease in net position year over year is primarily attributable to the change in pension and other post-employment benefit liabilities and related deferred inflows and outflows of resources.

The table below provides a summary of the district's change in net position for 2023 compared to 2022.

**Comparative Summary of Changes in Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues:						
Program revenues						
Charges for services	6,461,917	5,232,031	579,987	407,886	7,041,904	5,639,917
Operating grants and contributions	21,634,131	12,360,469	-	-	21,634,131	12,360,469
Capital grants and contributions	101,761	102,931	11,214,878	-	11,316,639	102,931
General revenues						
Property taxes	74,809,536	75,964,004	-	-	74,809,536	75,964,004
Specific ownership taxes	4,580,375	4,383,819	-	-	4,580,375	4,383,819
State revenue	24,371,920	20,598,077	-	-	24,371,920	20,598,077
Not restricted grants	713,773	594,575	-	-	713,773	594,575
Investment earnings	1,703,962	129,989	-	-	1,703,962	129,989
Gain (loss) on asset disposition	807,886	-	-	-	807,886	-
Other	1,952,810	912,274	-	-	1,952,810	912,274
Total revenues	137,138,071	120,278,169	11,794,865	407,886	148,932,936	120,686,055
Expenses:						
Direct instruction	74,040,449	36,263,696	-	-	74,040,449	36,263,696
Indirect instruction	18,659,063	10,838,968	-	-	18,659,063	10,838,968
General administration	10,331,974	5,431,998	-	-	10,331,974	5,431,998
Supporting services	9,176,217	5,950,827	-	-	9,176,217	5,950,827
Custodial maintenance	10,956,909	6,827,667	-	-	10,956,909	6,827,667
Transportation	3,907,343	1,995,941	-	-	3,907,343	1,995,941
Food service	3,038,521	1,959,190	-	-	3,038,521	1,959,190
Pupil activities	770,160	670,065	-	-	770,160	670,065
Community services	108,456	-	-	-	108,456	-
District housing	-	-	461,263	446,031	461,263	446,031
Interest	6,248,795	7,439,407	-	-	6,248,795	7,439,407
Total Expenses	137,237,887	77,377,759	461,263	446,031	137,699,150	77,823,790
Excess (Deficiency of Revenues) Over Expenses	(99,816)	42,900,410	11,333,602	(38,145)	11,233,786	42,862,265
Transfers	(10,455,578)	-	(759,300)	-	(11,214,878)	-
Change in net position	(10,555,394)	42,900,410	10,574,302	(38,145)	18,908	42,862,265
Net position- July 1	(57,033,189)	(99,933,599)	875,287	913,432	(56,157,902)	(99,020,167)
Net position - June 30	(67,588,583)	(57,033,189)	11,449,589	875,287	(56,138,994)	(56,157,902)

The table below provides a summary of the district's change in Assets & Deferred Outflows of Resources of Governmental Activities for 2023 compared to 2022.

**Comparative Summary of Assets & Deferred Outflows of Resources
of Governmental Activities
As of June 30, 2023 and 2022**

	FY 2023	FY 2022	Increases (Decreases)
Assets:			
Cash and investments	50,201,059	54,499,156	(4,298,097)
Restricted cash and investments	10,275,173	20,516,635	(10,241,462)
Accounts receivable	573,794	546,994	26,800
Taxes receivable	1,529,853	1,956,221	(426,368)
Grants receivable	3,738,173	1,605,018	2,133,155
Inventory	469,474	420,619	48,855
Capital assets, not being depreciated	14,423,950	17,441,497	(3,017,547)
Capital assets, net of accumulated depreciation	209,443,453	218,610,319	(9,166,866)
Total Assets	290,654,929	315,596,459	(24,941,530)
Deferred Outflows of Resources:			
Deferred charge on refunding	2,620,637	3,337,176	(716,539)
Pensions	30,762,985	25,539,191	5,223,794
Post employment health benefits (OPEB)	1,113,906	742,577	371,329
Total Deferred Outflows of Resources	34,497,528	29,618,944	4,878,584

Total assets decreased by \$24,941,530. Total assets decreased mainly due to the combination of depreciation expense of \$14,124,700 and the \$10,212,553 of reported capital outlay expenditures in the Building Fund for the District's employee housing project. These expenditures were funded by proceeds received during the school year 2022 from issued Certificates of Participation.



The table below provides a summary of the district's change in Liabilities & Deferred Inflows of Resources of Governmental Activities for 2023 compared to 2022.

**Comparative Summary of Liabilities & Deferred Inflows of Resources
of Governmental Activities
As of June 30, 2023 and 2022**

	FY 2023	FY 2022	Increases (Decreases)
Liabilities:			
Current Liabilities			
Accrued liabilities	2,087,257	1,022,994	1,064,263
Accrued salaries and benefits	7,023,502	9,489,098	(2,465,596)
Unearned revenue	575,661	712,486	(136,825)
Accrued interest payable	695,346	739,916	(44,570)
Noncurrent liabilities due within one year	13,365,890	12,847,031	518,859
Noncurrent Liabilities:			
Due in more than one year	213,483,510	229,124,836	(15,641,326)
Net pension liability	132,692,854	92,914,566	39,778,288
Net post employment health benefits (OPEB) liability	4,521,993	4,493,280	28,713
Total Liabilities	<u>378,235,295</u>	<u>354,925,986</u>	<u>23,309,309</u>
Deferred Inflows of Resources:			
Pensions	12,723,626	45,409,086	(32,685,460)
Property taxes	3,798	-	3,798
Post employment health benefits (OPEB)	1,778,321	1,913,520	(135,199)
Total Deferred Inflows of Resources	<u>14,505,745</u>	<u>47,322,606</u>	<u>(32,816,861)</u>

Overall liabilities increased due to the increase in the District's proportionate share of the PERA net pension liability of \$39,778,288, offset by principal payments of \$12,645,000, amortization of bond premiums of \$2,926,295, and amortization of deferred charge of refunding of \$1,113,906. Pension-related Deferred Inflows of Resources decreased significantly due to changes in the District's actuarial study.

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA after the budget stabilization factor' was applied, the district had a funded pupil count of 6,913 and received \$9,945 per funded pupil for the fiscal year ending June 30, 2023. For the fiscal year ended June 30, 2022, the funded pupil count was 6,984, a decrease of approximately 1.01% 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 2023, SFA per pupil funding increased by \$537 per student.

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

**Comparative Summary of Governmental Activities
For the Year Ended June 30, 2023 and 2022**

	Total Cost of Service		Net Cost of Services	
	2023	2022	2023	2022
Direct instruction	74,040,449	36,263,696	53,401,031	34,718,173
Indirect instruction	18,659,063	10,838,968	17,706,757	10,519,403
General administration	10,331,974	5,431,998	10,331,974	5,123,928
Supporting services	9,176,217	5,950,827	6,967,097	6,783,920
Custodial maintenance	10,956,909	6,827,667	10,956,909	6,551,084
Transportation	3,907,343	1,995,941	2,625,679	1,482,845
Food service	3,038,521	1,959,190	778,411	1,427,312
Pupil activities	770,160	670,065	29,087	448,581
Interest expense	6,248,795	7,439,407	6,248,795	8,718,172
	<u>137,129,431</u>	<u>77,377,759</u>	<u>109,045,740</u>	<u>75,773,418</u>

The cost of all governmental activities this year was \$137,129,431 compared to \$77,377,759 last year, an increase of \$59,751,672. \$39,778,288 of the increase is attributed to the change in the net pension liability from June 30, 2022. Charges for services financed the cost of services by the users of the district's programs. The remaining increase is due to changes in deferred inflow of resources and deferred outflow of resources relating to pensions and other post-employment benefit liabilities.

Financial Analysis of the Governmental Funds

The focus of the district's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the district itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the district's board of education.

At June 30, 2023, the district's governmental funds reported combined fund balances of \$53,034,199, a decrease of \$11,590,983 from the prior year. Total unassigned fund balance of \$10,009,439 constitutes 18.87% of the total fund balance, which is available for spending at the district's discretion. The remainder of the fund balance is; assigned \$0, committed \$7,559,867, restricted for particular purposes \$34,995,419, and \$469,474 is non-spendable.

The table below provides a comparative summary of the district's Combining Balance Sheet for 2023 compared to 2022.

**Comparative Summary of Combining Balance Sheet
For the Year Ended June 30, 2023 and 2022**

	2023	2022	Increases (Decreases)
Assets:			
Cash and investments	50,201,059	54,499,156	(4,298,097)
Restricted cash and investments	10,275,173	20,516,635	(10,241,462)
Accounts receivable	573,794	546,994	26,800
Taxes receivable	1,529,853	1,956,221	(426,368)
Grants receivable	3,738,173	1,605,018	2,133,155
Due from other funds	2,313,346	-	2,313,346
Inventories	469,474	420,619	48,855
Total Assets	69,100,872	79,544,643	(10,443,771)
Liabilities:			
Accounts payable	3,789,282	3,581,779	207,503
Due to other funds	2,313,346	-	2,313,346
Accrued liabilities	2,087,257	1,022,994	1,064,263
Accrued salaries and benefits	7,023,502	9,489,098	(2,465,596)
Unearned revenue	575,661	712,486	(136,825)
Total Liabilities	15,789,048	14,806,357	982,691
Deferred Inflows of Resources:			
Unavailable property taxes	277,625	113,104	164,521
Total Deferred Inflows of Resources:	277,625	113,104	164,521
Fund Balances:			
Non-spendable	469,474	420,619	48,855
Spendable:			
Restricted for debt service	21,226,355	20,124,771	1,101,584
Restricted for capital outlay	9,406,677	18,919,185	(9,512,508)
Restricted for emergencies	3,691,887	2,840,000	851,887
Restricted for multi-year obligation	670,500	-	670,500
Committed for capital outlay	5,733,029	6,013,317	(280,288)
Committed for transportation	334,384	893,045	(558,661)
Committed for nutrition services	363,354	912,675	(549,321)
Committed for pupil activities	1,129,100	1,158,185	(29,085)
Unassigned	10,009,439	13,343,385	(3,333,946)
Total Fund Balances	53,034,199	64,625,182	(11,590,983)
Total Liabilities, Deferred Inflows, and Fund Balances	69,100,872	79,544,643	(10,443,771)

The table below provides a comparative summary of the district's Revenues, Expenditures and Changes in Fund Balance for 2023 compared to 2022.

**Comparative Summary of Combining Statement of
Revenues, Expenditures, and Changes in Fund balance
For the Year Ended June 30, 2023 and 2022**

	2023	2022	Increases (Decreases)
Revenues:			
Local sources	94,238,358	91,488,218	2,750,140
State sources	32,086,732	25,580,433	6,506,299
Federal sources	8,921,910	9,734,495	(812,585)
Total Revenues	<u>135,247,000</u>	<u>126,803,146</u>	<u>8,443,854</u>
Expenditures:			
Current			
Direct instruction	60,216,126	54,815,105	5,401,021
Indirect instruction	16,077,377	13,903,631	2,173,746
General administration	8,144,098	7,787,089	357,009
Supporting services	7,869,261	7,236,881	632,380
Custodial maintenance	8,750,918	7,490,991	1,259,927
Community services	106,359	-	106,359
Transportation	3,227,228	2,859,331	367,897
Food service	2,964,552	2,835,686	128,866
Pupil activities	770,158	670,065	100,093
Capital outlay	15,506,304	5,477,346	10,028,958
Debt service			
Principal	12,645,000	11,740,000	905,000
Interest and fiscal charges	8,501,846	8,553,580	(51,734)
Debt issuance costs	1,275	749,664	(748,389)
Total Expenditures	<u>144,780,502</u>	<u>124,119,369</u>	<u>20,661,133</u>
Excess (Deficiency) or Revenues Over Expenditures	(9,533,502)	2,683,777	(12,217,279)
Other Financing Sources (Uses):			
Refunding bonds issued	-	62,990,000	(62,990,000)
Premium on issuance	-	2,969,996	(2,969,996)
Payment to refunded bond escrow agent	-	(43,694,798)	43,694,798
Sale of capital assets	807,886	-	807,886
Transfers in	3,585,292	8,047,048	(4,461,756)
Transfers (out)	(2,825,992)	(8,047,048)	5,221,056
Charter school allocation	(3,624,667)	(3,813,830)	189,163
Total Other Financing Sources (Uses)	<u>(2,057,481)</u>	<u>18,451,368</u>	<u>(20,508,849)</u>
Net Change in Fund Balance	(11,590,983)	21,135,145	(32,726,128)
Fund Balance - Beginning of the Year	<u>64,625,182</u>	<u>43,490,037</u>	<u>21,135,145</u>
Fund Balance - End of the Year	<u><u>53,034,199</u></u>	<u><u>64,625,182</u></u>	<u><u>(11,590,983)</u></u>

General Fund:

The General Fund is the main operating fund of the district. The General Fund had \$97,997,117 in revenues and \$93,358,017 in expenditures and other financing uses of \$6,450,659. As of June 30, 2023, the General Fund reflects an ending fund balance of \$14,371,826, a decrease of \$1,811,559 from the prior year. The decrease is primarily the result of planned expenditures to reduce fund balance.

Approximately 84.47% of General Fund expenditures are for staff salaries and benefits. For the 2022-2023 fiscal year, all returning employees received an increase of 3.22% for a cost-of-living increase. In December 2021, an additional increase was approved to adjust the base certified salary schedule from \$45,000 to \$47,160 which represented a 4.8% increase. Educators on the certified salary schedules also moved down a step resulting in approximately an additional 3.22%, as well as a 2.7% cost of living increase for a total increase of approximately 10%. When compensation is adjusted for certified staff, it is the practice of ECSD to adjust compensation for all other employee categories at a commensurate rate with market adjustment as needed so various other groups received increases also. These increases were made retroactive for the entire fiscal year. The district also absorbed all employee benefit plan increases.

General Fund expenditures by school level/department are shown in the table below. The district spent 71.00% of General Fund dollars on instruction related activities in 2023 compared to 69.19% in 2022. Schools and various departments include both instructional and support expenditures.

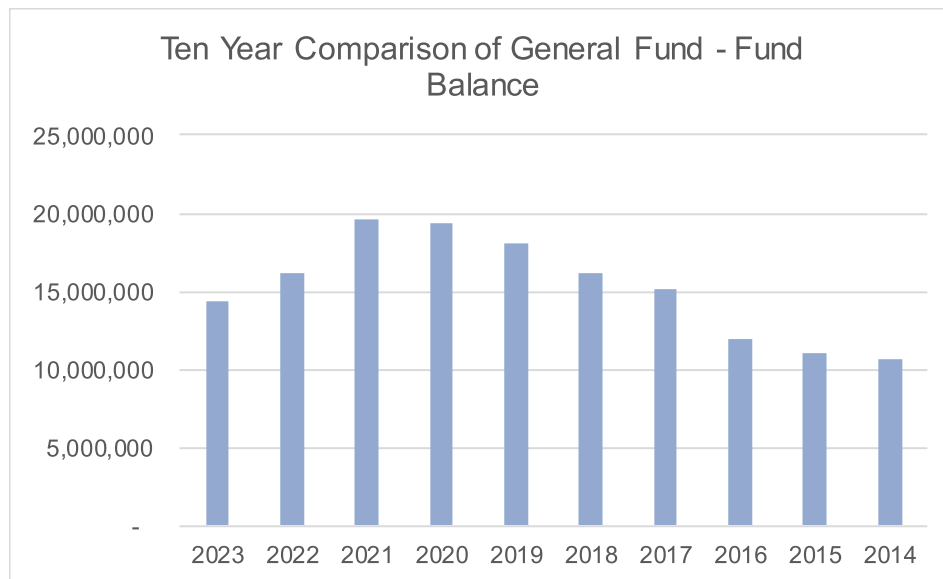
**General Fund Expenditures by School Level/Department
For the Year Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Increases (Decreases)</u>
Expenditures:			
<u>Regular instruction</u>			
Elementary schools	20,411,661	19,418,794	992,867
K-8 schools	4,175,979	4,037,441	138,538
Middle schools	8,762,222	7,822,538	939,684
High schools	21,805,638	20,604,851	1,200,787
Online schools	200,261	147,387	52,874
<u>Special Instruction</u>			
Exceptional student services	10,502,219	8,892,374	1,609,845
Early childhood	5,010,034	4,236,437	773,597
<u>Support services</u>			
Superintendent	1,174,308	1,270,082	(95,774)
Educator quality	512,106	517,025	(4,919)
Support services	984,266	729,502	254,764
Instruction and curriculum	1,949,832	1,595,107	354,725
Engagement and belonging	174,891	90,285	84,606
ELA	3,271,518	3,132,339	139,179
Community relations	373,494	385,410	(11,916)
Business services	2,127,133	1,995,028	132,105
Human resources	1,873,372	1,871,416	1,956
Facilities	2,944,927	2,475,324	469,603
Technology	3,465,800	3,166,437	299,363
County services (PILT)	340,972	306,750	34,222
PERA special funding	3,297,384	1,137,180	2,160,204
Charter school allocation	3,624,667	3,813,830	(189,163)
Transfers	2,825,992	6,530,557	(3,704,565)
Total Expenditures	99,808,676	94,176,094	9,337,147

**General Operating Fund Expenditures by Function
For the Year Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Instruction:</u>					
Direct instruction	59.06%	59.74%	58.99%	59.63%	58.91%
Supporting services - Students	7.42%	6.80%	7.03%	6.91%	6.32%
Supporting services - Instructional	6.28%	6.24%	7.47%	6.90%	7.46%
Total Instruction	72.76%	72.78%	73.49%	73.44%	72.70%
Supporting services - General admin	1.08%	1.30%	1.12%	1.18%	1.51%
Supporting services - School admin	7.65%	8.00%	8.17%	7.86%	8.27%
Supporting services - Business	1.38%	1.26%	1.29%	1.43%	1.48%
Supporting services - Central	7.08%	7.30%	6.61%	6.25%	6.15%
Community service	0.51%	0.37%	0.46%	0.42%	0.43%
Operations and maintenance	9.54%	8.99%	8.86%	9.43%	9.47%
Total - Other	27.24%	27.22%	26.51%	26.56%	27.30%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

An analysis of the district's General Fund ending fund balance is shown in the following chart. Over the 10 year period 2013-2014 to 2022-2023, the fund balance of the General Fund has fluctuated from a low of \$10,711,902 at June 30, 2014 to a high of \$19,594,803 at June 30, 2021.



Nutrition Services Fund:

The majority of the \$2,260,109 in revenues comes from the National School Lunch and Breakfast Programs, with 34.9% of our students qualifying for free and reduced lunch. The fund is generally self-supportive except for a transfer in of \$157,872 to reflect salary increases provided by the mill levy. This fund generated a \$489,313 decrease in fund balance, leaving a fund balance of \$466,582. The decrease in fund balance was intentional and the fund remains financially stable.

Designated-Purpose Grant Fund:

Grant resources increased \$1,232,214 from the prior year which attributes mostly to being awarded additional grants. The district continues to search for and apply for grants that align with the strategic plan.

Transportation Fund:

Revenues decreased over the prior year due to the reduction of the State reimbursement due to decreased route miles from the prior year. Expenditures increased due to increased salary and benefit costs, fuel prices, and repair costs. The net decrease in fund balance of \$569,814 resulted in an ending fund balance of \$700,630. The reduction of fund balance was intentional and the fund remains financially stable.

Building Fund:

In October 2021, Eagle County School District issued Certificates of Participation (COP's) that generated \$18,980,000 in COP proceeds, as well as an additional \$2,969,996 in premiums. Proceeds are being used to build 37 employee housing units in Edwards and any remaining balance used to build a Nutrition Services warehouse and new technology office area. As of June 30, 2023, there is a balance of \$406,677 remaining to be spent.

Capital Reserve Fund:

Expenditures of \$4,946,285 included the completion of facility expansion by adding 4 modular classrooms at both Red Hill Elementary and Gypsum Elementary School to address student enrollment and facility capacity, a roof replacement and the purchased of four new buses. The remainder of the funds were focused on a "break/fix" model. Limited resources for capital projects continue to take a toll on facilities.

Bond Redemption Fund:

The main source of revenue is property taxes, which are used to service the debt obligations of the District. Principal and interest payments totaled \$20,387,546 while tax revenue totaled \$21,489,130. In July 2021 the Board of Education approved a Refunding of General Obligation Bonds from 2013 and 2017 for a total of \$44,010,000. This refunding resulted in a Present Value Savings of \$1,557,436.

District Housing Fund:

The only source of revenue was rental income of \$579,987 with \$461,263 expended for housing master lease rents, maintenance, utilities and depreciation. In addition, a government-wide transfer of \$11,214,878 relating to construction in progress as of June 30, 2022 was made to reflect District-owned housing projects in process, resulting in an ending fund balance of \$11,449,589. Master leased units create the opportunity for the District to pay the majority of the rental expenses and withhold those payments from employee paychecks as a reimbursement to the District.

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 2022-2023 fiscal year was adopted by the Board of Education at its June 8, 2022 meeting and the revised budget was adopted January 25, 2023. Revisions were made to the General Fund, Nutrition Services Fund, Designated-Purpose Grant Fund, Pupil Activities, Transportation Fund, Bond Fund, Building Fund, Capital Reserve Fund, and the District Housing Fund.

General Fund:

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

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

There is a \$846,447 positive variance between actual revenues and the final budget amount. The main item contributing to the variance is the dividend paid to the District from CEBS due to reduce health insurance usage across the pool.

Total positive variance between final budget and actual expenditures is \$2,179,478, which is due to spending less than budgeted for salaries and benefits. The District had multiple unfilled positions to drive this savings.



Non-Personnel Variance

The district allows schools and departments to carryover up to 10% of the unused budget allocations from year to year. Schools use this procedure to accumulate funds for larger purchases; it also keeps schools 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, 2022 and 2023 are \$446,983,136 and \$459,354,256 respectively. Additional information on the district’s capital assets can be found in Note 4 of this report.

At June 30, 2023, the district had total (principal and interest) bonded debt outstanding of \$281,879,357 backed by the full faith and credit of the district. Additionally, the district has long-term debt obligations for compensated absences in the amount of \$2,132,414 outstanding at the end of the current fiscal year.

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

State statute limits the amount of general obligation debt a government may issue to 20% of its total assessed valuation. At June 30, 2023, the district's legal debt limit is \$647,035,758 and the district's total outstanding general obligation bonds are under the legal debt limit, totaling \$205,300,000 at June 30, 2023.

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

Economic Factors and Next Year's Budget

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

Approximately 69% of the district's General Fund revenues are a result of State level decisions. The Colorado State Legislature approved the 2022-2023 School Finance Act (SFA) and increased the statewide per pupil base funding by inflation, and an additional amount beyond inflation and student growth. However, for the tenth consecutive year the Colorado State Legislature continued to lower the statewide total funding by applying a budget stabilization factor to reduce total program funding received by each school district. For the district, this budget stabilization factor in the SFA reduced revenues by \$2.6 million in 2022-2023 and has accumulated to over \$82.5 million cumulatively in lost State revenues.

The funded pupil count is the real driver of school funding. The SFA identifies a per-pupil funding amount, and the number of full-time students enrolled in a district determines the amount of total funding. The funded pupil count refers to the number of full-time students enrolled in a district. Not all students (kindergartners for example) attend school on a full-time basis; the funded pupil count is different from the total enrollment, or district membership. The official pupil count occurs each October 1 and results in the funded pupil count numbers. The district's state per pupil revenue (PPR) for 2023-2024 is \$11,134.

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

Requests for Information

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

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

sandra.farrell@eaglecountyschools.net

Basic Financial Statements

Eagle County Schools
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business- type Activities	Total	Eagle County Charter Academy
Assets:				
Current Assets:				
Cash and investments	50,201,059	211,128	50,412,187	2,711,437
Restricted cash and investments	10,275,173	-	10,275,173	-
Accounts receivable	573,794	4,000	577,794	-
Taxes receivable	1,529,853	-	1,529,853	-
Grants receivable	3,738,173	-	3,738,173	-
Other receivables	-	-	-	199
Due from other governments	-	-	-	114,087
Due from component unit	-	-	-	150
Prepaid expenses	-	-	-	24,149
Inventory	469,474	-	469,474	15,097
Capital assets, not being depreciated	14,423,950	11,226,654	25,650,604	-
Capital assets, net of accumulated depreciation	209,443,453	36,347	209,479,800	7,976,585
Total Assets	290,654,929	11,478,129	302,133,058	10,841,704
Deferred Outflows of Resources:				
Deferred charge on refunding	2,620,637	-	2,620,637	-
Pensions	30,762,985	-	30,762,985	1,159,744
Post employment health benefits (OPEB)	1,113,906	-	1,113,906	42,222
Total Deferred Outflows of Resources	34,497,528	-	34,497,528	1,201,966
Liabilities:				
Current Liabilities:				
Accounts payable	3,789,282	-	3,789,282	192,054
Accrued liabilities	2,087,257	-	2,087,257	-
Accrued salaries and benefits	7,023,502	-	7,023,502	371,684
Unearned revenue	575,661	-	575,661	10,163
Security Deposits	-	28,540	28,540	-
Accrued interest payable	695,346	-	695,346	-
Noncurrent liabilities due within one year	13,365,890	-	13,365,890	-
Total Current Liabilities	27,536,938	28,540	27,565,478	573,901
Noncurrent Liabilities:				
Due in more than one year	213,483,510	-	213,483,510	-
Net pension liability	132,692,854	-	132,692,854	5,652,892
Net post employment health benefits (OPEB) liability	4,521,993	-	4,521,993	192,471
Total Noncurrent Liabilities	350,698,357	-	350,698,357	5,845,363
Total Liabilities	378,235,295	28,540	378,263,835	6,419,264
Deferred Inflows of Resources:				
Pensions	12,723,626	-	12,723,626	629,263
Property taxes	3,798	-	3,798	-
Post employment health benefits (OPEB)	1,778,321	-	1,778,321	71,205
Total Deferred Inflows of Resources	14,505,745	-	14,505,745	700,468
Net Position:				
Net investment in capital assets	484,527	11,263,001	11,747,528	7,976,585
Restricted for:				
Capital renewal	9,406,677	-	9,406,677	-
Capital reserve	-	-	-	397,670
Debt service	21,226,355	-	21,226,355	-
Emergencies	3,691,887	-	3,691,887	155,000
Unrestricted	(102,398,029)	186,588	(102,211,441)	(3,605,317)
Total Net Position	(67,588,583)	11,449,589	(56,138,994)	4,923,938

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

**Eagle County Schools
Statement of Activities
For the Year Ended June 30, 2023**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Direct instruction	74,040,449	2,429,055	18,210,363	-
Indirect instruction	18,659,063	-	952,306	-
General administration	10,331,974	-	-	-
Supporting services	9,176,217	1,614,379	492,980	101,761
Custodial maintenance	10,956,909	-	-	-
Transportation	3,907,343	824,959	456,705	-
Food service	3,038,521	852,451	1,407,659	-
Pupil activities	770,160	741,073	-	-
Community services	108,456	-	114,118	-
Interest on long-term debt	6,248,795	-	-	-
Total governmental activities	137,237,887	6,461,917	21,634,131	101,761
Business-type Activities:				
District housing	461,263	579,987	-	11,214,878
Total business-type activities	461,263	579,987	-	11,214,878
Total Primary Government	137,699,150	7,041,904	21,634,131	11,316,639
Component Unit				
Eagle County Charter Academy	5,618,153	186,351	402,918	129,112

General revenues:

- Local property taxes
- Specific ownership taxes
- State equalization
- Grants and contributions not restricted to specific programs
- Interest and investment earnings
- Gain (loss) on asset disposition
- Other income

Transfers

- Total general revenues

Change in net position

Net position - Beginning

Net position - Ending

Governmental Activities	Primary Government		Component Unit
	Business Type Activities	Total	Eagle County Charter Academy
(53,401,031)	-	(53,401,031)	(3,385,427)
(17,706,757)	-	(17,706,757)	-
(10,331,974)	-	(10,331,974)	-
(6,967,097)	-	(6,967,097)	(1,514,345)
(10,956,909)	-	(10,956,909)	-
(2,625,679)	-	(2,625,679)	-
(778,411)	-	(778,411)	-
(29,087)	-	(29,087)	-
5,662	-	5,662	-
(6,248,795)	-	(6,248,795)	-
<u>(109,040,078)</u>	<u>-</u>	<u>(109,040,078)</u>	<u>(4,899,772)</u>
-	11,333,602	11,333,602	-
-	<u>11,333,602</u>	<u>11,333,602</u>	-
<u>(109,040,078)</u>	<u>11,333,602</u>	<u>(97,706,476)</u>	<u>(4,899,772)</u>
-	-	-	<u>(4,899,772)</u>
74,809,536	-	74,809,536	954,468
4,580,375	-	4,580,375	-
24,371,920	-	24,371,920	3,624,667
713,773	-	713,773	211,035
1,703,962	-	1,703,962	84,206
807,886	-	807,886	-
1,952,810	-	1,952,810	-
<u>(10,455,578)</u>	<u>(759,300)</u>	<u>(11,214,878)</u>	-
<u>98,484,684</u>	<u>(759,300)</u>	<u>97,725,384</u>	<u>4,874,376</u>
(10,555,394)	10,574,302	18,908	(25,396)
<u>(57,033,189)</u>	<u>875,287</u>	<u>(56,157,902)</u>	<u>4,949,334</u>
<u>(67,588,583)</u>	<u>11,449,589</u>	<u>(56,138,994)</u>	<u>4,923,938</u>

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

**Eagle County Schools
Balance Sheet
Governmental Funds
June 30, 2023**

	General Fund	Government Designated- Purpose Grant Fund	Building Fund	Bond Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets:						
Cash and investments	22,861,716	-	-	20,912,414	6,426,929	50,201,059
Restricted cash and investments	-	-	9,406,677	-	868,496	10,275,173
Accounts receivable	305,125	-	-	-	268,669	573,794
Taxes receivable	1,194,155	-	-	313,941	21,757	1,529,853
Grants receivable	10,650	3,717,266	-	-	10,257	3,738,173
Due from other funds	2,313,346	-	-	-	-	2,313,346
Inventories	-	-	-	-	469,474	469,474
Total Assets	26,684,992	3,717,266	9,406,677	21,226,355	8,065,582	69,100,872
Liabilities:						
Accounts payable	3,789,282	-	-	-	-	3,789,282
Due to other funds	-	2,313,346	-	-	-	2,313,346
Accrued liabilities	2,087,257	-	-	-	-	2,087,257
Accrued salaries and benefits	6,160,901	828,259	-	-	34,342	7,023,502
Unearned revenue	-	575,661	-	-	-	575,661
Total Liabilities	12,037,440	3,717,266	-	-	34,342	15,789,048
Deferred Inflows of Resources:						
Unavailable property taxes	275,726	-	-	-	1,899	277,625
Fund Balances:						
Non-spendable - Inventory	-	-	-	-	469,474	469,474
Spendable:						
Restricted for debt service	-	-	-	21,226,355	-	21,226,355
Restricted for capital outlay	-	-	9,406,677	-	-	9,406,677
Restricted for emergencies	3,691,887	-	-	-	-	3,691,887
Restricted for multi-year obligations	670,500	-	-	-	-	670,500
Committed for capital outlay	-	-	-	-	5,733,029	5,733,029
Committed for transportation	-	-	-	-	334,384	334,384
Committed for nutrition services	-	-	-	-	363,354	363,354
Committed for pupil activities	-	-	-	-	1,129,100	1,129,100
Unassigned	10,009,439	-	-	-	-	10,009,439
Total Fund Balances	14,371,826	-	9,406,677	21,226,355	8,029,341	53,034,199
Total Liabilities, Deferred Inflows, and Fund Balances	26,684,992	3,717,266	9,406,677	21,226,355	8,065,582	69,100,872

Eagle County Schools
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
June 30, 2023

Governmental Funds Total Fund Balance		53,034,199
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		447,286,504
Accumulated Depreciation is not recognized in the governmental fund because capital assets are expensed at the time of acquisition.		(223,419,101)
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.		273,827
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
	Bonds payable	(186,320,000)
	Bond premiums	(16,638,603)
	Certificates of Participation	(18,980,000)
	Certificates of Participation premium	(2,778,383)
	Deferred charge on refunding	2,620,637
	Accrued interest payable	(695,346)
	Compensated absences	(2,132,414)
		(224,924,109)
Pension liability and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
	Pension liability	(132,692,854)
	Pension related deferred inflows	(12,723,626)
	Pension related deferred outflows	30,762,985
		(114,653,495)
OPEB liability and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
	OPEB liability	(4,521,993)
	OPEB related deferred inflows	(1,778,321)
	OPEB related deferred outflows	1,113,906
		(5,186,408)
Governmental Activities Net Position		(67,588,583)

Eagle County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Government Designated- Purpose Grant Fund	Building Fund	Bond Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Local sources	66,752,759	1,264,588	701,320	21,489,130	4,030,561	94,238,358
State sources	30,530,585	955,277	-	-	600,870	32,086,732
Federal sources	713,773	6,842,883	-	-	1,365,254	8,921,910
Total Revenues	97,997,117	9,062,748	701,320	21,489,130	5,996,685	135,247,000
Expenditures:						
Current:						
Direct instruction	55,139,617	5,076,509	-	-	-	60,216,126
Indirect instruction	12,814,349	3,263,028	-	-	-	16,077,377
General administration	8,144,098	-	-	-	-	8,144,098
Supporting services	7,769,766	99,495	-	-	-	7,869,261
Custodial maintenance	8,748,001	2,917	-	-	-	8,750,918
Community services	106,359	-	-	-	-	106,359
Transportation	92,602	-	-	-	3,134,626	3,227,228
Food service	64,432	36,829	-	-	2,863,291	2,964,552
Pupil activities	-	-	-	-	770,158	770,158
Capital outlay	478,793	583,970	10,212,553	-	4,230,988	15,506,304
Debt service:						
Principal	-	-	-	12,645,000	-	12,645,000
Interest and fiscal charges	-	-	-	7,742,546	759,300	8,501,846
Paying agent fees	-	-	1,275	-	-	1,275
Total Expenditures	93,358,017	9,062,748	10,213,828	20,387,546	11,758,363	144,780,502
Excess (Deficiency) or Revenues Over Expenditures	4,639,100	-	(9,512,508)	1,101,584	(5,761,678)	(9,533,502)
Other Financing Sources (Uses):						
Sale of capital assets	-	-	-	-	807,886	807,886
Transfers in	-	-	-	-	3,585,292	3,585,292
Transfers (out)	(2,825,992)	-	-	-	-	(2,825,992)
Charter school allocation	(3,624,667)	-	-	-	-	(3,624,667)
Total Other Financing Sources (Uses)	(6,450,659)	-	-	-	4,393,178	(2,057,481)
Net Change in Fund Balance	(1,811,559)	-	(9,512,508)	1,101,584	(1,368,500)	(11,590,983)
Fund Balance - Beginning of the Year	16,183,385	-	18,919,185	20,124,771	9,397,841	64,625,182
Fund Balance - End of the Year	14,371,826	-	9,406,677	21,226,355	8,029,341	53,034,199

Eagle County Schools
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Governmental Funds Changes in Fund Balances (11,590,983)

Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.

	Capital outlay	1,940,287	
	Depreciation expense	<u>(14,124,700)</u>	
			(12,184,413)

Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements. This amount represents the change in property taxes not available as current financial resources. 160,723

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. 12,645,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount represents the change in the following items:

	Accrued interest payable	44,571	
	Amortization of bond premiums	2,926,294	
	Amortization of deferred charge on refunding	(716,539)	
	Compensated absences payable	(448,828)	
Change in pension liability, deferred inflows, and deferred outflows		165,699	
	Amortization of pension related deferred outflows	(7,985,351)	
	Amortization of pension related deferred inflows	5,950,618	
Change in OPEB liability, deferred inflows, deferred outflows		411,664	
	Amortization of OPEB related deferred outflows	(140,576)	
	Amortization of OPEB related deferred inflows	<u>206,727</u>	
			<u>414,279</u>

Governmental Activities Change in Net Position (10,555,394)

**Eagle County Schools
Statement of Net Position
Proprietary Fund
June 30, 2023**

	Business-type Activities
	District Housing
Assets:	
Current assets:	
Cash and investments	211,128
Accounts receivable	4,000
Total Current Assets	215,128
Noncurrent Assets:	
Capital assets:	
Land	11,776
Construction in progress	11,214,878
Buildings	841,098
Less accumulated depreciation	(804,751)
Total Noncurrent Assets	11,263,001
Total Assets	11,478,129
Liabilities:	
Current liabilities:	
Security deposits	28,540
Total Current Liabilities	28,540
Total Liabilities	28,540
Net Position:	
Net investment in capital assets	11,263,001
Unrestricted	186,588
Total Net Position	11,449,589

Eagle County Schools
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Business-type Activities
	District Housing
Operating Revenues:	
Rental income	579,987
Total Operating Revenues	579,987
Operating Expenses:	
Purchased services	48,299
Supplies and materials	16,340
Depreciation	1,253
Housing rent expense	395,371
Total Operating Expenses	461,263
Operating Income (Loss)	118,724
Non-Operating Revenues:	
Transfers (out)	(759,300)
Contributed capital	11,214,878
Total Non-Operating Revenues	10,455,578
Change in Net Position	10,574,302
Net Position - Beginning of the Year	875,287
Net Position - End of the Year	11,449,589

**Eagle County Schools
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023**

	Business-type Activities
	District Housing
Cash Flows From Operating Activities:	
Cash received from tenants	582,018
Cash paid to suppliers	(460,010)
Net Cash Provided (Used) by Operating Activities	122,008
Cash Flows From Non-Capital Financing Activities:	
Transfers from other funds	(759,300)
Net Cash Provided (Used) by Non-Capital Financing Activities	(759,300)
Cash Flows From Capital and Related Financing:	
Purchase of fixed assets	(37,600)
Net Cash (Used) by Capital Financing Activities	(37,600)
Net Increase (Decrease) in Cash and Cash Equivalents	(674,892)
Cash and Cash Equivalents - Beginning of the Year	886,020
Cash and Cash Equivalents - End of the Year	211,128
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	118,724
Adjustments:	
Depreciation expense	1,253
(Increase) decrease in accounts receivable	(3,910)
Increase (decrease) in security deposits	5,941
Total Adjustments	3,284
Net Cash Provided (Used) by Operating Activities	122,008

Notes to the Basic Financial Statements

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the District and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements. Exceptions to this general rule are charges for inter-fund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component unit* for which the District is financially accountable.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for in another fund. Major revenue sources include local property taxes, specific ownership (personal property) taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended. Expenditures include all costs associated with the daily operation of the schools, except for programs funded by grants from federal and state governments, certain capital outlay expenditures, debt service, food service operations, transportation operations, District housing and other pupil activities.

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

The *Building Fund* is used to account for the acquisition of sites, buildings, equipment and vehicles. Eagle County Schools only reports expenditures related to bond projects in this fund.

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

Additionally, the District reports the following fund types:

Proprietary Funds – These funds focus on the determination of the changes in fund net position, financial position, and cash flows and are classified as either enterprise or internal service. Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District has one enterprise fund which is the *District Housing Fund* used to account for the rental and maintenance of housing provided to District employees.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Fund Equity

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

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

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

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

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

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

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

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

Accrued Salaries and Benefits – Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, are reflected as a liability in the accompanying financial statements.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

Assets, Liabilities and Fund Equity *(continued)*

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. Accumulated vacation and sick time vest after 20 years of employment. These compensated absences are paid out at a maximum of 100 days upon termination if an employee meets certain eligibility criteria and conditions for retirement after 20 years of continuous employment in the District.

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

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

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

Pensions – The District participates in the School Division Trust Fund (“SCHDTF”), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the SCHDTF. 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.

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

Assets, Liabilities and Fund Equity *(continued)*

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

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

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

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

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.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

Assets, Liabilities and Fund Equity *(continued)*

Fund Balance (continued)

- 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 criterions. 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.

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 2023 are certified to the county in December 2022 and are available for collection on the levy date, January 1, 2023. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. Property tax receipts collected by the county are generally remitted to the District in the subsequent month.

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

Revenues *(continued)*

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



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

TABOR Amendment

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

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending. The District has reserved \$3,691,887 of its June 30, 2023 year-end General Fund balance for emergencies as required under TABOR.

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

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



**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

NOTE 3: CASH AND INVESTMENTS

At June 30, 2023, the District had the following cash and investments:

	Rating	Carrying Amounts	Maturities	
			Less than One Year	One to Five Years
<i>Deposits:</i>				
Cash on Hand		1,450	1,450	-
Checking Accounts	Not rated	3,878,393	3,878,393	-
Savings Accounts	Not rated	912,155	912,155	-
<i>Investments:</i>				
Government Investment Pools	AAAm	55,895,362	55,895,362	-
Total		60,687,360	60,687,360	-

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

Cash and Investments	50,412,187
Restricted Cash and Investments	10,275,173
Total	60,687,360

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, 2023, the District had bank deposits of \$22,112,334 collateralized with securities held by the financial institution's agent but not in the District's name.

**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

NOTE 3: CASH AND INVESTMENTS *(continued)*

Investments

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

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

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

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

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

Fair Value Measurements- The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments or other observable inputs; and Level 3 inputs are unobservable inputs. At June 30, 2023, the District had the following recurring value measurements:

Investments Measured at Net Asset Value	Total
Colostrust	55,895,362

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 3: CASH AND INVESTMENTS *(continued)*

Investments *(continued)*

Local Government Investment Pool - At June 30, 2023, the District was invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. The pool operates in conformity with the Securities and Exchange Commission's Rule 2a-7 with each share equal in value to \$1.00.

Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes.

The District had invested in the Colorado Local Government Liquid Asset Trust ("Colotrust"), an investment pool established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust offers shares in three portfolios, COLOTRUST PRIME ("PRIME"), COLOTRUST PLUS+ ("PLUS+") and COLOTRUST EDGE ("EDGE") and operates similarly to a money market fund. PRIME and PLUS+ have a stable Net Asset Value ("NAV") and each share is equal in value to \$1 whereas EDGE has a variable NAV and each share is equal in value to \$2 or \$10. COLOTRUST portfolios may invest in United States Treasury securities and repurchase agreements collateralized by United States Treasury Securities.

COLOTRUST portfolios may also invest in certain obligations of United States government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of United States government agencies. Designated custodial back serves as custodian for Colotrust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. As of June 30, 2023, the District was invested in PLUS+ and EDGE.

Restricted Cash and Investments

At June 30, 2023, the District had the following restricted cash and investments:

	<u>Amount</u>	<u>Purpose</u>
Capital Reserve Fund	868,496	Capital projects
Building Fund	9,406,677	Rental workforce housing and admin space
	<u>10,275,173</u>	

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 4: CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2023, is summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	14,299,603	-	-	-	14,299,603
Construction in progress	3,141,894	11,690,224	(3,492,893)	(11,214,878)	124,347
Total capital assets not depreciated	<u>17,441,497</u>	<u>11,690,224</u>	<u>(3,492,893)</u>	<u>(11,214,878)</u>	<u>14,423,950</u>
Capital assets being depreciated:					
Buildings and Improvements	414,344,406	3,720,170	-	-	418,064,576
Equipment and Vehicles	14,381,959	1,237,664	(821,645)	-	14,797,978
Total capital assets being depreciated	<u>428,726,365</u>	<u>4,957,834</u>	<u>(821,645)</u>	<u>-</u>	<u>432,862,554</u>
Less accumulated depreciation for:					
Buildings and Improvements	(198,267,393)	(13,448,591)	-	-	(211,715,984)
Equipment and Vehicles	(11,848,653)	(676,109)	821,645	-	(11,703,117)
Total accumulated depreciation	<u>(210,116,046)</u>	<u>(14,124,700)</u>	<u>821,645</u>	<u>-</u>	<u>(223,419,101)</u>
Total capital assets, net	<u>236,051,816</u>	<u>2,523,358</u>	<u>(3,492,893)</u>	<u>(11,214,878)</u>	<u>223,867,403</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>					
Capital assets not being depreciated:					
Land	11,776	-	-	-	11,776
Construction in progress	-	-	-	11,214,878	11,214,878
Total capital assets not depreciated	<u>11,776</u>	<u>-</u>	<u>-</u>	<u>11,214,878</u>	<u>11,226,654</u>
Capital assets being depreciated:					
Building	803,498	37,600	-	-	841,098
Total capital assets being depreciated	<u>803,498</u>	<u>37,600</u>	<u>-</u>	<u>-</u>	<u>841,098</u>
Less accumulated depreciation for:					
Building	(803,498)	(1,253)	-	-	(804,751)
Total accumulated depreciation	<u>(803,498)</u>	<u>(1,253)</u>	<u>-</u>	<u>-</u>	<u>(804,751)</u>
Total capital assets, net	<u>11,776</u>	<u>36,347</u>	<u>-</u>	<u>11,214,878</u>	<u>11,263,001</u>

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 4: CAPITAL ASSETS *(continued)*

Depreciation expense was charged to the following programs for the year ended June 30, 2023:

Governmental activities:	<u>Depreciation</u>
Direct Instruction	8,474,820
Indirect Instruction	1,412,470
General Administration	1,412,470
Supporting Services	847,482
Custodial Maintenance	1,412,470
Transportation	564,988
Total Governmental activities	<u>14,124,700</u>

NOTE 5: SHORT-TERM DEBT

During the year ended June 30, 2023, the District borrowed \$12,581,005 from the State-sponsored interest-free loan program to provide cash flow throughout the fiscal year. The loan was paid in full in May 2023, from property taxes received in February and March.

NOTE 6: LONG-TERM DEBT

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2023.

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>	<u>Due Within One Year</u>
Governmental activities:					
General Obligation Bonds:					
2021 Refunding Bonds	\$ 43,390,000	\$ -	\$ (975,000)	\$ 42,415,000	\$ 975,000
2017 Refunding Bonds	131,770,000	-	-	131,770,000	-
Bond Premium	16,109,471	-	(1,150,677)	14,958,794	-
2013 Refund Bonds	23,805,000	-	(11,670,000)	12,135,000	12,135,000
Bond Premium	3,359,620	-	(1,679,811)	1,679,809	-
Total General Obligation Bonds	<u>218,434,091</u>	<u>-</u>	<u>(15,475,488)</u>	<u>202,958,603</u>	<u>13,110,000</u>
2021 Certificates of Participation	18,980,000	-	-	18,980,000	-
COPs Premium	2,874,190	-	(95,807)	2,778,383	-
Compensated absences	1,683,586	621,690	(172,862)	2,132,414	255,890
Net unfunded pension liability	92,914,566	39,778,288	-	132,692,854	-
Net unfunded OPEB liability	4,493,280	28,713	-	4,521,993	-
	<u>339,379,713</u>	<u>40,428,691</u>	<u>(15,744,157)</u>	<u>364,064,247</u>	<u>13,365,890</u>
Governmental activity long-term liabilities	<u>\$ 339,379,713</u>	<u>\$ 40,428,691</u>	<u>\$ (15,744,157)</u>	<u>\$ 364,064,247</u>	<u>\$ 13,365,890</u>

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

Compensated absences and pension and OPEB are paid from various funds in the same proportion that those funds pay payroll costs; most of the compensated absences and pension and OPEB liabilities are expected to be liquidated primarily 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:

- \$131,770,000 General Obligation Refunding Bonds, Series 2016, were issued to construct new school facilities and provide for other capital improvement projects. Principal payments are due annually on December 1, 2016, through 2036. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates of 5% per annum. The refunding resulted in increased debt service payments of \$143,127 over the next 20 years and an economic loss of \$9,609.
- \$102,245,000 General Obligation Refunding Bonds, Series 2013, were issued to refund a portion of the outstanding General Obligation Bonds, Series 2007. Principal payments are due annually beginning December 1, 2017 through 2026. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 2% to 5% per annum. All bonds maturing on and after December 1, 2024, were refunded with the issuance of the General Obligation Refunding Bonds, Series 2021.
- \$44,010,000 General Obligation Refunding Bonds, Series 2021, were issued to advance refund \$39,925,000 of outstanding General Obligation Refunding Bonds, Series 2013, and pay the costs of issuing the bonds. Principal payments are due annually on December 1, 2021 through 2026. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates of 0.112% - 0.903% per annum. The refunding resulted in net present value savings of \$1,557,436.

The refunding was undertaken to reduce total debt service payments and resulted in an economic gain of \$1,557,436.

Certificates of Participation

- In December, the District issued \$18,980,000 in Certificates of Participation to finance the building leases of Berry Creek Middle School and the administrative offices. The Series 2021 Certificates of Participation bear interest at 2% - 5% per annum. Base rental principal payments are due annually beginning November 15, 2024, through November 15, 2051. Base rental interest payments are due semi-annually on May 15 and November 15, beginning May 15, 2022 through November 15, 2051.

**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

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

Bond payments, to maturity, are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	13,110,000	7,964,496	21,074,496
2025	13,760,000	7,620,966	21,380,966
2026	13,875,000	7,526,719	21,401,719
2027	14,010,000	7,407,476	21,417,476
2028	11,480,000	7,056,700	18,536,700
2029-2033	67,045,000	25,817,575	92,862,575
2034-2038	56,690,000	8,120,225	64,810,225
2039-2043	3,635,000	2,728,500	6,363,500
2044-2048	5,525,000	1,821,500	7,346,500
2049-2052	6,170,000	515,200	6,685,200
Totals	<u>205,300,000</u>	<u>76,579,357</u>	<u>281,879,357</u>

Defeased Debt

In February, 2017, proceeds of the General Obligation Bonds, Series 2017, in the amount of \$8,462,505 were deposited in an irrevocable trust with an escrow agent to provide for the future debt service requirements of \$7,385,000 of the Certificates of Participation 2010A and 2010B. In June, 2013, proceeds of the General Obligation Refunding Bonds, Series 2013, in the amount of \$119,849,331 were deposited in an irrevocable trust with an escrow agent to provide for the future debt service requirements of \$103,590,000 of the General Obligation Refunding Bonds, Series 2007. In August 2021, proceeds of the General Obligation Refunding Bonds, Series 2021, in the amount of \$43,694,798, were deposited in an irrevocable trust with an escrow agent to provide for the future debt service requirements of \$39,925,000, of the General Obligation Refunding Bonds, Series 2013. As a result the refunded bonds listed above are considered defeased and the liabilities have been removed from the financial statements. The amount of debt considered defeased cannot be readily determined as of June 30, 2023.

Authorized Debt

In November 2023, electors of the District approved the issuance of up to \$100,000,000 in debt to finance the costs of capital projects. As of June 30, 2023, the District has no debt issued per this authorization.

**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

NOTE 7: INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023, consisted of the following:

	Transfers In				
Transfers Out	Nutrition Services	Capital Reserve	Transportati on	District Housing	Total
General	157,872	2,442,299	225,821	-	2,825,992
District Housing	-	759,300	-	-	759,300
Total	157,872	3,201,599	225,821	-	-

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

NOTE 8: RISK MANAGEMENT

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

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

Colorado School Districts Self Insurance Pool

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 9: DEFINED BENEFIT PENSION PLAN

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

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

Benefits provided as of December 31, 2022: PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

Benefits provided as of December 31, 2022 (continued): Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (“AAP”) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (“AI”) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (“AIR”) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contribution provisions as of June 30, 2023: Eligible employees of, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:



**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

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

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

	Year Ended June 30, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-2018(1)(f)	(1.02%)
Amount apportioned to the Trust Fund	10.38%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to Trust Fund	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$11,710,943 for the year ended June 30, 2023. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed July 1, 2023.

Pension Liabilities: The net pension liability for the SCHDTF was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total pension liability to December 31, 2022. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

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

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

At June 30, 2023, the District reported a liability of \$132,692,854 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	132,692,854
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District		29,942,489
Total	\$	162,635,343

At December 31, 2022, the District's proportionate share was 0.7287026490%, which was a decrease of 0.0697131283% from its proportionate share at December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$11,545,244 and revenue of \$3,297,384 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expenses and actual experience	\$ 1,255,795	\$ -
Change of assumptions or other inputs	2,350,423	-
Net difference between projected and actual earnings on pension plan investments	17,825,539	-
Changes in proportionate share of contributions	3,391,853	12,723,626
Contributions subsequent to measurement date	5,939,375	-
	\$ 30,762,985	\$ 12,723,626

**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

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

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

\$5,939,375 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended June 30,</u>	<u>Amortization</u>
2024	\$ (2,188,474)
2025	(1,545,279)
2026	5,465,413
2027	10,368,324
	<u>\$ 12,099,984</u>

Actuarial Assumptions: The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06 ¹	Financed by the Annual Increase Reserve

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

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

Actuarial Assumptions (continued):

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

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

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

Actuarial Assumptions (continued):

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

Discount rate (continued):

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

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

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Collective Net Pension Liability	\$ 23,829,927,000	\$ 18,209,465,000	\$ 13,515,805,000
Proportionate Share of Net Pension Liability	\$ 173,649,309	\$ 132,692,854	\$ 98,490,029

Pension plan fiduciary net position: Detailed information about the SCHDTF's fiduciary net position is available in PERA's ACFR, which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10: HEALTH CARE TRUST FUND

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

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

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

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

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

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

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

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

DPS Benefit Structure (continued)

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$585,974 for the year ended June 30, 2023.

At June 30, 2023, the District reported a liability of \$4,521,993 for its proportionate share of the net OPEB liability. The net OPEB liability for the Health Care Trust Fund (“HCTF”) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2022. The District’s proportion of the net OPEB liability was based on District contributions to HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District proportion was 0.5538407267%, which was an increase of 0.0327629193% from its proportionate share as of December 31, 2021.



Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$174,310. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expenses and actual experience	\$ 586	\$ 1,093,570
Change of assumptions or other inputs	72,680	499,088
Net difference between projected and actual earnings on plan investments	276,195	-
Changes in proportionate share of contributions	467,185	185,663
Contributions subsequent to measurement date	297,260	-
	\$ 1,113,906	\$ 1,778,321

\$297,260 reported as deferred outflows of resources related to other post-employment benefits, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net other post-employment benefits liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amortization
2024	\$ (2,188,474)
2025	(1,545,279)
2026	5,465,413
2027	10,368,324
	\$ 12,099,984

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

Actuarial assumptions. The total OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			3.00%	
Salary increases, including wage inflation				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation			7.25%	
Discount rate			7.25%	
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			6.50% in 2022, gradually decreasing to 4.50% in 2030	
Medicare Part A premiums			3.75% in 2022, gradually increasing to 4.50% in 2029	
DPS benefit structure:				
Service-based premium subsidy			0.00%	
PERACare Medicare plans			N/A	
Medicare Part A premiums			N/A	

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

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

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

**Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)**

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

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

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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

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

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

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

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

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

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

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

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

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

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

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

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

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2021 experience analysis for the period January 1, 2016, through December 31, 20192020, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 10: HEALTH CARE TRUST FUND (continued)

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERA Care Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERA Care Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Collective Net OPEB Liability	\$ 793,369,000	\$ 816,479,000	\$ 841,625,000
Proportionate Share of Net OPEB Liability	\$ 4,394,001	\$ 4,521,993	\$ 4,661,262

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

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

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

Discount rate (continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective Net OPEB Liability	\$ 946,541,000	\$ 816,479,000	\$ 705,234,000
Proportionate Share of Net OPEB Liability	\$ 5,242,330	\$ 4,521,993	\$ 3,905,873

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

Eagle County Schools
Notes to the Basic Financial Statements
June 30, 2023
(continued)

NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. At June 30, 2023 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.

Construction Commitments

At June 30, 2023, the District had approximately \$7,860,751 of commitments for construction of property and equipment, which are expected to be mostly incurred in 2024.



REQUIRED SUPPLEMENTARY INFORMATION

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
General Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local Sources:					
Property taxes	56,735,634	58,376,389	55,785,206	(2,591,183)	56,981,558
Specific ownership taxes	4,520,894	4,477,393	4,522,192	44,799	4,327,861
Tuition and fees	1,208,427	1,493,427	1,363,432	(129,995)	1,397,182
Pupil activities	903,770	922,400	1,066,850	144,450	943,603
Charter school services	803,480	803,480	736,717	(66,763)	714,833
Investment income	200,000	600,000	972,295	372,295	81,759
Other	1,013,900	1,016,910	2,306,067	1,289,157	1,190,279
Total Local Sources	<u>65,386,105</u>	<u>67,689,999</u>	<u>66,752,759</u>	<u>(937,240)</u>	<u>65,637,075</u>
State Sources:					
State equalization	23,960,574	22,721,263	24,371,920	1,650,657	20,598,077
Special education	2,053,208	2,142,827	2,159,814	16,987	1,658,900
English language proficiency act	390,229	452,576	452,576	-	415,639
Other	132,328	132,848	248,891	116,043	723,230
Total State Sources	<u>26,536,339</u>	<u>25,449,514</u>	<u>27,233,201</u>	<u>1,783,687</u>	<u>23,395,846</u>
Federal Sources:					
Grants	690,000	713,773	713,773	-	594,575
Total Federal Sources	<u>690,000</u>	<u>713,773</u>	<u>713,773</u>	<u>-</u>	<u>594,575</u>
Total Revenues	<u>92,612,444</u>	<u>93,853,286</u>	<u>94,699,733</u>	<u>846,447</u>	<u>89,627,496</u>
Expenditures:					
Salaries	55,655,599	55,724,748	54,571,962	1,152,786	50,502,716
Employee benefits	22,807,363	22,807,962	21,502,571	1,305,391	20,185,172
Purchased services	7,055,498	7,403,986	7,633,692	(229,706)	6,359,496
Supplies and materials	5,044,385	5,143,842	4,964,236	179,606	4,367,278
Property	95,530	102,530	137,821	(35,291)	164,123
Other	939,721	1,057,043	1,250,351	(193,308)	1,115,742
Total Expenditures	<u>91,598,096</u>	<u>92,240,111</u>	<u>90,060,633</u>	<u>2,179,478</u>	<u>82,694,527</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,014,348</u>	<u>1,613,175</u>	<u>4,639,100</u>	<u>3,025,925</u>	<u>6,932,969</u>
Other Financing Sources (Uses):					
Transfers (out)	(3,243,686)	(3,243,686)	(2,825,992)	417,694	(6,530,557)
Charter school allocation	(4,627,028)	(4,115,651)	(3,624,667)	490,984	(3,813,830)
Total Other Financing Sources (Uses)	<u>(7,870,714)</u>	<u>(7,359,337)</u>	<u>(6,450,659)</u>	<u>908,678</u>	<u>(10,344,387)</u>
Net Change in Fund Balance	(6,856,366)	(5,746,162)	(1,811,559)	3,934,603	(3,411,418)
Fund Balance - Beginning of the Year - Budget Basis	<u>16,865,650</u>	<u>16,865,650</u>	<u>16,183,385</u>	<u>(682,265)</u>	<u>19,594,803</u>
Fund Balance - End of the Year - Budget Basis	<u>10,009,284</u>	<u>11,119,488</u>	<u>14,371,826</u>	<u>3,252,338</u>	<u>16,183,385</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Pension direct distribution - Special funding			3,297,384		1,137,180
Pension expense - Special funding			(3,297,384)		(1,137,180)
Fund Balance - End of Year - GAAP Basis			<u>14,371,826</u>		<u>16,183,385</u>

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Government Designated-Purpose Grant Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local sources	4,657,793	7,011,846	1,264,588	(5,747,258)	887,350
State sources	484,103	484,103	955,277	471,174	390,734
Federal sources	2,858,104	2,858,104	6,842,883	3,984,779	6,552,450
Total Revenues	8,000,000	10,354,053	9,062,748	(1,291,305)	7,830,534
Expenditures:					
Salaries	4,751,699	4,751,699	4,968,918	(217,219)	4,608,173
Employee benefits	1,564,330	1,564,330	1,625,918	(61,588)	1,578,684
Purchased services	409,151	409,151	670,414	(261,263)	547,314
Supplies and materials	1,092,947	1,092,947	854,149	238,798	731,120
Other	-	2,354,053	666,702	1,687,351	196,077
Indirect costs	181,873	181,873	276,647	(94,774)	169,166
Total Expenditures	8,000,000	10,354,053	9,062,748	1,291,305	7,830,534
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-	-
Fund Balance - End of the Year	-	-	-	-	-

Required Supplementary Information Budgetary Comparison Schedule – Government Designated-Purpose Grant Fund

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

For the year-ended at the measurement date December 31,	2022	2021	2020	2019	2018
District's proportion of the net pension liability	0.7287%	0.7984%	0.8730%	0.7775%	0.7997%
District's proportionate share of the net pension liability	132,692,854	92,914,566	131,978,692	116,155,937	141,599,745
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	29,942,489	9,555,996	-	13,074,561	17,032,800
Total proportionate share of the net pension liability associated with the District	<u>162,635,343</u>	<u>102,470,562</u>	<u>131,978,692</u>	<u>129,230,498</u>	<u>158,632,545</u>
District's covered payroll	56,201,821	49,876,719	46,696,640	45,683,580	43,937,458
District's proportionate share of the net pension liability as a percentage of its covered payroll	236.10%	186.29%	282.63%	254.26%	322.28%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%
For the year-ended at the measurement date December 31,	2017	2016	2015	2014	2013
District's proportion of the net pension liability	1.0012%	0.8577%	0.8677%	0.8680%	0.8569%
District's proportionate share of the net pension liability	323,750,109	255,376,474	132,715,791	117,646,711	109,296,755
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	-	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>323,750,109</u>	<u>255,376,474</u>	<u>132,715,791</u>	<u>117,646,711</u>	<u>109,296,755</u>
District's covered payroll	46,222,796	38,496,189	37,816,183	36,364,064	34,544,173
District's proportionate share of the net pension liability as a percentage of its covered payroll	700.41%	663.38%	351.00%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	59.20%	62.84%	62.84%	64.07%

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

Fiscal year-ended June 30,	2023	2022	2021	2020	2019
Contractually required contribution	11,710,943	10,438,725	9,533,572	9,094,430	8,410,064
Contributions in relation to the contractually required contribution	<u>(11,710,943)</u>	<u>(10,438,725)</u>	<u>(9,533,572)</u>	<u>(9,094,430)</u>	<u>(8,410,064)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	57,448,410	52,508,675	47,955,593	46,926,885	44,334,722
Contributions as a percentage of covered payroll	20.39%	19.88%	19.88%	19.38%	18.97%
Fiscal year-ended June 30,	2018	2017	2016	2015	2014
Contractually required contribution	8,604,048	7,765,788	6,795,954	6,353,040	5,667,716
Contributions in relation to the contractually required contribution	<u>(8,604,048)</u>	<u>(7,765,788)</u>	<u>(6,795,954)</u>	<u>(6,353,040)</u>	<u>(5,667,716)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	43,850,819	42,201,383	38,325,382	37,639,638	35,481,967
Contributions as a percentage of covered payroll	19.62%	18.40%	17.73%	16.88%	15.97%

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

For the year-ended at the measurement date December 31,	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.5538%	0.5211%	0.5050%	0.5081%	0.5195%
District's proportionate share of the net OPEB liability	4,521,993	4,493,280	4,798,324	5,710,702	7,067,987
District's covered payroll	56,201,821	49,876,719	46,696,640	45,683,580	43,937,458
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	8.05%	9.01%	10.28%	12.50%	16.09%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%
For the year-ended at the measurement date December 31,	2017	2016			
District's proportion of the net OPEB liability	0.5694%	0.4875%			
District's proportionate share of the net OPEB liability	7,399,322	6,321,130			
District's covered payroll	46,222,796	38,496,189			
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.01%	16.42%			
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%			

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

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

Fiscal year-ended June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	585,974	535,588	489,147	478,654	448,162
Contributions in relation to the contractually required contribution	<u>(585,974)</u>	<u>(535,588)</u>	<u>(489,147)</u>	<u>(478,654)</u>	<u>(448,162)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	57,448,410	52,508,675	47,955,593	46,926,885	44,334,722
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.01%
Fiscal year-ended June 30,	<u>2018</u>	<u>2017</u>			
Contractually required contribution	471,473	392,661			
Contributions in relation to the contractually required contribution	<u>(471,473)</u>	<u>(392,661)</u>			
Contribution deficiency (excess)	<u>-</u>	<u>-</u>			
District's covered payroll	43,850,819	42,201,383			
Contributions as a percentage of covered payroll	1.08%	0.93%			

* Information is only available beginning in fiscal year 2017.

Eagle County Schools
Notes to Required Supplementary Information
June 30, 2023

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

A. Changes to assumptions and other inputs

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

1. Changes since the December 31, 2021 actuarial valuation:

- There were no changes made to the actuarial methods or assumptions.

2. Changes since the December 31, 2020 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.25% to 1.00%.

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

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

**Eagle County Schools
Notes to Required Supplementary Information
June 30, 2023
(Continued)**

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

A. Changes to assumptions or other inputs (continued)

3. Changes since the December 31, 2019 actuarial valuation (continued):

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

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

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

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

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

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

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

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

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

**Eagle County Schools
Notes to Required Supplementary Information
June 30, 2023
(Continued)**

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

A. Changes to assumptions or other inputs (continued)

8. Changes since the December 31, 2014 actuarial valuation

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

9. Changes of benefit terms

No changes during the years presented.

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

No changes during the years presented.

NOTE 2: NOTES TO THE SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS

A. Changes to assumptions or other inputs

No changes during the years presented.

**Eagle County Schools
Notes to Required Supplementary Information
June 30, 2023
(Continued)**

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

B. Changes of benefit terms

No changes during the years presented.

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

No changes during the years presented.

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

A. Changes to assumption or other inputs:

1. Changes since the December 31, 2021 actuarial valuation:

- The timing of the retirement decrement was adjusted to middle-of-year.

2. Changes since the December 31, 2020 actuarial valuation:

- There were no change made to the actuarial methods or assumptions.

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

- Changes since the December 31, 2019 to the Health Care Trust Fund actuarial valuation are the same as the changes to the School Division Trust Fund Noted in Note I.A.3 above.

A. Changes of benefit terms

No changes during the years presented.

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

No changes during the years presented.



Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Building Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local Sources:					
Investment income	25,000	467,593	701,320	233,727	47,753
Total Revenues	25,000	467,593	701,320	233,727	47,753
Expenditures:					
Capital outlay	17,999,385	16,888,508	10,212,553	6,675,955	1,127,611
Debt service:					
Paying agent fees	615	615	1,275	(660)	5,000
Debt issuance costs	-	-	-	-	429,462
Total Expenditures	18,000,000	16,889,123	10,213,828	6,675,295	1,562,073
Excess (Deficiency) of Revenues Over Expenditures	(17,975,000)	(16,421,530)	(9,512,508)	6,909,022	(1,514,320)
Other Financing Sources (Uses):					
COP proceeds	-	-	-	-	18,980,000
Premium on refunding bonds	-	-	-	-	2,969,996
Transfers (out)	-	-	-	-	(1,516,491)
Total Other Financing Sources (Uses)	-	-	-	-	20,433,505
Net Change in Fund Balance	(17,975,000)	(16,421,530)	(9,512,508)	6,909,022	18,919,185
Fund Balance - Beginning of the Year	19,952,996	19,952,996	18,919,185	(1,033,811)	-
Fund Balance - End of the Year	1,977,996	3,531,466	9,406,677	5,875,211	18,919,185

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Bond Redemption Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local Sources:					
Property taxes	20,668,696	20,668,696	21,489,130	820,434	21,959,002
Total Local Sources	<u>20,668,696</u>	<u>20,668,696</u>	<u>21,489,130</u>	<u>820,434</u>	<u>21,959,002</u>
Total Revenues	<u>20,668,696</u>	<u>20,668,696</u>	<u>21,489,130</u>	<u>820,434</u>	<u>21,959,002</u>
Expenditures:					
Debt Service:					
Principal	12,645,000	12,645,000	12,645,000	-	11,740,000
Interest and fiscal charges	7,744,246	7,744,246	7,742,546	1,700	8,491,241
Total Expenditures	<u>20,389,246</u>	<u>20,389,246</u>	<u>20,387,546</u>	<u>1,700</u>	<u>20,231,241</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>279,450</u>	<u>279,450</u>	<u>1,101,584</u>	<u>822,134</u>	<u>1,727,761</u>
Other Financing Sources (Uses):					
Debt issued	-	-	-	-	44,010,000
Payment to escrow agent	-	-	-	-	(43,694,798)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,202</u>
Net Change in Fund Balance	<u>279,450</u>	<u>279,450</u>	<u>1,101,584</u>	<u>822,134</u>	<u>2,042,963</u>
Fund Balance - Beginning of the Year	<u>20,106,315</u>	<u>20,106,315</u>	<u>20,124,771</u>	<u>18,456</u>	<u>18,081,808</u>
Fund Balance - End of the Year	<u><u>20,385,765</u></u>	<u><u>20,385,765</u></u>	<u><u>21,226,355</u></u>	<u><u>840,590</u></u>	<u><u>20,124,771</u></u>

Eagle County Schools
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Fund			Capital Projects Fund	Total Non-Major Governmental Funds
	Nutrition Services Fund	Pupil Activity Fund	Transportation Fund	Capital Reserve Fund	
Assets:					
Cash and investments	124,427	1,128,425	319,801	4,854,276	6,426,929
Restricted cash and investments	-	-	-	868,496	868,496
Accounts receivable	244,970	675	23,024	-	268,669
Taxes receivable	-	-	21,757	-	21,757
Grants receivable	-	-	-	10,257	10,257
Inventories	103,228	-	366,246	-	469,474
Total Assets	472,625	1,129,100	730,828	5,733,029	8,065,582
Liabilities:					
Accrued salaries and benefits	6,043	-	28,299	-	34,342
Total Liabilities	6,043	-	28,299	-	34,342
Deferred Inflows of Resources:					
Unavailable property taxes	-	-	1,899	-	1,899
Fund Balances:					
Non-spendable - inventory	103,228	-	366,246	-	469,474
Spendable:					
Committed for capital outlay	-	-	-	5,733,029	5,733,029
Committed for transportation	-	-	334,384	-	334,384
Committed for nutrition services	363,354	-	-	-	363,354
Committed for pupil activities	-	1,129,100	-	-	1,129,100
Total Fund Balances	466,582	1,129,100	700,630	5,733,029	8,029,341
Total Liabilities, Deferred Inflows, and Fund Balances	472,625	1,129,100	730,828	5,733,029	8,065,582

Eagle County Schools
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			Capital Projects Fund	Total Non-Major Governmental Funds
	Nutrition Services Fund	Pupil Activity Fund	Transportation Fund	Capital Reserve Fund	
Revenues:					
Local sources	852,451	741,073	1,882,286	554,751	4,030,561
State sources	42,404	-	456,705	101,761	600,870
Federal sources	1,365,254	-	-	-	1,365,254
Total Revenues	2,260,109	741,073	2,338,991	656,512	5,996,685
Expenditures:					
Current:					
Transportation	-	-	3,134,626	-	3,134,626
Food service	2,863,291	-	-	-	2,863,291
Pupil activities	-	770,158	-	-	770,158
Capital outlay	44,003	-	-	4,186,985	4,230,988
Debt service:					
Interest and fiscal charges	-	-	-	759,300	759,300
Total Expenditures	2,907,294	770,158	3,134,626	4,946,285	11,758,363
Excess (Deficiency) or Revenues Over Expenditures	(647,185)	(29,085)	(795,635)	(4,289,773)	(5,761,678)
Other Financing Sources (Uses):					
Sale of capital asset	-	-	-	807,886	807,886
Transfers in	157,872	-	225,821	3,201,599	3,585,292
Total Other Financing Sources (Uses)	157,872	-	225,821	4,009,485	4,393,178
Net Change in Fund Balance	(489,313)	(29,085)	(569,814)	(280,288)	(1,368,500)
Fund Balance - Beginning of the Year	955,895	1,158,185	1,270,444	6,013,317	9,397,841
Fund Balance - End of the Year	466,582	1,129,100	700,630	5,733,029	8,029,341

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Nutrition Services Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local Sources:					
Charges for services - student lunches	847,430	847,430	852,451	5,021	308,047
Total Local Sources	<u>847,430</u>	<u>847,430</u>	<u>852,451</u>	<u>5,021</u>	<u>308,047</u>
State Sources:					
Other	15,000	15,000	42,404	27,404	15,843
Total State Sources	<u>15,000</u>	<u>15,000</u>	<u>42,404</u>	<u>27,404</u>	<u>15,843</u>
Federal Sources:					
Donated commodities	140,000	140,000	184,800	44,800	144,714
National school lunch program	900,000	900,000	893,879	(6,121)	7,344
School breakfast program	126,000	126,000	139,992	13,992	340,897
Summer food service program	40,000	40,000	146,583	106,583	2,094,515
Total Federal Sources	<u>1,206,000</u>	<u>1,206,000</u>	<u>1,365,254</u>	<u>159,254</u>	<u>2,587,470</u>
Total Revenues	<u>2,068,430</u>	<u>2,068,430</u>	<u>2,260,109</u>	<u>191,679</u>	<u>2,911,360</u>
Expenditures:					
Salaries	1,329,784	1,329,784	1,197,844	131,940	1,104,401
Employee benefits	657,243	657,243	600,126	57,117	509,907
Purchased services	59,030	59,030	71,505	(12,475)	67,860
Donated commodities	140,000	140,000	184,800	(44,800)	144,714
Supplies and materials	839,264	778,623	807,871	(29,248)	931,476
Other	2,500	2,500	45,148	(42,648)	26,304
Total Expenditures	<u>3,027,821</u>	<u>2,967,180</u>	<u>2,907,294</u>	<u>59,886</u>	<u>2,784,662</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(959,391)</u>	<u>(898,750)</u>	<u>(647,185)</u>	<u>251,565</u>	<u>126,698</u>
Other Financing Sources (Uses):					
Transfers in	257,872	257,872	157,872	(100,000)	104,224
Total Other Financing Sources (Uses)	<u>257,872</u>	<u>257,872</u>	<u>157,872</u>	<u>(100,000)</u>	<u>104,224</u>
Net Change in Fund Balance	<u>(701,519)</u>	<u>(640,878)</u>	<u>(489,313)</u>	<u>151,565</u>	<u>230,922</u>
Fund Balance - Beginning of the Year	<u>797,586</u>	<u>955,895</u>	<u>955,895</u>	<u>-</u>	<u>724,973</u>
Fund Balance - End of the Year	<u>96,067</u>	<u>315,017</u>	<u>466,582</u>	<u>151,565</u>	<u>955,895</u>

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Pupil Activity Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local Sources:					
Pupil activities	622,986	565,985	741,073	175,088	713,439
Total Local Sources	<u>622,986</u>	<u>565,985</u>	<u>741,073</u>	<u>175,088</u>	<u>713,439</u>
Total Revenues	<u>622,986</u>	<u>565,985</u>	<u>741,073</u>	<u>175,088</u>	<u>713,439</u>
Expenditures:					
Pupil activities	1,948,172	1,891,171	770,158	1,121,013	670,065
Total Expenditures	<u>1,948,172</u>	<u>1,891,171</u>	<u>770,158</u>	<u>1,121,013</u>	<u>670,065</u>
Net Change in Fund Balance	(1,325,186)	(1,325,186)	(29,085)	1,296,101	43,374
Fund Balance - Beginning of the Year	1,325,186	1,158,185	1,158,185	-	1,114,811
Fund Balance - End of the Year	<u>-</u>	<u>(167,001)</u>	<u>1,129,100</u>	<u>1,296,101</u>	<u>1,158,185</u>

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Capital Reserve Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

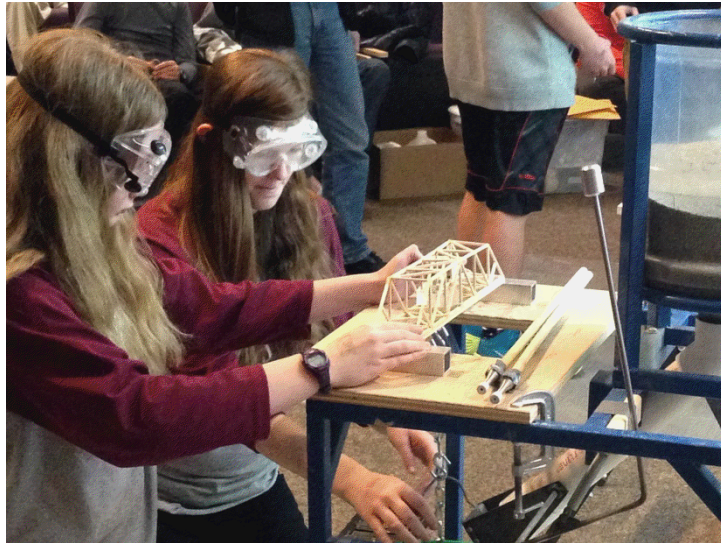
	<u>2023</u>			Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local Sources:					
Investment income	-	-	30,347	30,347	477
Other	80,000	380,000	524,404	144,404	122,533
Total Local Sources	<u>80,000</u>	<u>380,000</u>	<u>554,751</u>	<u>174,751</u>	<u>123,010</u>
State Sources:					
Other	101,761	101,761	101,761	-	102,931
Total State Sources	<u>101,761</u>	<u>101,761</u>	<u>101,761</u>	<u>-</u>	<u>102,931</u>
Total Revenues	<u>181,761</u>	<u>481,761</u>	<u>656,512</u>	<u>-</u>	<u>225,941</u>
Expenditures:					
Capital outlay	3,610,225	8,237,963	4,186,985	4,050,978	4,005,590
Debt service:					
Interest and fiscal charges	-	-	759,300	(759,300)	377,541
Total Expenditures	<u>3,610,225</u>	<u>8,237,963</u>	<u>4,946,285</u>	<u>3,291,678</u>	<u>4,383,131</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,428,464)</u>	<u>(7,756,202)</u>	<u>(4,289,773)</u>	<u>3,291,678</u>	<u>(4,157,190)</u>
Other Financing Sources (Uses):					
Sale of capital asset	-	800,586	807,886	7,300	-
Transfers in	2,379,993	2,379,993	3,201,599	821,606	6,008,148
Transfers (out)	-	-	-	-	1,516,491
Total Other Financing Sources (Uses)	<u>2,379,993</u>	<u>3,180,579</u>	<u>4,009,485</u>	<u>828,906</u>	<u>7,524,639</u>
Net Change in Fund Balance	(1,048,471)	(4,575,623)	(280,288)	4,120,584	3,367,449
Fund Balance - Beginning of the Year	2,548,471	6,013,317	6,013,317	-	2,645,868
Fund Balance - End of the Year	<u>1,500,000</u>	<u>1,437,694</u>	<u>5,733,029</u>	<u>4,120,584</u>	<u>6,013,317</u>

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Transportation Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Local Sources:					
Property taxes	1,000,000	1,000,000	999,144	(856)	1,002,196
Specific ownership taxes	50,000	50,000	58,183	8,183	55,957
Charges for services	665,000	705,500	824,959	119,459	754,389
Total Local Sources	<u>1,715,000</u>	<u>1,755,500</u>	<u>1,882,286</u>	<u>126,786</u>	<u>1,812,542</u>
State Sources:					
Transportation funding	670,544	439,495	456,705	17,210	537,899
Total State Sources	<u>670,544</u>	<u>439,495</u>	<u>456,705</u>	<u>17,210</u>	<u>537,899</u>
Total Revenues	<u>2,385,544</u>	<u>2,194,995</u>	<u>2,338,991</u>	<u>143,996</u>	<u>2,350,441</u>
Expenditures:					
Operations and maintenance	31,800	31,800	35,591	(3,791)	28,762
Transportation	3,712,079	3,242,025	3,088,169	153,856	2,792,374
Supplies	3,900	5,500	10,866	(5,366)	4,820
Total Expenditures	<u>3,747,779</u>	<u>3,279,325</u>	<u>3,134,626</u>	<u>144,699</u>	<u>2,825,956</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,362,235)</u>	<u>(1,084,330)</u>	<u>(795,635)</u>	<u>288,695</u>	<u>(475,515)</u>
Other Financing Sources (Uses):					
Transfers in	605,821	225,821	225,821	-	418,185
Total Other Financing Sources (Uses)	<u>605,821</u>	<u>225,821</u>	<u>225,821</u>	<u>-</u>	<u>418,185</u>
Net Change in Fund Balance	(756,414)	(858,509)	(569,814)	288,695	(57,330)
Fund Balance - Beginning of the Year	<u>860,953</u>	<u>860,953</u>	<u>1,270,444</u>	<u>409,491</u>	<u>1,327,774</u>
Fund Balance - End of the Year	<u>104,539</u>	<u>2,444</u>	<u>700,630</u>	<u>698,186</u>	<u>1,270,444</u>

Eagle County Schools
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
District Housing Fund
For the Year Ended June 30, 2023
(With Comparative Totals For the Year Ended 2022)

	2023			Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Charges for services	475,000	546,430	579,987	33,557	407,886
Total Revenues	475,000	546,430	579,987	33,557	407,886
Expenditures:					
Purchased services	52,500	62,500	48,299	14,201	48,697
Operating supplies	32,400	22,200	16,340	5,860	28,024
Housing rent expense	286,000	425,332	395,371	29,961	359,196
Depreciation	12,000	12,000	1,253	10,747	10,114
Total Expenditures	382,900	522,032	461,263	60,769	446,031
Excess (Deficiency) of Revenues Over Expenditures	92,100	24,398	118,724	94,326	(38,145)
Other Financing Sources (Uses):					
Transfers (out)	-	-	(759,300)	759,300	-
Contributed capital	-	-	11,214,878	(11,214,878)	-
Total Other Financing Sources (Uses)	-	-	10,455,578	759,300	-
Net Change in Fund Balance	92,100	24,398	10,574,302	853,626	(38,145)
Fund Balance - Beginning of the Year	880,552	880,552	875,287	(5,265)	913,432
Fund Balance - End of the Year	972,652	904,950	11,449,589	848,361	875,287



Statistical Section

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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



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

	2014	2015	2016	2017
Governmental activities				
Net Investment in Capital Assets	7,874,116	10,026,377	12,272,934	12,088,294
Restricted	14,083,361	15,525,828	16,058,646	19,629,943
Unrestricted	11,840,786	(100,488,719)	(107,149,147)	(142,914,614)
Total governmental activities net position	33,798,263	(74,936,514)	(78,817,567)	(111,196,377)
Business-type activities				
Net Investment in Capital Assets	492,230	98,584	84,936	71,288
Unrestricted	548,059	757,762	767,780	783,080
Total business-type activities net position	1,040,289	856,346	852,716	854,368
Primary government				
Net Investment in Capital Assets	8,366,346	10,124,961	12,357,870	12,159,582
Restricted	14,083,361	15,525,828	16,058,646	19,629,943
Unrestricted	12,388,845	(99,730,957)	(106,381,367)	(142,131,534)
Total primary government net position	34,838,552	(74,080,168)	(77,964,851)	(110,342,009)

Source: Eagle County Schools Finance Department

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

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

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

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

TABLE 1

2018	2019	2020	2021	2022	2023
16,652,565	8,514,085	17,822,450	17,713,342	39,874,086	484,527
65,030,999	23,501,925	20,741,267	21,370,409	41,883,956	34,324,919
(253,902,012)	(188,041,759)	(176,537,016)	(139,017,350)	(138,790,591)	(102,398,029)
<u>(172,218,448)</u>	<u>(156,025,749)</u>	<u>(137,973,299)</u>	<u>(99,933,599)</u>	<u>(57,032,549)</u>	<u>(67,588,583)</u>
57,640	43,995	32,006	21,890	11,776	11,263,001
771,266	817,090	844,551	891,542	863,474	186,588
<u>828,906</u>	<u>861,085</u>	<u>876,557</u>	<u>913,432</u>	<u>875,250</u>	<u>11,449,589</u>
16,710,205	8,558,080	17,854,456	17,735,232	39,885,862	11,747,528
65,030,999	23,501,925	20,741,267	21,370,409	41,883,956	34,324,919
(253,130,746)	(187,224,669)	(175,692,465)	(138,125,808)	(137,927,117)	(102,211,441)
<u>(171,389,542)</u>	<u>(155,164,664)</u>	<u>(137,096,742)</u>	<u>(99,020,167)</u>	<u>(56,157,299)</u>	<u>(56,138,994)</u>

**Eagle County Schools
Changes in Net Position
Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses				
Governmental activities:				
Instruction	92,699,512	47,102,664	45,237,576	47,143,698
Supporting services	38,289,580	22,835,688	21,817,670	38,267,501
Interest on long-term debt	6,248,795	7,439,407	8,718,172	9,377,053
Total governmental activities	<u>137,237,887</u>	<u>77,377,759</u>	<u>75,773,418</u>	<u>94,788,252</u>
Business-type activities				
Food service	-	-	-	-
District housing	461,263	446,031	171,096	128,307
Total business-type activities	<u>461,263</u>	<u>446,031</u>	<u>171,096</u>	<u>128,307</u>
Total primary government expenses	<u>137,699,150</u>	<u>77,823,790</u>	<u>75,944,514</u>	<u>94,916,559</u>
Program Revenues				
Governmental activities:				
Charges for service	6,461,917	5,232,031	3,683,021	3,731,272
Operating grants and contributions	21,634,131	12,360,469	12,589,177	10,860,812
Capital grants and contributions	101,761	102,931	232,342	265,723
Total governmental activities program revenues	<u>28,197,809</u>	<u>17,695,431</u>	<u>16,504,540</u>	<u>14,857,807</u>
Business-type activities:				
Charges for service				
Food service	-	-	-	-
District housing	579,987	407,886	207,971	143,779
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>579,987</u>	<u>407,886</u>	<u>207,971</u>	<u>143,779</u>
Total primary government program revenues	<u>28,777,796</u>	<u>18,103,317</u>	<u>16,712,511</u>	<u>15,001,586</u>
Net (Expense) / Revenue				
Governmental activities	(109,040,078)	(59,682,328)	(59,268,878)	(79,930,445)
Business-type activities	118,724	(38,145)	36,875	15,472
Total primary government net expense	<u>(108,921,354)</u>	<u>(59,720,473)</u>	<u>(59,232,003)</u>	<u>(79,914,973)</u>

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.

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

TABLE 2

2019	2018	2017	2016	2015	2014
46,483,157	86,150,254	80,062,487	51,406,006	46,693,195	43,222,676
37,826,199	65,402,769	48,123,875	35,404,876	35,801,713	27,923,881
9,827,850	10,378,267	7,658,076	5,271,362	5,777,879	6,099,948
<u>94,137,206</u>	<u>161,931,290</u>	<u>135,844,438</u>	<u>92,082,244</u>	<u>88,272,787</u>	<u>77,246,505</u>
-	-	-	-	-	1,686,166
88,504	141,836	125,532	129,249	149,839	116,806
88,504	141,836	125,532	129,249	149,839	1,802,972
<u>94,225,710</u>	<u>162,073,126</u>	<u>135,969,970</u>	<u>92,211,493</u>	<u>88,422,626</u>	<u>79,049,477</u>
4,404,240	4,098,271	3,840,408	3,537,130	3,305,847	2,247,002
9,575,923	8,345,799	7,945,747	8,580,035	8,543,336	6,906,428
-	-	61,073	122,277	125,425	121,681
<u>13,980,163</u>	<u>12,444,070</u>	<u>11,847,228</u>	<u>12,239,442</u>	<u>11,974,608</u>	<u>9,275,111</u>
-	-	-	-	-	684,851
120,682	116,375	127,184	125,619	135,233	139,660
-	-	-	-	-	1,149,166
120,682	116,375	127,184	125,619	135,233	1,973,677
<u>14,100,845</u>	<u>12,560,445</u>	<u>11,974,412</u>	<u>12,365,061</u>	<u>12,109,841</u>	<u>11,248,788</u>
(80,157,043)	(149,487,220)	(123,997,210)	(79,842,802)	(76,298,179)	(67,971,394)
32,178	(25,461)	1,652	(3,630)	(14,606)	170,705
<u>(80,124,865)</u>	<u>(149,512,681)</u>	<u>(123,995,558)</u>	<u>(79,846,432)</u>	<u>(76,312,785)</u>	<u>(67,800,689)</u>

Eagle County Schools
Changes in Net Position (continued)
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Revenues				
Governmental Activities:				
Property taxes	74,809,536	75,964,004	72,016,781	72,215,363
Specific ownership taxes	4,580,375	4,383,819	4,337,839	3,978,151
State equalization	24,371,920	20,598,077	17,613,552	20,184,613
State capital construction	-	-	-	-
Grants not restricted to specific programs	713,773	594,575	682,284	572,197
Unrestricted investment earnings	1,703,962	129,989	48,514	462,318
Gain (loss on asset disposition)	807,886	-	-	-
Miscellaneous	1,952,810	912,274	1,447,147	570,253
Transfers in (out)	(10,455,578)	-	-	-
Total general revenues and transfers	<u>98,484,684</u>	<u>102,582,738</u>	<u>96,146,117</u>	<u>97,982,895</u>
Business-type activities:				
Miscellaneous	-	-	-	-
Transfers in (out)	10,455,578	-	-	-
Total Business-type activities	<u>10,455,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>108,940,262</u>	<u>102,582,738</u>	<u>96,146,117</u>	<u>97,982,895</u>
Change in Net Position				
Governmental activities	(10,555,394)	42,900,410	36,877,239	18,052,450
Business-type activities	10,574,302	(38,145)	36,875	15,472
Total Change in Net Position	<u>18,908</u>	<u>42,862,265</u>	<u>36,914,114</u>	<u>18,067,922</u>

Source: Eagle County Schools Finance Department

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

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

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

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

TABLE 2

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
68,441,892	68,777,621	68,961,670	55,590,666	51,257,231	50,150,229
3,997,753	3,761,219	3,136,892	2,736,271	2,761,851	2,386,297
19,940,865	17,137,183	17,268,541	15,850,394	17,470,913	13,311,387
410,387	-	-	-	-	-
621,942	540,206	536,267	504,550	479,744	-
1,036,014	1,927,169	711,467	52,248	20,148	21,489
-	100,000	-	-	-	-
1,900,890	2,309,048	1,003,563	1,227,620	1,342,711	1,340,913
-	-	-	-	170,000	-
<u>96,349,743</u>	<u>94,552,446</u>	<u>91,618,400</u>	<u>75,961,749</u>	<u>73,502,598</u>	<u>67,210,315</u>
-	-	-	-	663	-
-	-	-	-	(170,000)	-
-	-	-	-	(169,337)	-
<u>96,349,743</u>	<u>94,552,446</u>	<u>91,618,400</u>	<u>75,961,749</u>	<u>73,333,261</u>	<u>67,210,315</u>
16,192,700	(54,934,774)	(32,378,810)	(3,881,053)	(2,795,581)	(761,079)
32,178	(25,461)	1,652	(3,630)	(183,943)	170,705
<u>16,224,878</u>	<u>(54,960,235)</u>	<u>(32,377,158)</u>	<u>(3,884,683)</u>	<u>(2,979,524)</u>	<u>(590,374)</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>(restated)</u> <u>2020</u>
General Fund				
Restricted	4,362,387	2,840,000	3,288,601	3,316,837
Assigned	-	-	1,776,779	155,735
Unassigned	10,009,439	13,343,385	14,529,423	15,910,403
Total General Fund	<u>14,371,826</u>	<u>16,183,385</u>	<u>19,594,803</u>	<u>19,382,975</u>
All Other Governmental Funds				
Nonspendable	469,474	420,619	354,452	384,157
Restricted for:				
Debt Service	21,226,355	20,124,771	18,081,808	17,269,671
Mill Levy Override	-	-	-	-
Capital Projects	9,406,677	18,919,185	-	154,759
Committed to:				
Capital Outlay	5,733,029	6,013,317	2,645,868	3,055,380
Transportation	334,384	893,045	1,015,664	809,290
Nutrition Services	363,354	912,675	682,631	130,821
Pupil activities	1,129,100	1,158,185	1,114,811	1,162,461
Future Projects	-	-	-	-
Unassigned	-	-	-	(68,556)
Total all other governmental funds	<u>38,662,373</u>	<u>48,441,797</u>	<u>23,895,234</u>	<u>22,897,983</u>

Source: Eagle County Schools Finance Department

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

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

TABLE 3

2019	2018	(restated) 2017	2016	2015	2014
4,073,343	4,106,898	4,251,142	3,243,628	3,173,802	2,458,250
4,039,821	852,382	-	-	-	-
10,000,000	11,985,539	10,895,790	8,770,410	8,789,128	8,630,252
<u>18,113,164</u>	<u>16,944,819</u>	<u>15,146,932</u>	<u>12,014,038</u>	<u>11,962,930</u>	<u>11,088,502</u>
336,752	346,791	345,146	65,421	47,288	-
16,953,515	16,583,973	16,186,060	13,041,918	12,654,217	11,948,469
26,816	208,563	-	-	-	-
2,448,251	44,131,565	130,166,498	445,813	444,176	667,495
1,857,134	1,502,871	1,219,643	519,411	615,766	1,979,974
11,089	36,017	5,334	58,647	56,298	43,150
29,008	209,675	384,297	346,353	249,870	247,503
-	-	-	-	-	-
1,886,442	372,932	-	-	-	-
-	-	-	-	(66,483)	(172,081)
<u>23,549,007</u>	<u>63,392,387</u>	<u>148,306,978</u>	<u>14,477,563</u>	<u>14,001,132</u>	<u>14,714,510</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>(restated) 2020</u>
Revenues				
Federal sources	8,921,910	9,734,495	8,655,004	5,872,644
State sources	32,086,732	25,580,433	21,522,758	25,487,849
Local sources	94,238,358	87,674,388	83,353,430	81,434,661
Total Revenues	<u>135,247,000</u>	<u>122,989,316</u>	<u>113,531,192</u>	<u>112,795,154</u>
Expenditures				
Instruction	76,293,503	68,718,736	62,704,243	60,231,329
Supporting services	31,832,574	28,880,043	24,991,358	25,362,496
Capital outlay	15,506,304	5,477,346	3,970,022	5,904,377
Debt Service:				
Principal	12,645,000	11,740,000	10,605,000	10,130,000
Interest and fiscal charges	8,501,846	8,553,580	10,051,490	10,548,165
Debt issuance costs	1,275	749,664	-	-
Total Expenditures	<u>144,780,502</u>	<u>124,119,369</u>	<u>112,322,113</u>	<u>112,176,367</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,533,502)</u>	<u>(1,130,053)</u>	<u>1,209,079</u>	<u>618,787</u>
Other Financing Sources (Uses)				
Debt issued	-	62,990,000	-	-
Debt premium	-	2,969,996	-	-
Payment to escrow agent	-	(43,694,798)	-	-
Sale of capital assets	807,886	-	-	-
Transfers in	3,585,292	8,047,048	3,314,428	4,056,652
Transfers out	(2,825,992)	(8,047,048)	(3,314,428)	(4,056,652)
Charter school allocation	(3,624,667)	-	-	-
Total Other Financing Sources (Uses)	<u>(2,057,481)</u>	<u>22,265,198</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(11,590,983)</u>	<u>21,135,145</u>	<u>1,209,079</u>	<u>618,787</u>
Debt service as a percentage of noncapital expenditures	18.39%	18.39%	18.71%	18.64%

Source: Eagle County Schools Finance Department

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

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

In 2023, the District revised the reporting related to the charter school allocation.

TABLE 4

2019	2018	(restated) 2017	2016	2015	2014
4,599,356	4,503,297	4,611,192	4,866,203	4,905,939	4,676,488
25,340,248	20,927,284	20,757,187	19,264,692	20,724,080	15,663,754
80,605,493	81,144,486	78,490,853	63,864,133	59,710,466	58,839,632
<u>110,545,097</u>	<u>106,575,067</u>	<u>103,859,232</u>	<u>87,995,028</u>	<u>85,340,485</u>	<u>79,179,874</u>
45,488,523	43,254,796	45,751,135	41,077,017	39,243,507	36,969,071
36,821,366	35,854,289	32,287,710	30,065,020	29,846,730	26,149,057
46,228,482	90,001,358	17,028,989	545,518	2,526,607	1,287,594
9,665,000	9,205,000	9,000,000	9,610,000	8,605,000	8,665,000
11,016,761	11,476,328	7,480,938	6,169,934	6,569,885	6,886,340
-	-	987,761	-	-	-
<u>149,220,132</u>	<u>189,791,771</u>	<u>112,536,533</u>	<u>87,467,489</u>	<u>86,791,729</u>	<u>79,957,062</u>
<u>(38,675,035)</u>	<u>(83,216,704)</u>	<u>(8,677,301)</u>	<u>527,539</u>	<u>(1,451,244)</u>	<u>(777,188)</u>
-	-	131,770,000	-	-	-
-	-	22,332,115	-	-	-
-	-	(8,462,505)	-	-	-
-	100,000	-	-	255,000	-
4,766,580	2,787,650	3,328,625	2,566,583	3,877,294	2,320,247
(4,766,580)	(2,787,650)	(3,328,625)	(2,566,583)	(2,520,000)	(2,320,247)
-	-	-	-	-	-
<u>-</u>	<u>100,000</u>	<u>145,639,610</u>	<u>-</u>	<u>1,612,294</u>	<u>-</u>
<u>(38,675,035)</u>	<u>(83,116,704)</u>	<u>136,962,309</u>	<u>527,539</u>	<u>161,050</u>	<u>(777,188)</u>
19.99%	20.66%	14.74%	18.04%	17.48%	19.45%

**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	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2023	3,538,932,280	39,736,175,860	93,902,160	323,804,290
2022	3,565,549,810	39,302,001,110	93,341,300	321,866,440
2021	3,439,415,460	36,994,874,680	103,161,850	422,360,970
2020	3,440,211,760	36,776,697,810	96,747,720	333,612,270
2019	3,149,510,010	33,496,890,960	95,928,100	330,786,260
2018	3,141,460,270	33,215,649,100	91,780,670	316,484,280
2017	2,944,003,260	29,583,561,050	89,423,480	308,356,230
2016	2,931,496,730	29,359,108,450	89,128,230	307,339,150
2015	2,556,149,170	25,252,094,130	86,011,900	296,591,660
2014	2,566,361,210	25,204,000,320	89,975,170	310,258,390

Source: Eagle County Assessor's Office

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

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

Years	Residential	Commercial	Renewable Energy and Agricultural Property
2023	6.70%	27.90%	26.40%
2022	6.95%	29.00%	26.40%
2021	7.15%	29.00%	29.00%
2020	7.20%	29.00%	29.00%
2019	7.20%	29.00%	29.00%
2018	7.20%	29.00%	29.00%
2017	7.20%	29.00%	29.00%
2016	7.96%	29.00%	29.00%
2015	7.96%	29.00%	29.00%
2014	7.96%	29.00%	29.00%

TABLE 5

Exemptions of Real Property		Total Value		Estimated Actual Value of Taxable Property
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Value	
315,547,270	1,376,454,190	3,948,381,710	41,436,434,340	9.53%
313,406,940	1,340,898,610	3,972,298,050	40,964,766,160	9.70%
296,185,420	1,245,174,140	3,838,762,730	38,662,409,790	9.93%
288,260,650	1,207,628,010	3,106,599,490	38,317,938,090	9.05%
269,485,260	1,133,697,460	3,514,923,370	34,961,374,680	10.05%
265,902,800	1,110,810,450	3,499,143,740	34,642,943,830	10.10%
250,953,490	1,021,359,410	3,284,380,230	30,913,276,690	10.62%
245,741,890	995,239,760	3,266,366,850	30,661,687,360	10.65%
218,850,980	880,696,280	2,861,012,050	26,429,382,070	10.83%
218,295,890	878,280,780	2,874,632,270	26,392,539,490	10.89%

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

	2023	2022	2021	2020
Eagle County School District				
General operations	17.578	17.614	17.025	17.196
General obligation debt service	6.645	6.728	6.728	6.728
Transportation	0.309	0.307	0.316	0.316
Total direct property tax rate	24.532	24.649	24.069	25.115
County Government				
General Fund	4.475	4.475	4.485	4.590
Special Revenue Funds	2.524	2.524	2.514	2.409
Capital Expenditures Fund	0.000	0.000	0.000	0.000
Open Space Fund	1.500	1.500	1.500	1.500
Total County	8.499	8.499	8.499	8.499
Miscellaneous County-wide				
Colorado Mountain Jr. College	4.085	4.013	4.013	4.013
Colorado River Water Conservancy	0.501	0.501	0.502	0.256
Total County-wide levies	13.085	13.013	13.014	12.752
Municipalities				
Avon	8.956	8.956	8.956	8.956
Basalt	10.291	10.391	10.891	11.052
Eagle	2.301	2.301	2.333	2.265
Gypsum	5.094	5.094	5.094	5.094
Minturn	17.934	17.934	17.934	17.934
Redcliff	33.878	33.878	33.878	33.878
Vail	4.808	4.736	4.701	4.712
Fire Protection, Ambulance and Hospital Districts				
Several, range from high of	11.270	11.260	11.057	11.049
to low of	2.755	2.774	2.755	2.781
Water, Sanitation, Library, Metro and Cemetery Districts				
Several, range from high of	79.000	79.000	84.000	95.000
to low of	0.000	0.000	0.000	0.000

Source: Eagle County Assessor's Office

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

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

TABLE 6

2019	2018	2017	2016	2015	2014
17.468	17.264	17.541	14.662	15.180	15.030
7.303	7.303	7.303	5.303	5.961	5.382
0.344	0.345	0.365	0.366	0.376	0.414
24.912	25.209	20.331	21.517	20.826	21.362
5.285	5.285	5.285	5.285	4.924	4.924
1.653	1.653	1.653	1.653	2.014	2.014
0.061	0.061	0.061	0.061	0.061	0.006
1.500	1.500	1.500	1.500	1.500	1.500
8.499	8.499	8.499	8.499	8.499	8.499
3.997	3.997	3.997	3.997	3.997	3.997
0.256	0.254	0.000	0.000	0.000	0.000
12.750	12.496	12.496	12.496	12.496	12.496
8.956	8.956	8.956	11.765	12.207	12.258
11.563	11.588	11.591	9.158	9.881	7.560
2.423	2.286	3.853	3.661	4.499	4.475
5.094	5.094	5.094	5.094	5.094	5.094
17.934	17.934	17.934	17.934	17.934	17.934
33.878	33.878	32.798	31.409	33.878	33.878
4.719	4.694	4.705	4.727	4.735	4.706
10.500	10.500	10.504	10.000	10.000	10.000
2.753	2.753	2.755	2.008	2.019	2.006
98.000	98.000	98.500	98.500	112.000	115.000
0.000	0.000	0.000	0.000	0.000	0.000

**Eagle County Schools
Principal Property Tax Payers
6/30/2023 and 9 Years Ago**

TABLE 7

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total County Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total County Taxable Assessed Valuation
Vail Corp	69,198,950	1	1.62%	62,097,050	1	2.17%
Union Pacific Corp	40,487,000	2	0.97%	24,139,900	3	0.84%
DiamondRock Vail Owner LLC	23,451,680	3	0.59%	18,056,060	6	0.63%
Arrabelle at Vail Square LLC	22,910,000	4	0.58%			
Public Service Co of CO	21,807,500	5	0.54%	19,512,400	4	0.68%
Ashford BC LP	21,609,660	6	0.51%	9,666,680	10	0.34%
Vail Hotels Partners LLC	20,300,020	7	0.50%			
Holy Cross Electric	17,334,900	8	0.45%	18,995,800	5	0.66%
Bachelor Gulch Properties LLC	17,060,020	9	0.43%			
Vail Owner LLC	15,498,960	10	0.39%			
Vail Associates, Inc.	13,164,520	-	0.00%			
Vail Associates, Inc.	12,194,140	-	0.00%	25,211,050	2	0.88%
Solaris Property Owner LLC		-	0.00%	10,310,110	8	0.36%
Ritz-Carlton Development CO INC		-	0.00%	10,152,490	9	0.35%
Ferruco Vail Ventures LLC		-	0.00%	10,580,610	7	0.37%
Total Assessed Valuation	295,017,350		6.58%	208,722,150		7.28%

Source: Eagle County Assessor's Office

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

TABLE 8

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	% of Levy		Amount	Percentage of Levy
2023	79,416,703	78,782,870	99.2%	-	78,782,870	99.2%
2022	80,383,970	78,390,746	97.5%	1,476,011	79,866,757	99.4%
2021	76,230,320	74,165,804	97.3%	2,000,517	76,166,321	99.9%
2020	76,357,722	72,924,305	95.5%	3,290,204	76,214,509	99.8%
2019	72,652,495	70,310,238	96.8%	2,189,212	72,499,450	99.8%
2018	71,940,703	69,580,358	96.7%	2,325,915	71,906,273	100.0%
2017	69,068,338	66,047,006	95.6%	2,940,540	68,987,546	99.9%
2016	55,866,894	52,826,077	94.6%	2,632,243	55,458,320	99.3%
2015	51,642,537	49,265,533	95.4%	2,340,368	51,605,901	99.9%
2014	50,290,510	49,040,534	97.5%	1,190,365	50,230,899	99.9%

Source: Eagle County Schools Finance Department

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assessed valuation	<u>3,235,178,790</u>	<u>3,261,145,250</u>	<u>3,825,220,130</u>	<u>3,166,034,880</u>
Debt limit (20% of assessed valuation)	<u>647,035,758</u>	<u>652,229,050</u>	<u>765,044,026</u>	<u>633,206,976</u>
Debt applicable to limit:				
General obligation bonds	217,945,000	217,945,000	206,620,000	217,225,000
Less: Amount set aside for repayment of general obligation debt	<u>(20,124,771)</u>	<u>(20,124,771)</u>	<u>(18,081,808)</u>	<u>(17,269,671)</u>
Total net debt applicable to limit	<u>197,820,229</u>	<u>197,820,229</u>	<u>188,538,192</u>	<u>210,401,485</u>
Legal debt margin	<u>449,215,529</u>	<u>454,408,821</u>	<u>576,505,834</u>	<u>422,805,491</u>
Total net debt applicable to the limit as a percentage of debt limit	30.57%	30.33%	24.64%	33.23%

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 7

2019	2018	2017	2016	2015	2014
<u>2,905,528,110</u>	<u>2,900,739,730</u>	<u>2,739,828,540</u>	<u>2,734,683,670</u>	<u>2,400,080,750</u>	<u>2,739,828,540</u>
<u>581,105,622</u>	<u>580,147,946</u>	<u>547,965,708</u>	<u>546,936,734</u>	<u>480,016,150</u>	<u>547,965,708</u>
227,355,000	237,020,000	246,225,000	123,255,000	131,590,000	246,225,000
<u>(16,953,515)</u>	<u>(16,583,973)</u>	<u>(16,186,060)</u>	<u>(12,202,188)</u>	<u>(11,816,380)</u>	<u>(16,186,060)</u>
<u>220,436,027</u>	<u>230,038,940</u>	<u>111,052,812</u>	<u>128,633,620</u>	<u>127,884,010</u>	<u>111,052,812</u>
<u>370,704,137</u>	<u>359,711,919</u>	<u>317,926,768</u>	<u>435,883,922</u>	<u>351,382,530</u>	<u>317,926,768</u>
37.93%	39.65%	20.27%	23.52%	26.64%	20.27%

Eagle County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

TABLE 10

Fiscal Year	Governmental Activities		Total Outstanding Debt	Percentage of Personal Income (2)	Debt Per Capita
	General Obligation Bonds (1)	Certificates of Participation (1)			
2023	\$ 202,958,603	\$ 21,758,383	\$ 224,716,986	4.47%	\$ 4,065
2022	218,434,091	21,949,996	240,384,087	4.64%	4,314
2021	231,799,259	-	231,799,259	4.61%	4,164
2020	244,874,786	-	244,874,786	5.25%	4,442
2019	257,475,315	-	257,475,315	5.59%	4,682
2018	269,781,446	-	269,781,446	6.11%	4,926
2017	281,775,470	-	281,775,470	6.56%	5,219
2016	138,727,559	7,758,585	146,486,144	3.57%	2,768
2015	148,847,531	9,040,528	157,888,059	3.84%	3,010
2014	138,995,000	10,247,471	149,242,471	3.48%	2,687

Source: Eagle County Schools Finance

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Demographic and Economic Statistics table (Table 13, page G22)

(3) United States Census Bureau

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

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

TABLE 11

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capital (4)
2023	\$ 202,958,603	\$ 13,110,000	\$ 189,848,603	0.23%	\$ 3,434
2022	218,434,091	12,645,000	205,789,091	0.25%	3,693
2021	231,799,259	11,120,000	220,679,259	0.29%	3,964
2020	244,874,786	10,605,000	234,269,786	0.31%	4,250
2019	257,475,315	10,130,000	247,345,315	0.35%	4,498
2018	269,781,446	9,665,000	260,116,446	0.38%	4,749
2017	281,775,470	8,800,000	272,975,470	0.44%	5,056
2016	138,727,559	8,335,000	130,392,559	0.21%	2,464
2015	148,847,531	7,405,000	141,442,531	0.27%	2,696
2014	138,995,000	7,480,000	131,515,000	0.25%	2,368

Source: Eagle County Schools Finance

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

(2) This is the amount restricted for debt service principal payments.

(3) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data (Table 5, pages G11 - G12)

(4) Population data can be found in the schedule of Ratios of Outstanding Debt by Type (Table 10, page G19)

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

Eagle County Schools
Direct and Overlapping Governmental Activities Debt
January 00, 1900

TABLE 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Airport Commerce Center Metro District	3,200,000	100.00%	3,200,000
Arrowhead Metro District	8,675,000	100.00%	8,675,000
Basalt & Rural Fire District	3,384,400	61.00%	2,064,484
Basalt Regional Library District	3,255,000	58.00%	1,887,900
Beaver Creek Metro District	4,560,000	100.00%	4,560,000
Berry Creek Metro District	1,605,000	100.00%	1,605,000
Buckhorn Valley Metro District #2	22,583,245	100.00%	22,583,245
Cascade Village Metro District	900,000	100.00%	900,000
Chatfield Corners Metro District	2,135,000	100.00%	2,135,000
Confluence Metro District	22,750,000	100.00%	22,750,000
Cordillera Valley Club Metro District	1,347,527	100.00%	1,347,527
Cotton Ranch Metro District	6,935,000	100.00%	6,935,000
Eagle Ranch Metro District	8,570,000	100.00%	8,570,000
Eagle River Fire Protection District	21,677,890	100.00%	21,677,890
Eagle River Water & San Dist- Water Sub Dist- Vail	5,213,400	100.00%	5,213,400
Eagle River Water & Sanitation Dist (Wastewater)	31,502,200	100.00%	31,502,200
Eagle Vail Metro District	4,295,000	100.00%	4,295,000
Red Sky Ranch Metro District	8,590,000	100.00%	8,590,000
Ruedi Shores Metro District	1,383,000	100.00%	1,383,000
School District JT-1 (West Grand)	3,386,625	1.00%	33,866
School District RE-1 (Roaring Fork)	152,544,984	21.72%	33,140,128
School District RE-50J (Eagle)	217,945,000	100.00%	217,945,000
Siena Lake Metro District	24,565,000	100.00%	24,565,000
Solaris Metro District No. 3	33,715	100.00%	33,715
The Village	44,425,000	100.00%	44,425,000
Town of Basalt	17,710,000	69.77%	12,356,267
Town of Vail	35,285,000	100.00%	352,850,000
Tree Farm Metro District	18,230,000	100.00%	18,230,000
Vail Square Metro District No. 1	9,440,000	100.00%	9,440,000
Valagua Metro District	21,000,000	100.00%	21,000,000
Subtotal, Total Overlapping Debt			893,893,622
Eagle County School District direct debt			(186,320,000)
Total direct and overlapping debt			<u>707,573,622</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.

**Eagle County Schools
Demographic and Economic Statistics
Last Ten Fiscal Years**

TABLE 13

Fiscal Year	Population (1)	Median Age	Median Household Income	Personal Income	School Enrollment (2)	Unemployment Rate (3)
2023	55,285	34.7	\$ 91,000	\$ 5,030,935,000	6,687	2.8%
2022	55,727	37.7	93,016	5,183,502,632	7,562	4.3%
2021	55,665	37.8	90,365	5,030,167,725	6,692	9.5%
2020	55,127	36.5	84,685	4,668,429,995	6,841	2.2%
2019	54,993	37.4	83,803	4,608,578,379	6,863	2.7%
2018	54,772	37.0	80,600	4,414,623,200	6,956	2.3%
2017	53,989	36.7	79,600	4,297,524,400	6,901	2.8%
2016	52,921	36.5	77,600	4,106,669,600	6,546	3.1%
2015	52,460	36.2	78,300	4,107,618,000	6,713	4.2%
2014	55,548	36.0	77,200	4,288,305,600	6,383	6.6%

Sources: (1) U.S. Census Bureau
(2) Annual School Census of the Board of Education
(3) Eagle County Finance Department

**Eagle County Schools
Principal Employers
Current Year and Nine Years Ago**

Employer	Rank	Range of Employees	Rank
Vail Resorts Inc.	1	>1500	1
Eagle County School District	2	500 - 1000	2
Vail Health	3	500 - 1000	
Eagle County Government	4	500 - 600	5
Grand Hyatt Vail	5	400 - 500	
Sonnenalp Resort	6	400 - 500	9
Ritz Carlton	7	300 - 400	6
Walmart	8	300 - 400	
Town of Vail	9	200 - 300	10
Vail Marriott	10	200 - 300	8
Vail Valley Medical Center			3
Gallegos Corporation			
Vail Cascade Resort			4
Park Hyatt Beaver Creek			7

Source: Eagle County

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

TABLE 15

Fiscal Year	Governmental Fund Expenditures	Funded Students (1)	Cost Per Pupil	Percentage Change
2022-23	\$ 144,780,502	\$ 6,599	\$ 21,939	17.82%
2021-22	124,118,729	6,665.8	18,620	10.93%
2020-21	112,322,113	6,691.8	16,785	-0.32%
2019-20	113,338,828	6,731.0	16,838	-25.61%
2018-19	149,220,132	6,592.5	22,635	-21.32%
2017-18	189,791,771	6,597.5	28,767	68.11%
2016-17	112,797,131	6,591.8	17,112	27.20%
2015-16	87,467,489	6,501.9	13,453	-0.65%
2014-15	86,791,729	6,410.0	13,540	6.95%
2013-14	78,270,896	6,182.4	12,660	-11.40%

Source: Eagle County Schools Finance.

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

(1) Total Funded Students less Charter Institute Pupil Count.

**Eagle County Schools
District Employees FTE
January 00, 1900**

TABLE 10

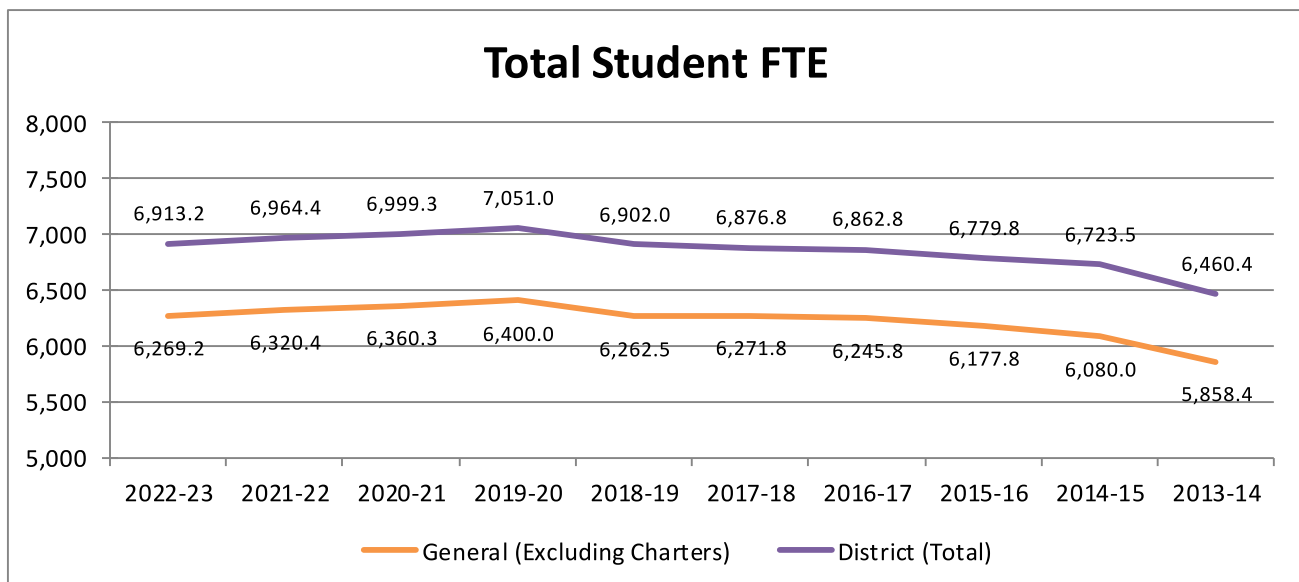
Location	100-104	105-125	201-209	210-220	230-239	320-358	360-399	400-499	500-599	600-699	Total FTEs
	District Admin	School Admin	Teachers	Other Teachers	ESS Certified Staff	Professional Staff	Technical Support	Instructional Support Staff	Office/Admin Support	Trades & Services	
General Fund											
104 Edwards Early Learning Center	0.80	0.78	15.37	1.40		0.75		79.07	3.45		101.62
110 Eagle Valley Elementary		1.00	29.06	3.00				0.88	2.00		35.94
120 Brush Creek Elementary		1.00	22.80	2.00				2.14	2.00		29.94
130 Avon Elementary		1.00	32.61	2.00				13.04	2.00		50.65
140 Red Sandstone Elementary		1.00	19.62	2.62					1.81		25.05
160 Gypsum Elementary		1.00	27.81	1.87				4.52	2.00		37.20
170 Edwards Elementary		1.00	28.00	1.00				1.69	2.00		33.69
180 Red Hill Elementary		1.00	33.43	1.00				5.64	2.00		43.07
210 Eagle Valley Middle		2.00	26.30	3.00				1.76	2.00		35.06
230 Berry Creek Middle		2.00	21.15	2.00				1.63	1.91		28.69
240 Gypsum Creek Middle		2.00	30.38	3.00				2.66	2.00		40.04
310 Battle Mountain High		4.00	59.82	4.00				5.28	5.00		78.10
320 Eagle Valley High		4.00	68.59	4.00		2.00		3.52	6.01	1.00	89.12
340 Vail Ski and Snowboard Academy		1.00	19.41	2.59				0.56	2.00		25.56
390 Red Canyon High		2.00	17.78	2.00					2.00		23.78
461 World Adacemy		1.00									1.00
501 Homestake Peak School		2.00	37.60	4.00				1.32	3.00		47.92
610 Superintendent & Board of Education	1.00					1.00					2.00
619 Gifted & Talented	1.00		7.00					1.00			9.00
620 Educator Quality	1.00			1.00							2.00
621 Instructional Services	1.00			0.70	0.00	0.63					2.33
622 Student Services	1.00			4.00		1.00			2.00		8.00
623 Equity											0.00
624 Nursing					4.16						4.16
625 Exceptional Student Services	4.00		2.50	5.43	18.21	2.00	0.81	1.86	2.50		37.31
626 English Language Acquisition (ELA)	1.00					4.00			1.00		6.00
629 Community Relations	1.00					1.00			1.00		3.00
630 Business Services	1.00					1.00			4.00		6.00
640 Human Resources	1.00		6.75	1.00					6.00		14.75
650 Technology	1.00						19.00		2.00	1.00	23.00
710 Maintenance	1.00					1.00			1.00	67.37	70.37
950 ECCA			0.50					0.88			1.38
General Fund Total	15.80	27.78	506.48	51.61	22.37	14.38	19.81	127.45	60.68	69.37	915.73
Other District Funds											
21 Nutrition Services Fund	1.00					3.76			1.00	29.19	34.95
22 Grants Fund	0.20	0.22	14.05	3.66	3.00	2.60		20.74	0.55		45.02
25 Transportation Fund	1.00							0.42	4.00	26.70	32.12
Other District Funds Total	2.20	0.22	14.05	3.66	3.00	6.36	-	21.16	5.55	55.89	112.09
Total District Funds	18.00	28.00	520.53	55.27	25.37	20.74	19.81	148.61	66.23	125.26	1,027.82

Source: Eagle County Schools Finance and Human Resources Departments

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

TABLE 17

Year	General (Excluding Charters)	District (Total)	CSI	ECCA/NAS	Charter
2022-23	6,269.2	6,913.2	314.0	330.0	644.0
2021-22	6,320.4	6,964.4	314.0	330.0	644.0
2020-21	6,360.3	6,999.3	309.0	330.0	639.0
2019-20	6,400.0	7,051.0	321.0	330.0	651.0
2018-19	6,262.5	6,902.0	309.5	330.0	639.5
2017-18	6,271.8	6,876.8	275.0	330.0	605.0
2016-17	6,245.8	6,862.8	271.0	346.0	617.0
2015-16	6,177.8	6,779.8	275.5	326.5	602.0
2014-15	6,080.0	6,723.5	313.5	330.0	643.5
2013-14	5,858.4	6,460.4	278.0	324.0	602.0



Source: Eagle County Schools Finance

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

TABLE 18

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

Source: Eagle County Schools Finance

**Eagle County Schools
Facility Statistics**

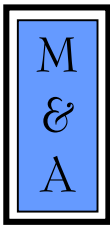
TABLE 19

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

Source: Eagle County Schools Maintenance Department.

Compliance Section

Single Audit



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

To the Board of Education
Eagle County Schools
Eagle, Colorado

Opinion on Each Major Federal Program

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, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Eagle County Schools (the “District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated February 23, 2024.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Member: American Institute of Certified Public Accountants

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

Compliance and Other Matters

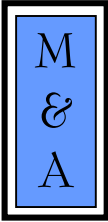
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
February 23, 2024



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

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

Opinion on Each Major Federal Program

We have audited Eagle County Schools (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Member: American Institute of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

February 23, 2024

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

Report on Internal Control Over Compliance (continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
Avon, Colorado
February 23, 2024

**Eagle County Schools
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023**

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted

Major programs:

Elementary and Secondary School Emergency Relief Fund Child Nutrition Cluster	ALN 84.425 ALN 10.553, 10.555, and 10.559
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

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

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Eagle District Schools
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

2022-001 **Finding:** Subrecipient Monitoring

Federal Assistance Listing 84.425 Education Stabilization Fund
U.S. Department of Education, passed through Colorado Department of Education

Initial Fiscal Year Finding Occurred: 2022

Finding Summary: Under 2 CFR section 200.332, Requirements for Pass-through Entities, all pass-through entities must:

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of this part, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

In 2022, the District did not conduct an assessment/evaluation of the risk of noncompliance of all subrecipients.

Status: The District adopted additional policies to ensure future recipients of federal grants would have proper assessments and evaluations completed. The finding has been addressed and there is no further action required.

**Eagle County Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
United States Department of Education			
Passed through State Department of Education:			
Every Student Succeeds Act (ESSA), Title I, Part A: Formula Grant	84.010	4010	\$ 511,045
Every Student Succeeds Act (ESSA), Title I, Part A: Formula Grant	84.010	5010	<u>25,784</u>
<i>Subtotal - Every Student Succeeds Act (ESSA)</i>			536,829
Special Education - Grants to States (IDEA, Part B)	84.027	4027	1,247,395 B
COVID-19 - Special Education - Grants to States (IDEA, Part B)	84.027X	6027	<u>155,790 B</u>
<i>Subtotal - Special Education - Grants to States (IDEA, Part B)</i>			1,403,185
Special Education - Preschool Grants (IDEA Preschool)	84.173	4173	32,627 B
COVID-19 - Special Education - Preschool Grants (IDEA Preschool)	84.173X	6173	<u>21,031 B</u>
<i>Subtotal - Special Education - Preschool Grants (IDEA Preschool)</i>			53,658
Title III, Part A - English Language Acquisition	84.365A	4365	167,096
Title II, Part A - Supporting Effective Instruction State Grants	84.367	4367	123,417
Title IV, Part A - Student Support and Academic Enrichment Program	84.424A	4424	28,763
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III 90% - LEA Allocation)	84.425U	4414	2,204,964
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III ARP 9.5% State Set-Aside Supplemental)	84.425U	4418	45,389
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II CRSSA 9.5% Set Aside - Supplemental)	84.425D	4419	22,685
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II CRSSA - Distribution 90%)	84.425D	4420	134,322
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III ARP 9.5% State Set-Aside, EASI)	84.425D	4437	5,545
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III ARP 9.5% State Set-Aside, Expanded Learning)	84.425U	4438	734,951
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III ARP 9.5% State Set-Aside, Expanded Learning)	84.425D	4448	44,000
COVID-19 - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	8426	<u>3,111</u>
<i>Subtotal - Elementary and Second School Emergency Relief Fund</i>			3,194,967
Passed through Colorado Community College System:			
Strengthening Career and Technical Education for the 21st Century	84.048	5048	<u>26,663</u>
Total United States Department of Education			<u>5,534,578</u>
United States Department of Health and Human Services			
Passed through State Department of Health and Human Services:			
Head Start	93.600	8600	558,912 D
COVID-19 - Head Start	93.600	8600	<u>55,864 D</u>
Total United States Department of Health and Human Services			<u>614,776</u>

(CONTINUED)

**Eagle County Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023
(continued)**

Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
United States Department of Agriculture			
Passed through Colorado Department of Human Services:			
Food Distribution Commodities	10.555	4555	184,800 A
Passed through State Department of Education:			
National School Breakfast Program	10.553	4553	139,992 A
National School Lunch Program	10.555	4555	893,879 A
Supply Chain Assistance	10.555	6555	142,710 A
<i>Subtotal - National School Lunch Program</i>			1,036,589
Summer Food Service Program for Children	10.559	4559	3,874 A
P-EBT Administrative Costs Grants	10.649	4649	6,391
Passed through Eagle County:			
Schools and Roads - Grants to Counties	10.665	N/A	713,773 C
Total United States Department of Agriculture			2,085,419
United States Department of Treasury			
Passed through Colorado Department of Education:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	6127	34,932
Total United States Department of Treasury			34,932
Total Federal Expenditures			\$ 8,269,705

Additional Information for Clusters:

A Child Nutrition Cluster	\$ 1,365,255
B IDEA Cluster	1,456,843
C Forest Service Schools and Roads Cluster	713,773
D Head Start Cluster	614,776

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023:

Note 1. Basis of Presentation:

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

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

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

Note 3. Indirect Facilities and Administration Costs:

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

State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 0910 - Eagle County RE 50
 Fiscal Year 2022-23
 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	16,183,385		88,249,075	90,060,634		14,371,825
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	16,183,385		88,249,075	90,060,634		14,371,825
11 Charter School Fund	2,053,501		5,539,516	5,301,799		2,291,218
20-26-29 Special Revenue Fund	0		0	0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0	0		0
07 Total Program Reserve Fund	0		0	0		0
21 Food Service Spec Revenue Fund	955,891		2,417,981	2,907,291		466,581
22 Govt Designated-Purpose Grants Fund	0		9,062,749	9,062,749		0
23 Pupil Activity Special Revenue Fund	1,158,187		749,974	779,060		1,129,100
25 Transportation Fund	1,270,443		1,877,865	2,447,680		700,629
31 Bond Redemption Fund	20,124,771		21,489,130	20,387,546		21,226,356
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	18,919,185		701,320	10,213,828		9,406,677
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	6,013,319		4,665,997	4,946,287		5,733,029
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	66,678,683		134,753,607	146,106,874		55,325,416
Proprietary						
50 Other Enterprise Funds	875,285		11,035,565	461,262		11,449,588
64 (63) Risk-Related Activity Fund	0		0	0		0
60-65-69 Other Internal Service Funds	0		0	0		0
Totals	875,285		11,035,565	461,262		11,449,588
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	0		0	0		0

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**Eagle County School District RE50J
Annual Comprehensive Financial Report**

**EAGLE COUNTY
SCHOOL DISTRICT**
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