EAGLE COUNTY CHARTER ACADEMY

FINANCIAL STATEMENTS

June 30, 2017

EAGLE COUNTY CHARTER ACADEMY

Board of Directors

June 30, 2017

Jeff Sample - President

Janine Treu - Vice President

James Wilkins - Treasurer

Ryan Geller

Shawn Colby

Tanya Kessenich - Staff Member

Shelby Kellerman - Staff Member

Kim Walter - Principal

TABLE OF CONTENTS

Swanhorst & Company LLC
Certified Public Accountants

Board of Directors
Eagle County Charter Academy
Edwards, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and the major fund of the Eagle County Charter Academy, component unit of Eagle County School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Eagle County Charter Academy, as listed in the table of contents.

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

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the major fund of the Eagle County Charter Academy as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

8400 E. Crescent Parkway • Suite 600 • Greenwood Village, CO 80111 • (720) 528-4306 Fax: (720) 528-4307

Other Matters (Required Supplementary Information)
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Other Information)
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eagle County Charter Academy's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Swanhorst & Company LLC

December 1, 2017

Eagle County Charter Academy

Management's Discussion and Analysis

Introduction

As management of the Eagle County Charter Academy (the "Academy"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2017.

Financial Highlights

Fiscal year ending June 30, 2017 is the third year reporting net pension liability and deferred inflows and outflows following Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* As such, the Academy included the Net Pension Liability per GASB Statement No. 68 in the amount of $10,962,675 for FY 2017 and $5,710,235 for FY 2016 as a noncurrent liability on the Statement of Net Position. For FY 2017 and FY 2016, the government-wide assets and deferred outflows of the Academy exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $4,640,626 and $6,294,210 (net position) for the Primary Government - Charter School respectively.

For FY 2017 and FY 2016 the Component Unit – Eagle County Charter Academy Education Foundation (the "Foundation") ended with $498,712 and $486,888 (net position) respectively.

At the close of the fiscal year the Academy's governmental fund reported an ending fund balance of $1,249,875, an increase of $304,626. The operations of the Academy are funded primarily by tax revenue received under the State School Finance Act (the Act). Tax revenue for the year from Per Pupil Revenue was $2,547,496. The Academy also received $807,283 in Mill Levy Override revenue.

The governmental activities ending net position decreased from $6,294,210 to $4,640,626. A portion of the net position is a negative unrestricted balance of $5,930,080. The negative unrestricted balance is due primarily to the adoption of GASB Statement No. 68, resulting in a net pension liability of $10,962,675, representing the Academy's proportionate share of the plan's net pension liability. In addition, at June 30, 2017, $115,700 of net position was restricted for the emergency contingency required by Article X, Section 20 of the Colorado Constitution (TABOR), $159,068 was restricted for capital renewal and $10,295,938 reflects the net investment in capital assets. The large change in pension liability from FY 2016 to FY 2017 was due to a change in actuarial assumptions used by the pension plan administered by Public Employees' Retirement Association of Colorado (PERA).

The Foundation's ending net position increased from $486,888 to $498,712. This increase was largely caused by the increase in contributions during the year. These funds will provide resources to support the operations of the Academy.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Academy's basic financial statements, which are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Academy's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Academy's assets and liabilities, and deferred inflows and outflows, with the difference 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 Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy'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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant revenues and earned but unpaid salaries and benefits).

The government-wide statement of activities distinguishes functions/programs of the Academy supported primarily by per pupil revenue (PPR) or property taxes passed through from the District. The governmental activities of the Academy include instruction and supporting services expense.

The government-wide financial statements include not only the Academy itself (known as the primary government), but also a legally separate Foundation for which the Academy is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-2 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 Academy, like other governmental units or charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Academy's activities are reported under one fund: governmental fund.

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 financial 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 the Academy'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 Academy's near-term financing decisions. The governmental fund balance sheet and statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Academy maintains one governmental fund. Information is presented in the governmental balance sheet and statement of revenues, expenditures and changes in fund balance for the general fund because it is considered to be a major fund.

The Academy adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information is provided in pages 5-15.

Government-wide Financial Analysis

The government-wide financial statements are designed to provide readers with a broad overview of the Academy's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Academy's assets and liabilities, and deferred inflows and outflows, with the difference 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 Academy is improving or deteriorating.

In the case of the Academy, assets exceeded liabilities by $4,640,626 at the close of the most recent fiscal year.

Eagle County Charter Academy's Net Position – Governmental Activities

	June 30, 2017	June 30, 2016
Cash and Investments	$ 1,419,072	$ 1,279,735
Accounts Receivable	196,432	1,317
Accounts Receivable-Foundation	578	0
Prepaid Expenses	11,620	12,819
Inventories	12,002	10,698
Capital Assets, Net of Accumulated Depreciation	10,295,938	10,598,658
Total Assets	11,935,642	11,903,227
Deferred Outflows of Resources		
Pensions, Net of Accumulated Amortization	4,289,952	749,536
Current liabilities	389,829	359,320
Noncurrent Liabilities		
Net Pension Liability	10,962,675	5,710,235
Total Liabilities	11,352,504	6,069,555
Deferred Inflows of Resources		
Pensions, Net of Accumulated Amortization	232,464	288,998
Net Position		
Net Investment in Capital Assets	10,295,938	10,598,658
Restricted for Emergencies	115,700	102,500
Restricted for Capital Renewal	159,068	119,301
Unrestricted	(5,930,080)	(4,526,249)
Total Net Position	$ 4,640,626	$ 6,294,210

A portion of the Academy's governmental assets, 11.9% is in Cash and Investments and 86.3% is in Capital Assets.

Eagle County Charter Academy's Change in Net Position
For the Year Ended June 30, 2017 and 2016
Governmental Activities

	June 30, 2017	June 30, 2016
Program Revenue:		
Tuition and Fees	$ 379,015	$ 391,557
Operating Grants and Contributions	3,388	0
Total Program Revenue	382,403	391,557
General Revenue:		
Per Pupil Revenue	2,547,496	2,504,637
District Mill Levy Revenue	807,283	409,062
Foundation Contributions – Unrestricted	339,756	358,599
State Capital Construction	91,766	85,173
Other Contributions	16,000	16,122
Investment Income	9,460	3,705
Other	65	45
Total General Revenue	3,811,826	3,377,343
Total Revenue	4,194,229	3,768,900
Expenses:		
Instruction	3,989,149	2,706,491
Supporting Services	1,858,664	1,504,392
Total Expenses	5,847,813	4,210,883
Increase (Decrease) in Net Position	(1,653,584)	(441,983)
Beginning Net Position	6,294,210	6,736,193
Ending Net Position	$4,640,626	$ 6,294,210

Financial Analysis of the Academy's Funds

As noted earlier, the Academy uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The focus of the Academy's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Academy's financing requirements. In particular, unrestricted, unassigned fund balance may serve as a useful measure of the Academy's net resources available for spending at the end of the fiscal year.

The amount received for each student from the State increased for FY 2017 by 1.6%. Salary and benefit expenditures increased by 7.8% or $150,663. This was the result of staff raises and increases in employee benefit costs. The net change in fund balance reflected an increase of $304,626. The significant increase in Salary and Benefits was made possible by a successful Mill Levy Override being passed in November 2016.

General Fund Budgetary Highlights
The Academy approves a budget in June based on enrollment projections for the following school year. In October after enrollment stabilizes, adjustments are made to the budget. The Academy approved a supplemental budget during the year to true up the beginning fund balance and adjustments in revenues for the actual student count. The original general fund budget was $4,617,713 and it was adjusted to $5,175,012. Expenditures were less than budget by $1,285,409.

Capital Assets
In August 2011, the Eagle County Charter Academy was fortunate to have been awarded a Building Excellent Schools Today (BEST) grant from the State of Colorado in the amount of $9,302,653. The Academy used $8,822,188 in grant proceeds and matching funds in the amount of $2,785,954 to construct a new educational facility. The Academy broke ground in August 2012 and opened in the new facility in fall 2013. Additional information on the Academy's capital assets is provided in Note 3 to the financial statements. The Academy added $108,280 to capital assets during FY 2017. This included an upgrade to the Fire Panel and a fiber line to the school.

Economic Factors and Next Year's Budget
The FY 2018 budget projects the Academy's general fund balance will have a increase of approximately $111,332. The economic outlook for FY 2018 is improving with the increase of $170 per funded FTE or 2.2% in PPR funding. The Capital Construction funding per pupil allocation decreased for FY 2018 to $254 per funded FTE compared to $278 per funded FTE in FY 2017. This was caused by an increase in the number of charter school students sharing these funds. Enrollment is projected to remain at the current 346 students in FY 2017. Below are the historical enrollment numbers:

Fiscal Year	Enrollment
2008 / 2009	292
2009 / 2010	293
2010 / 2011	299
2011 / 2012	315
2012 / 2013	325
2013 / 2014	346
2014 / 2015	346
2015 / 2016	346
2016 / 2017	346

Requests for Information

This financial report is designed to provide a general overview of the Eagle County Charter Academy's finances for all those with an interest in the Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Rick Boos, Chief Financial Officer, 1105 Miller Ranch Road, Edwards, Colorado 81632.

BASIC FINANCIAL STATEMENTS

EAGLE COUNTY CHARTER ACADEMY

STATEMENT OF NET POSITION

June 30, 2017

	PRIMARY GOVERNMENT	COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	FOUNDATION
ASSETS		
Cash and Investments	$ 1,419,072	$ 496,702
Accounts Receivable	196,432	-
Accounts Receivable - Foundation	578	-
Prepaid Expenses	11,620	2,880
Inventories	12,002	-
Capital Assets, Net of Accumulated Depreciation	10,295,938	-
TOTAL ASSETS	11,935,642	499,582
DEFERRED OUTFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	4,289,952	-
LIABILITIES		
Accounts Payable	44,693	292
Accounts Payable - School	-	578
Accrued Liabilities	41,612	-
Accrued Salaries and Benefits	289,389	-
Unearned Revenues	14,135	-
Noncurrent Liabilities		
Net Pension Liability	10,962,675	-
TOTAL LIABILITIES	11,352,504	870
DEFERRED INFLOWS OF RESOURCES		
Pensions, Net of Accumulated Amortization	232,464	-
NET POSITION		
Net Investment in Capital Assets	10,295,938	-
Restricted for Emergencies	115,700	-
Restricted for Capital Renewal	159,068	-
Unrestricted	(5,930,080)	498,712
TOTAL NET POSITION	$ 4,640,626	$ 498,712

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

EAGLE COUNTY CHARTER ACADEMY

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
			OPERATING	PRIMARY GOVERNMENT	COMPONENT UNIT
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	FOUNDATION
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	$ 3,989,149	$ 297,173	$ 3,388	$ (3,688,588)	$ -
Supporting Services	1,858,664	81,842	-	(1,776,822)	-
TOTAL PRIMARY GOVERNMENT	$ 5,847,813	$ 379,015	$ 3,388	(5,465,410)	-
COMPONENT UNIT					
Foundation	$ 458,739	$ -	$ -	-	(458,739)
GENERAL REVENUES					
Per Pupil Revenue				2,547,496	-
District Mill Levy				807,283	-
State Capital Construction				91,766	-
Grants and Contributions not Restricted to Specific Programs				355,756	470,139
Investment Income				9,460	424
Miscellaneous				65	-
TOTAL GENERAL REVENUES				3,811,826	470,563
CHANGE IN NET POSITION				(1,653,584)	11,824
NET POSITION, Beginning				6,294,210	486,888
NET POSITION, Ending				$ 4,640,626	$ 498,712

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

EAGLE COUNTY CHARTER ACADEMY

BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2017

		GENERAL
ASSETS		
Cash and Investments	$	1,419,072
Accounts Receivable		196,432
Accounts Receivable - Foundation		578
Prepaid Expenditures		11,620
Inventories		12,002
TOTAL ASSETS	$	1,639,704
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$	44,693
Accrued Liabilities		41,612
Accrued Salaries and Benefits		289,389
Unearned Revenues		14,135
TOTAL LIABILITIES		389,829
FUND BALANCE		
Nonspendable Prepaid Expenditures		11,620
Nonspendable Inventories		12,002
Restricted for Emergencies		115,700
Restricted for Capital Renewal		159,068
Unrestricted, Unassigned		951,485
TOTAL FUND BALANCE		1,249,875
TOTAL LIABILITIES AND FUND BALANCE	$	1,639,704

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

Total Fund Balance of the Governmental Fund	$	1,249,875
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		10,295,938
Long-term liabilities and related items, including net pension liability ($10,962,675), pension-related deferred outflows of resources $4,289,952, and pension-related deferred inflows of resources ($232,464), are not due and payable in the current year and, therefore, are not reported in governmental funds.		(6,905,187)
Total Net Position of Governmental Activities	$	4,640,626

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUND

Year Ended June 30, 2017

	GENERAL
REVENUES	
Local Sources	
Per Pupil Revenue	$ 2,547,496
District Mill Levy	807,283
Tuition and Fees	297,173
Food Service Fees	81,842
Foundation Contributions	339,756
Other Contributions	16,000
Investment Income	9,460
Miscellaneous	65
State Sources	
Capital Construction	91,766
Grants	3,388
TOTAL REVENUES	4,194,229
EXPENDITURES	
Instruction	2,711,219
Supporting Services	1,178,384
TOTAL EXPENDITURES	3,889,603
NET CHANGE IN FUND BALANCE	304,626
FUND BALANCE, Beginning	945,249
FUND BALANCE, Ending	$ 1,249,875

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

Net Change in Fund Balance of the Governmental Fund	$ 304,626
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense ($411,000) exceeded capital outlay $108,280 in the current year.	(302,720)
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 net pension liability ($5,252,440), pension-related deferred outflows of resources $3,540,416, and pension-related deferred inflows of resources $56,534 in the current year.	(1,655,490)
Change in Net Position of Governmental Activities	$ (1,653,584)

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Eagle County Charter Academy (the "School") was organized in 1994 pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Eagle County School District (the "District") in the State of Colorado. The School is governed by a Board of Directors consisting of five parents or community members, two staff members, and the School's principal, a non-voting member.

The accounting policies of the School conform to generally accepted accounting principles as applicable to governmental entities. 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 School's more significant policies.

Reporting Entity

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

The School includes the Eagle County Charter Academy Education Foundation (the "Foundation") within its reporting entity. The Foundation is a non-profit organization formed to develop cooperative relationships with businesses and the School, to provide a vehicle by which individuals and businesses may support the School, and to maintain real or personal property exclusively for educational, charitable or literary purposes. The Foundation is discretely presented in the School's financial statements and does not issue separate financial statements.

The School is a component unit of the District. The School's charter was authorized by the District and the majority of the School's funding is provided by the District.

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 activities of the School and its component unit. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported in a single column. The *primary government* is reported separately from the legally separate *component unit*.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment 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 others 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. Unrestricted revenues not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the major governmental fund.

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

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 Foundation's financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Available means collected within the current year or soon enough thereafter to pay liabilities of the current year, not to exceed 60 days. 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 School. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

The School reports the following major governmental fund:

General Fund - This is the general operating fund of the School. It is currently used to account for all financial activities of the School.

Assets, Liabilities and Net Position/Fund Balance

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses.

Inventories - Inventories consist of school supplies and clothing available for sale. Inventories are valued at cost, using the first-in, first-out method. The costs of inventories are recorded as assets when purchased and as expenses when consumed.

Capital Assets - Capital assets, which include buildings and equipment, are reported in the government-wide 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.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported in the statement of net position in the government-wide financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	15 - 30 years
Equipment	5 - 10 years

Accrued Salaries and Benefits - Salaries and retirement 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, are reported as a liability of the General Fund.

Unearned Revenues - Unearned revenues represent resources received by the School before it has a legal claim to them, including tuition and fees.

Compensated Absences - School personnel are allowed to accumulate up to thirty days of unused sick and personal time. Accrued sick and personal time is not paid upon termination of employment. Therefore, no liability is reported in the financial statements.

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

Net Position/Fund Balance - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. The Board of Directors is authorized to establish a fund balance commitment through passage of a resolution, and may assign fund balances to a specific purpose through an informal action.

The School 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 School uses restricted fund balance first, followed by committed, assigned, and unassigned balances.

Risk Management

The School 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 School carries commercial insurance for these risks of loss.

NOTE 2: CASH AND INVESTMENTS

The School's cash and investments at June 30, 2017, consisted of the following:

Petty Cash	$ 319
Deposits	402,501
Investments	1,016,252
Total	**$ 1,419,072**

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 market value of the collateral must be at least equal to 102% of the uninsured deposits. At June 30, 2017, the School had bank deposits of $196,798 collateralized with securities held by the financial institution's agent but not in the School's name.

Investments

The School 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' acceptances 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 investments to a maturity of five years from the date of purchase, unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

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

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pool - At June 30, 2017, the School had $1,016,252 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7. Colotrust is reported at the net asset value per share, with each share valued at $1. Colotrust is rated AAAm by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Component Unit

At June 30, 2017, the Foundation had uninsured bank deposits of $163,699.

NOTE 3: CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2017, are summarized below:

	Balances 6/30/16	Additions	Deletions	Balances 6/30/17
Governmental Activities				
Capital Assets, Being Depreciated				
Buildings and Improvements	$ 11,610,838	$ 51,440	$ -	$ 11,662,278
Equipment	110,620	56,840	-	167,460
Total Capital Assets, Being Depreciated	11,721,458	108,280	-	11,829,738
Accumulated Depreciation				
Buildings and Improvements	(1,096,579)	(387,028)	-	(1,483,607)
Equipment	(26,221)	(23,972)	-	(50,193)
Total Capital Assets, Being Depreciated	(1,122,800)	(411,000)	-	(1,533,800)
Governmental Activities Capital Assets, Net	**$ 10,598,658**	**$ (302,720)**	**$ -**	**$ 10,295,938**
Component Unit				
Capital Assets, Being Depreciated				
Equipment	$ 36,638	$ -	$ -	$ 36,638
Accumulated Depreciation	(36,638)	-	-	(36,638)
Component Unit Capital Assets, Net	**$ -**	**$ -**	**$ -**	**$ -**

Depreciation expense of the governmental activities was charged to the supporting services program.

NOTE 4: DEFINED BENEFIT PENSION PLAN

General Information

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

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

Retirees may elect to withdraw their contributions upon termination of employment, and may be eligible to receive a matching amount if five years of service credit is earned and certain other criteria is met. Retirees who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) as established by State statutes. Retirees who began employment before January 1, 2007, receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average consumer price index for the prior calendar year. Retirees that began employment after January 1, 2007, receive an annual increase of the lesser of 2% or the average consumer price index for the prior calendar year, with certain limitations.

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

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

Contributions - The School and eligible employees are required to contribute to the SDTF at rates established by Title 24, Article 51, Part 4 of the CRS. These contribution requirements are established and may be amended by the State Legislature. The contribution rate for employees is 8% of covered salaries. The School's contribution rate for calendar years 2016 and 2017 was 19.15% and 19.65% of covered salaries, respectively. However, a portion of the School's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 5). The School's contributions to the SDFT for the year ended June 30, 2017, were $353,324, equal to the required contributions.

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2017, the School reported a net pension liability of $10,962,675, representing its proportionate share of the net pension liability of the SDTF. The net pension liability was measured at December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016.

The School's proportion of the net pension liability was based on the School's contributions to the SDTF for the calendar year ended December 31, 2016, relative to the contributions of all participating employers. At December 31, 2016, the School's proportion was 0.0368197901%, which was a decrease of 0.0005159336% from its proportion measured at December 31, 2015.

For the year ended June 30, 2017, the School recognized pension expense of $1,991,618. At June 30, 2017, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 137,697	$ 103
Changes of assumptions and other inputs	3,557,159	50,130
Net difference between projected and actual earnings on plan investments	374,558	-
Changes in proportion	-	182,231
Contributions subsequent to the measurement date	220,538	-
Total	**$ 4,289,952**	**$ 232,464**

School contributions subsequent to the measurement date of $220,538 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2018	$ 1,506,614
2019	1,539,991
2020	786,689
2021	3,656
Total	**$ 3,836,950**

NOTE 4: 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 - The actuarial valuation as of December 31, 2015, determined the total pension liability using the following actuarial assumptions and other inputs. On November 18, 2016, PERA's governing board adopted revised economic and demographic assumptions, which were effective on December 31, 2016, and which were reflected in the roll-forward calculation of the total pension liability from December 31, 2015, to December 31, 2016, as follows:

	Assumptions	Revised Assumptions
Price inflation	2.8%	2.4%
Real wage growth	1.1%	1.1%
Wage inflation	3.9%	3.5%
Salary increases, including wage inflation	3.9% - 10.1%	3.5% - 9.7%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.5%	7.25%
Discount rate	7.5%	5.26%
Future post-retirement benefit increases:		
Hired prior to 1/1/07	2%	2%
Hired after 12/31/06	ad hoc	ad hoc

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years. Active member mortality was adjusted to 55 percent of the base rate for males and 40 percent for females. For disabled retirees, the RP-2000 Disabled Retiree Mortality Table was used, set back two years.

The actuarial assumptions used in the December 31, 2015, valuation were based on the results of an actuarial experience study for the period January 1, 2008, through December 31, 2011, adopted by PERA's governing board on November 13, 2012, and an economic assumption study adopted by PERA's governing board on November 15, 2013, and January 17, 2014.

As a result of a 2016 experience analysis, revised economic and demographic actuarial assumptions were adopted by PERA's governing board on November 18, 2016, to more closely reflect PERA's actual experience. The revised assumptions reflected in the roll-forward of the total pension liability included healthy mortality assumptions for active members using the RP-2014 White Collar Employee Mortality Table. The mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates. For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

The most recent analysis of the long-term expected rate of return was adopted by PERA's governing board on November 18, 2016, and included the target allocation and best estimates of geometric real rates of return for each major asset class, as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	**100.00%**	

Discount Rate - The discount rate used to measure the total pension liability was 5.26%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the employer contributions will be made at the rates specified in State statutes, which currently require annual increases, to a total of 20.15% of covered salaries for the year ended December 31, 2018. When the actuarially determined funding ratio reaches 103%, the employer contribution rate will decrease 0.5% each year, to a minimum of 10.15%.

Based on the assumptions described previously, the SDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate, defined as the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index, was used in the determination of the discount rate. The long-term expected rate of return of 7.25% on plan investments was applied to all periods through 2041, and the municipal bond index rate was applied to periods after 2041 to develop the discount rate. On the measurement date of December 31, 2016, the municipal bond index rate was 3.86%, resulting in a discount rate of 5.26%. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 5.26%, as well as the School's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower (4.26%) or one percentage point higher (6.26%) than the current rate, as follows:

NOTE 4: DEFINED BENEFIT PENSION PLAN (Continued)

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

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	$ 13,785,212	$ 10,962,675	$ 8,663,821

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

NOTE 5: POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy - The School is required to contribute at a rate of 1.02% of covered salaries for all PERA participants. No employee contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended. The School's apportionment to the HCTF for the years ended June 30, 2017, 2016 and 2015 was $18,564, $16,756 and $16,620, respectively, equal to the required amounts for each year.

NOTE 6: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by revenues received from other governmental entities. Expenditures financed by these revenues are subject to audit by the appropriate government. If expenditures are disallowed due to noncompliance with program regulations, the School may be required to reimburse the other government. At June 30, 2017, significant amounts of related expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

NOTE 6: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

In November 1992, Colorado voters approved the Tabor Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Amendment is subject to interpretation, but management believes the School is in substantial compliance with the Amendment. In accordance with the Amendment, the School has established a reserve for emergencies, representing 3% of qualifying expenditures. At June 30, 2017, the reserve was reported as restricted fund balance in the General Fund, in the amount of $115,700.

Capital Renewal Reserve

The School was awarded a Building Excellent Schools Today (BEST) grant from the State of Colorado to construct its building. In accordance with the related State statutes, the School is required to establish a capital renewal reserve for the purpose of replacing major facility systems such as roofs, interior finishes, electrical systems and heating, ventilating, and air conditioning systems. At a minimum, the School must contribute $100 per pupil annually to the capital renewal reserve. At June 30, 2017, the reserve was reported as restricted fund balance in the General Fund, in the amount of $159,068.

Ground Lease

In December, 2011, the Foundation assigned its rights under a ground lease to the School. The lease agreement allows the School to use real property owned by the District for a term of forty years, through December 8, 2051. No monetary rent is required.

Ownership of the educational facilities located on the real property vests with the School during the term of the lease. However, any sale of the facilities requires prior written approval of the District, and upon expiration or termination of the ground lease, ownership of the facilities will revert to the District.

REQUIRED SUPPLEMENTARY INFORMATION

EAGLE COUNTY CHARTER ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION OF COLORADO SCHOOL DIVISION TRUST FUND
June 30, 2017

	12/31/16	12/31/15	12/31/14	12/31/13
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY				
School's Proportion of the Net Pension Liability	0.0368197901%	0.0373357237%	0.0392977711%	0.0395568678%
School's Proportionate Share of the Net Pension Liability	$ 10,962,675	$ 5,710,235	$ 5,326,168	$ 5,045,468
School's Covered Payroll	$ 1,652,538	$ 1,627,083	$ 1,646,294	$ 1,594,664
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	663%	351%	324%	316%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	43%	59%	63%	64%

	6/30/17	6/30/16	6/30/15	6/30/14
SCHOOL CONTRIBUTIONS				
Statutorily Required Contribution	$ 334,760	$ 291,016	$ 274,694	$ 259,558
Contributions in Relation to the Statutorily Required Contribution	(334,760)	(291,016)	(274,694)	(259,558)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 1,820,012	$ 1,642,754	$ 1,629,423	$ 1,625,411
Contributions as a Percentage of Covered Payroll	18.39%	17.72%	16.86%	15.97%

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

EAGLE COUNTY CHARTER ACADEMY

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2017

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	$ 2,547,398	$ 2,546,581	$ 2,547,496	$ 915
District Mill Levy	379,216	809,707	807,283	(2,424)
Tuition and Fees	330,200	330,200	297,173	(33,027)
Food Service Fees	96,900	96,900	81,842	(15,058)
Foundation Contributions	335,000	342,030	339,756	(2,274)
Other Contributions	4,000	4,000	16,000	12,000
Investment Income	2,000	6,000	9,460	3,460
Miscellaneous	3,000	3,000	65	(2,935)
State Sources				
Capital Construction	83,447	91,345	91,766	421
Grants	-	-	3,388	3,388
TOTAL REVENUES	3,781,161	4,229,763	4,194,229	(35,534)
EXPENDITURES				
Instruction				
Salaries	1,452,762	1,568,262	1,523,799	44,463
Benefits	600,170	628,512	563,145	65,367
Purchased Services	481,810	519,220	481,703	37,517
Supplies and Materials	128,436	128,436	108,466	19,970
Other	35,400	35,400	34,106	1,294
Supporting Services				
Salaries	421,349	434,362	450,201	(15,839)
Benefits	129,902	133,908	150,039	(16,131)
Purchased Services	341,783	357,280	326,949	30,331
Supplies and Materials	140,329	147,330	129,752	17,578
Property	84,447	121,167	116,457	4,710
Other	3,050	3,730	4,986	(1,256)
Reserves	798,275	1,097,405	-	1,097,405
TOTAL EXPENDITURES	4,617,713	5,175,012	3,889,603	1,285,409
NET CHANGE IN FUND BALANCE	(836,552)	(945,249)	304,626	1,249,875
FUND BALANCE, Beginning	836,552	945,249	945,249	-
FUND BALANCE, Ending	$ -	$ -	$ 1,249,875	$ 1,249,875

See the accompanying Independent Auditors' Report.

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

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 School's contributions and related ratios represent cash contributions and any related accruals that coincide with the School's fiscal year ending on June 30.

Changes in Assumptions and Other Inputs

For the year ended June 30, 2017, the total pension liability was determined by an actuarial valuation as of December 31, 2015. In addition, the following revised economic and demographic assumptions were effective as of December 31, 2016, and were reflected in the roll-forward procedures to determine the total pension liability at December 31, 2016.

- Investment rate of return assumption decreased from 7.5% per year, compounded annually, net of investment expenses, to 7.25%.
- Price inflation assumption decreased from 2.8% per year to 2.4%.
- Real rate of investment return assumption increased from 4.7% per year, net of investment expenses, to 4.85%.
- Wage inflation assumption decreased from 3.9% per year to 3.5%.
- Healthy and disabled mortality assumptions are based on the RP-2014 Mortality Tables, updated from the RP-2000 Mortality Tables.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A budget is adopted for the School on a basis consistent with generally accepted accounting principles.

The School adheres to the following procedures to establish the budgetary information reported in the financial statements.

- Management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

- Prior to June 30, the budget is adopted by the Board of Directors.

- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

- All appropriations lapse at fiscal year end.

SUPPLEMENTARY INFORMATION

EAGLE COUNTY CHARTER ACADEMY

STATEMENT OF ACTIVITIES
FOUNDATION
Year Ended June 30, 2017

	FOUNDATION
REVENUES	
Contributions	$ 318,936
Fundraising	151,203
Investment Income	424
TOTAL REVENUES	470,563
EXPENSES	
Programs	
Student Activities	85,562
School Contributions	339,756
Total Programs	425,318
General and Administration	
Accounting and Legal	5,550
Bank Charges	9,471
Insurance	4,197
Software	600
Miscellaneous	300
Total General and Administration	20,118
Fundraising	13,303
TOTAL EXPENSES	458,739
CHANGE IN NET POSITION	11,824
NET POSITION, Beginning	486,888
NET POSITION, Ending	$ 498,712

See the accompanying Independent Auditors' Report.