

EAGLE COUNTY, COLORADO



Cordillera Summit Image by Bob Silva



EAGLE COUNTY

COMMUNITY FINANCIAL REPORT FISCAL YEAR 2020

January 1, 2020 - December 31, 2020

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Eagle County, Colorado

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LETTER TO THE COMMUNITY

Eagle County Citizens,

It is our pleasure to present to you the Community Financial Report. This report is for the fiscal year ending December 31, 2020. The purpose of this report is to give the Eagle County community a tool to learn about the county's finances and financial health. We believe in being transparent and presenting the community with accurate and useful information.

The financial information presented in this report comes from Eagle County's Comprehensive Annual Financial Report. The annual report is a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and is audited by a third party firm of licensed certified public accountants. This Community Financial Report was not audited, but was created by extracting financial information from GAAP-compliant audited data in the annual report. The 2020 annual report can be found here: [2020 Comprehensive Annual Financial Report](#).

This Community Financial Report includes governmental and business-type activities of the primary government but does not include Golden Eagle Elderly Housing Corporation or Eagle County Emergency Telephone Service Authority (E911). These two entities were omitted because they are not included in the government wide financial reporting. You can reference these entities or any other individual fund detail in the annual audit.

Eagle County's total net position increased by \$19 million in 2020. This increase is primarily due to increases in operating grants, property tax and sales tax revenues and decreases in Eagle County Air Terminal's operating expenses and capital grants. Eagle County is positioned for sustained success by budgeting and spending thoughtfully. Thank you for taking the time to review this report and for being engaged with your local government. We are committed to maintaining Eagle County's healthy financial position so that the community can continue to thrive as we live out our mission of "Creating a better Eagle County for all."

Respectfully submitted,



Jill Klosterman
Finance Director



Anna Earl
Finance Manager



Jill Klosterman
Finance Director



Anna Earl
Finance Manager

Image by L. Marie Media

In 2019, Eagle County Government won the Award for **Outstanding Achievement in Popular Annual Financial Reporting (PAFR)** by the Government Finance Officers Association (GFOA).



In addition, Eagle County Government was awarded the **Triple Crown** for 2019. GFOA's Triple Crown recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. 2019 was the 22nd consecutive year that Eagle County has received the Certificate of Achievement for Excellence in Financial Reporting.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

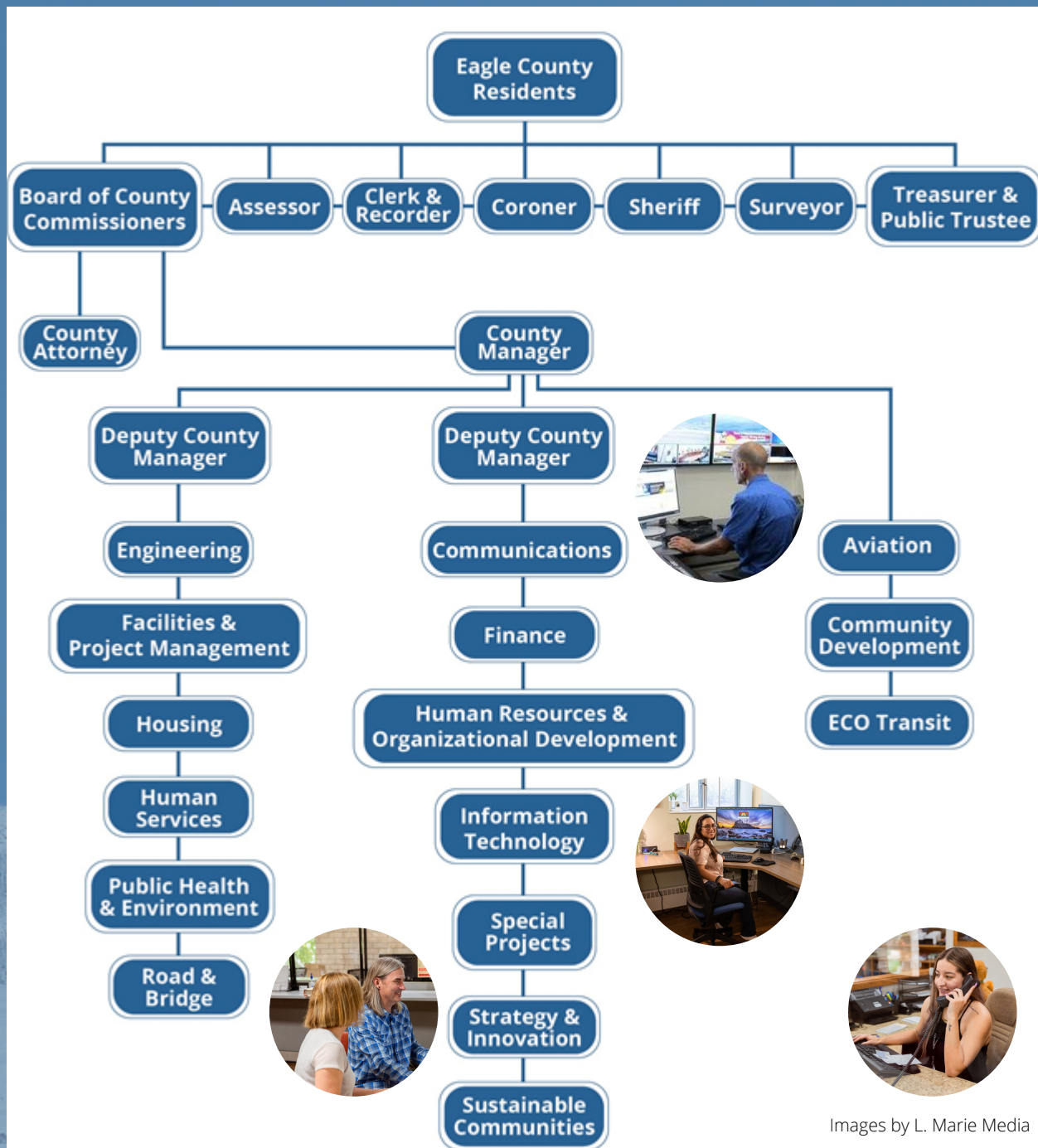
Presented to

**Eagle County Government
Colorado**

For its Annual Financial Report
for the Fiscal Year Ended
December 31, 2019

Christopher P. Morill
Executive Director/CEO

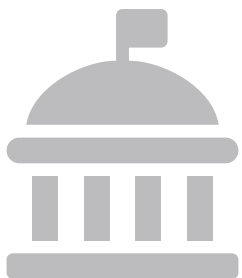
ORGANIZATION



Images by L. Marie Media

Background image by Bob Silva

Eagle County Government



Eagle County is governed by a three-member Board of Commissioners that serves as both an administrative and policy-making body. The board members are elected at large to four year staggered terms. The board governs the County by adopting local ordinances, adopting the annual budget, and establishing property tax rates. The board appoints the County Manager, County Attorney, and members of boards and commissions.

COUNTY OFFICIALS

Eagle County Commissioners



Kathy Chandler-Henry



Jeanne McQueeney



Matt Scherr

Images by L. Marie Media

Elected Officials



Mark Chapin
Assessor



Regina O'Brien
Clerk & Recorder



Kara Bettis
Coroner



James Van Beek
Sheriff



Kelly Miller
Surveyor



Teak Simonton
Treasurer/Trustee

County Manager



Jeff Shroll
County Manager

Image by Gabriela Mata

Appointed by the commissioners, the County Manager is the chief administrative officer of Eagle County. The County Manager is responsible for implementation of board policies and day-to-day management of Eagle County Government, including oversight of all personnel matters. The County Manager assists with the preparation and recommendation of the annual budget, assists all elected officials in the performance of their duties, and represents Eagle County in business with other agencies. The County Manager supervises a staff of more than 500 full-time employees in several departments.

ABOUT EAGLE COUNTY

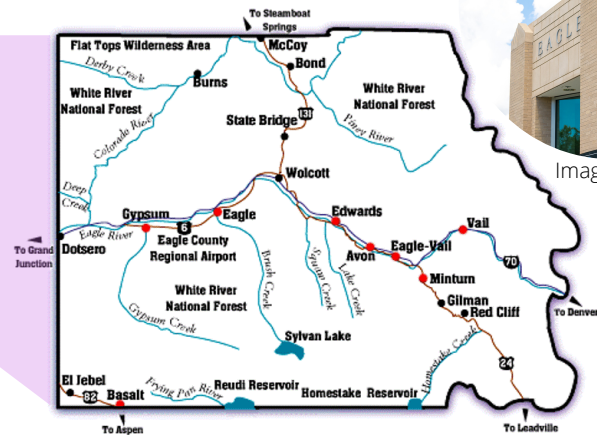
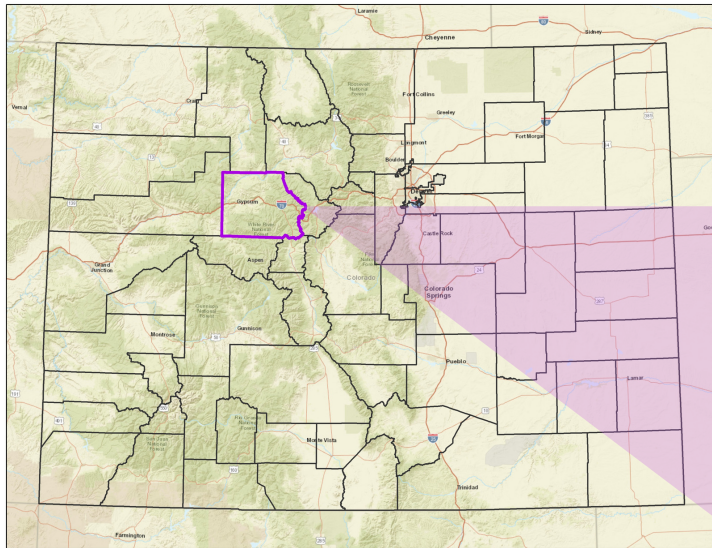


Image by L. Marie Media

Location

Located approximately 90 miles west of Denver and 100 miles east of Grand Junction, Eagle County resides in the magnificent Colorado Rocky Mountains.

History

The Ute Native Americans claimed county lands for summer hunting and fishing grounds. In 1840, Kit Carson guided the first European party through the region. Miners and settlers arrived next.



Named for the Eagle River that runs through it, Eagle County was formed by the Colorado legislature in 1883. The town of Eagle became the county seat in 1921.

The evolution of Vail from a quiet sheep pasture to an international resort is credited to the famous 10th Mountain Division ski troops who were introduced to the valley while training at Camp Hale in the 1940s.

Geography

Eagle County encompasses 1,694 square miles and is rich with trails, protected forests, and wilderness areas. Much of the county is comprised of the White River National Forest. Eagle County is an access point to Sylvan Lake State Park, Vail Resorts, and the 10th Mountain Division hut system. The Bureau of Land Management oversees much of the remainder of the land.



Municipal Populations

Avon	6,511
Basalt	4,157
Eagle (County Seat)	6,986
Gypsum	7,375
Minturn	1,145
Red Cliff	282
Vail	5,434

Source: U.S. Census Bureau population estimates 2019

DEMOGRAPHICS



55,127
Population *



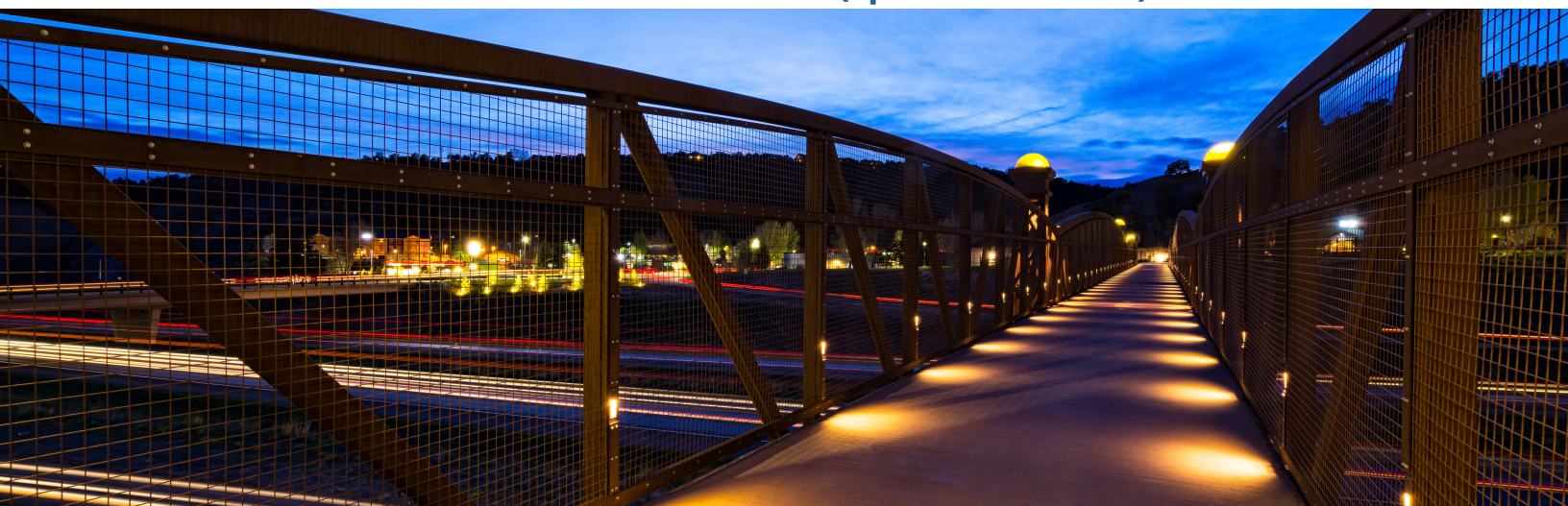
37.8
Median Age ^



28.8%
**Language other
than English** *
(spoken at home)



33,174
Housing Units *



6,692
School Enrollment ^



\$90,365
**Median
Household
Income** ^



89.7%
**Households
with broadband
internet subscription** *



22.8
**Average Travel
Time to Work
(in minutes)** *

*Source: U.S. Census Bureau

^Source: Eagle County Comprehensive Annual Financial Report

Top Employers _____
with number of employees

Vail Resorts	>1500
Eagle County Schools	500-1000
Vail Health	500-1000
Eagle County Government	400-500
Grand Hyatt Vail	400-500
Sonnenalp Resort	400-500
Ritz Carlton	300-400
Walmart	300-400
Town of Vail	200-300
Vail Marriott	200-300



Sales Tax Collected _____
by Industry

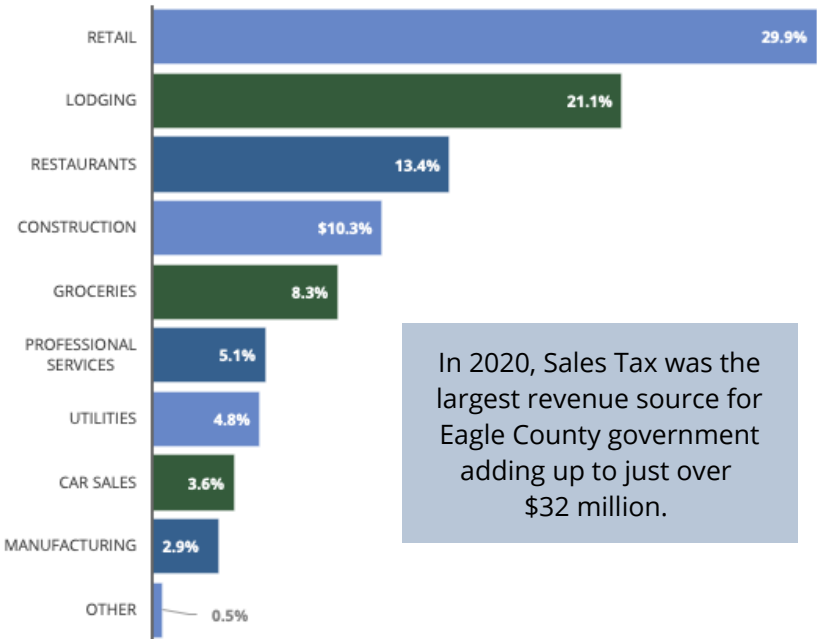
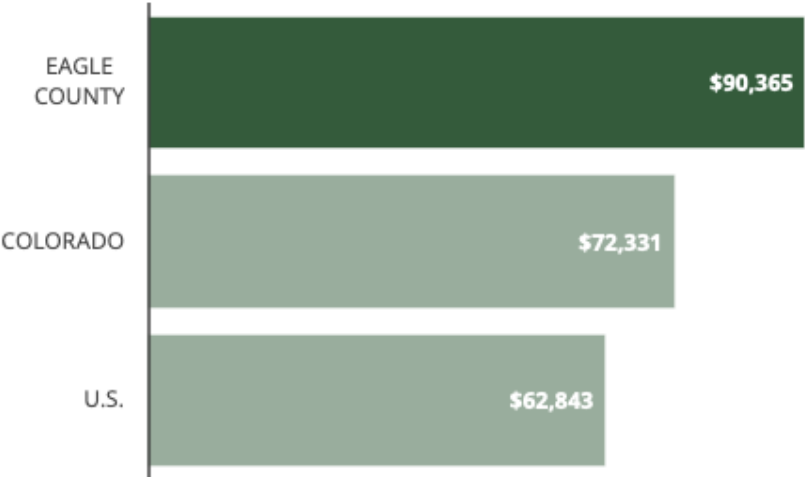
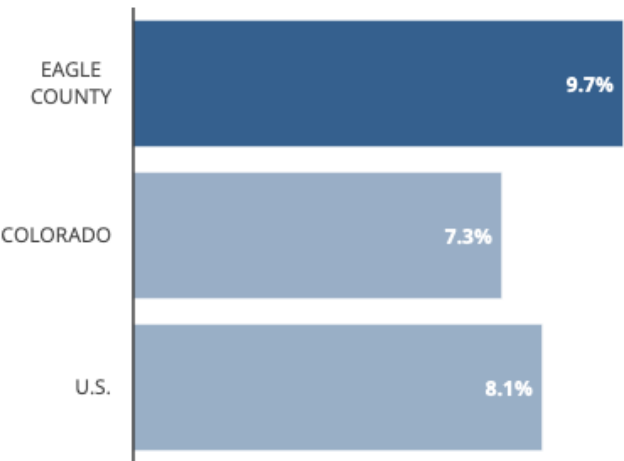


Image by Bob Silva

Unemployment Rate _____ Median Household Income _____
Monthly average over FY2020



Source (for US and CO): U.S. Census Bureau

SERVICE BY THE NUMBERS

32,648

**Sheriff Calls
Received**

1,599,482

**Miles Driven by
ECO Bus Drivers**

33,935

Registered Voters

801

Building Permits

719,232

ECO Bus Ridership

50

**Completed Miles of
ECO Trails**

149,839

Enplaned Passengers

125,960

**Tons of Solid Waste
and Recyclables Processed**

13,450

Acres of Open Space

Eagle County is Financially Sound

- Successfully completed reappraisal of all property values in Eagle County resulting in \$3,542,577,310 taxable assessed value. The Assessor's Office handled 301 appeals of real and personal property, the lowest number of appeals in the past six reappraisal cycles. In so doing, the Assessor's Office continues to estimate realistic, impartial, and equitable value on all Eagle County properties, while being fair and respectful of the people who own those properties.
- Collected nearly \$2M of tobacco sales tax and launched multiple tobacco cessation programs.
- Identified \$300K savings in workers' compensation insurance for 2020 as compared to 2019.
- Primary government increased its net position \$19.1M in the midst of a global pandemic by cutting costs when appropriate while continuing to offer necessary services to the public.
- Implemented a hiring freeze and offered a voluntary early retirement program to be fiscally responsible and take advantage of vacancy savings in the midst of uncertain economic conditions due to the pandemic.

Eagle County is a Great Place to Live for All

- Successfully conducted three elections in 2020, including the Presidential Election with 100% accuracy in the postelection risk-limiting audit. In addition, all members of the Clerk's Office election team are now certified Colorado Election Officials with the Secretary of State's Office.
- Invested over \$1.5 million in the early childhood system and programming, supporting families accessing care, the early childhood workforce, and centers and homes providing quality care.
- Created and implemented an Emergency Assistance application process that provided \$1.1M in support to residents and community partners who serve those residents in need due to COVID-19 pandemic.
- Completed construction of Two10 at Castle Peak, the 22-unit workforce housing project.
- During the COVID-19 pandemic and Grizzly Creek wildfire, Eagle County prioritized communication to our Latinx community by ensuring that all marketing and correspondence went out in a linguistically correct and culturally relevant manner.



Image by L. Marie Media

Eagle County Protects the Natural Environment

- ECO Transit replaced 3 diesel buses with 3 electric buses in 2020 to reduce its greenhouse gas emissions.
- Two10 at Castle Peak was awarded a LEED (Leadership in Energy and Environmental Design) Gold rating.
- 129 acres were added to the Eagle County Open Space program by acquiring the Ridgway property to ensure critical wildlife, riparian habitat, and agricultural and ranching heritage are maintained and protected.
- Diverted waste materials from the landfill for recycling or beneficial use, including approximately 1,221 tons of clean tree wood, wood chips, and metal, plus an additional 526 tons of construction and demolition material. Approximately 80 tons of electronics were recycled through the Household Hazardous Waste Facility, and 2,317 tons of recyclables were processed at the Materials Recovery Facility.



Image by Bob Silva

STRATEGIC PRIORITIES

Eagle County Promotes a Diverse and Resilient Economy

- The Eagle County Clerk and Recorder's Office operations continued with zero interruptions in service despite the COVID-19 pandemic effectively assisting customers remotely and by appointments.
- Supported new businesses and jobs by directing over \$450,000 of pass-through federal grant dollars to the Northwest Loan Fund. The fund offers loans to startup businesses in Eagle County and other northwest Colorado communities.
- Awarded \$1M in Bridge Grant funding to support local businesses adversely affected by state and county Public Health orders.



Image by L. Marie Media

Eagle County is a High-Performing Organization

- Collected more than 40,000 property tax payments over the course of five months and distributed funds to school districts, municipalities, metro districts, special districts and the county according to each entity's mill levies. The collection and timely distribution of these taxes allows our local tax authorities to fund their operations, including but not limited to educating our students, providing law enforcement, fire protection, recreational services and municipal and county programs.
- Won the Vail Valley Partnership Healthiest Workplace award which demonstrates our commitment to a culture of wellbeing for our staff and their families.



Image by L. Marie Media



Above images by L. Marie Media

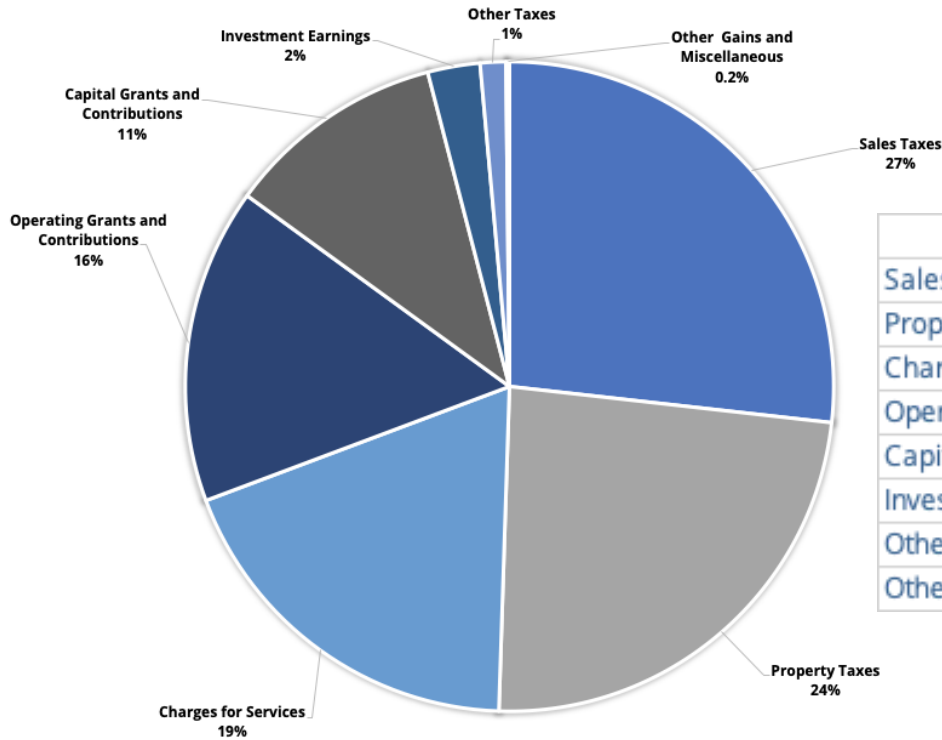


Below image by Charles Townsend



Where the Money Comes From

2020 Governmental Revenues by Source

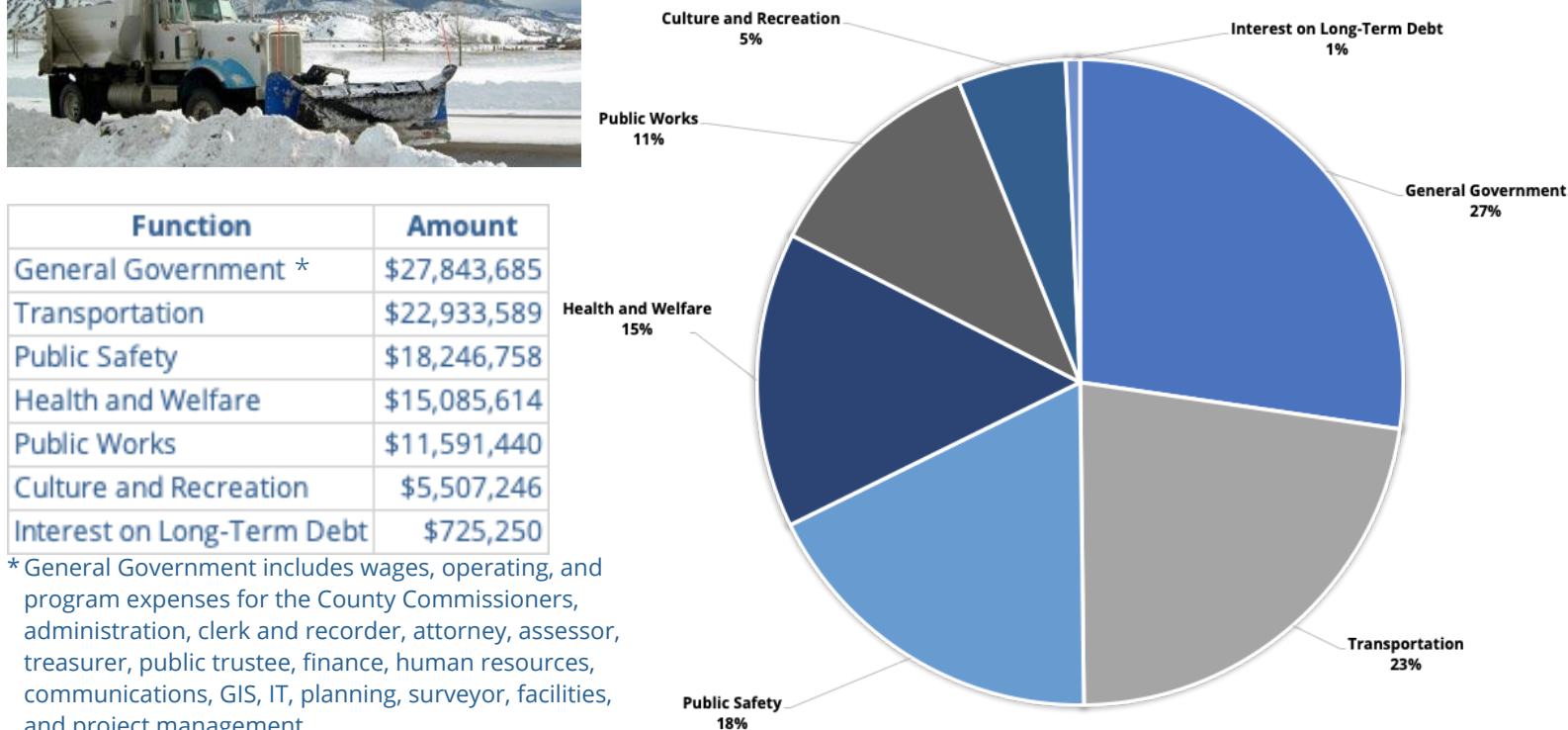


Revenue Source	Amount
Sales Taxes	\$32,315,404
Property Taxes	\$28,658,517
Charges for Services	\$22,649,773
Operating Grants and Contributions	\$18,954,550
Capital Grants and Contributions	\$13,206,269
Investment Earnings	\$3,151,455
Other Taxes	\$1,538,989
Other Gains and Miscellaneous	\$210,820

Where the Money Goes



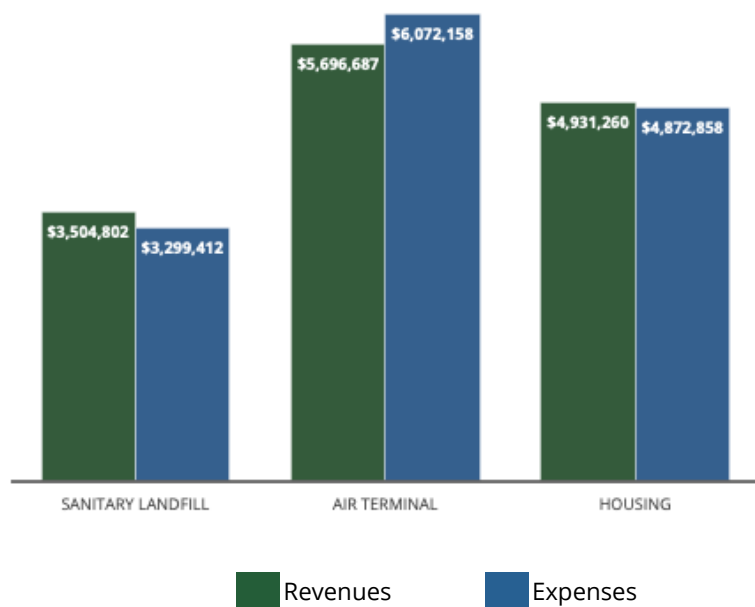
2020 Governmental Expenditures by Function



* General Government includes wages, operating, and program expenses for the County Commissioners, administration, clerk and recorder, attorney, assessor, treasurer, public trustee, finance, human resources, communications, GIS, IT, planning, surveyor, facilities, and project management.

Business-Type Activities

2020 Business-Type Revenues and Expenses



Eagle County's Business-type activities for fiscal year 2020 include:

- Eagle County Air Terminal operating expenses decreased 10.6% from 2019 due to pandemic-related reduced terminal activity, but still exceeded revenues.
- Landfill service revenues decreased by 7.6% over 2019 due to offering an opportunity for free disposal in March and April and overall reduced waste due to the pandemic, but exceeded expenses.
- Eagle County Housing and Development Authority service revenue decreased by 10.4% over 2019 as a result of pandemic-related rent concessions, but exceed expenses.

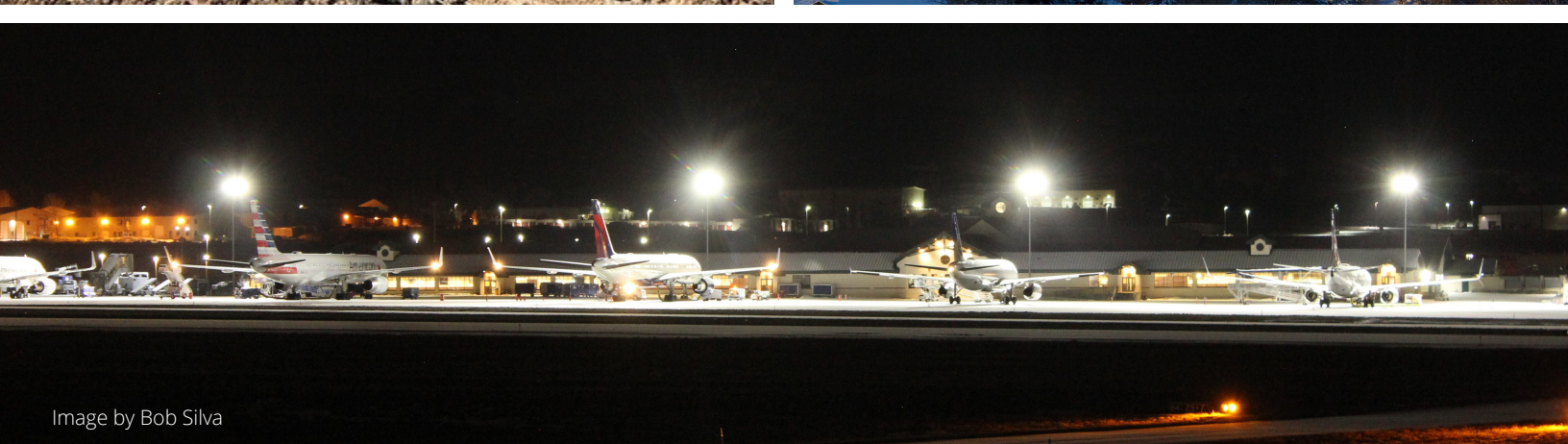


Image by Bob Silva

NET POSITION

Assets are the combined value of everything the County owns such as land, buildings, and vehicles. Liabilities are the combined value of everything the County owes including bills due, debt payments, and other obligations. The total of all assets less all liabilities is net position.

Net position may serve over time as a useful indicator of a government's financial health. Eagle County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by **\$440 million** as of December 31, 2020. The largest portion of Eagle County's net position reflects its investment in capital assets such as land, buildings, machinery, equipment, and infrastructure less any outstanding related debt used to acquire those assets. Eagle County uses these capital assets to provide services to citizens, yet these assets are not available for future spending. Restricted net position amounts to 15.5% (\$68 million) subject to external restrictions, while 21% (\$92 million) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

As of December 31, 2020, Eagle County reports **positive** balances in both governmental activities and business-type activities. The County's net position **increased \$19.1 million** during 2020.

Impact on Net Position

	<u>2018</u> [*]	<u>2019</u> (as restated)	<u>2020</u>
Total Revenues	\$114,177,653	\$141,894,514	\$135,278,961
Total Expenses	\$100,106,991	\$119,582,224	\$116,178,010
Change in Net Position	\$14,070,662	\$22,312,290	\$19,100,951
End Net Position	\$398,349,581	\$420,988,345	\$440,089,296

*2018 fund balance adjustment recorded in future year

A full statement of activities can be found in the Comprehensive Annual Financial Report at:
<https://www.eaglecounty.us/finance/annualfinancialreports>

MAJOR PROJECTS

Eagle County has acquired capital assets to provide services for and to enhance the quality of life of its citizens. Capital assets include land, buildings and improvements, machinery, construction in progress, equipment, and infrastructure. Major projects, or capital asset events, during fiscal year 2020 included the following:

Two10 at Castle Peak additions and completion \$5.4M



Image by L. Marie Media

ECO Electric Buses and Charger Stations \$3.4M



Image by L. Marie Media



Image by L. Marie Media

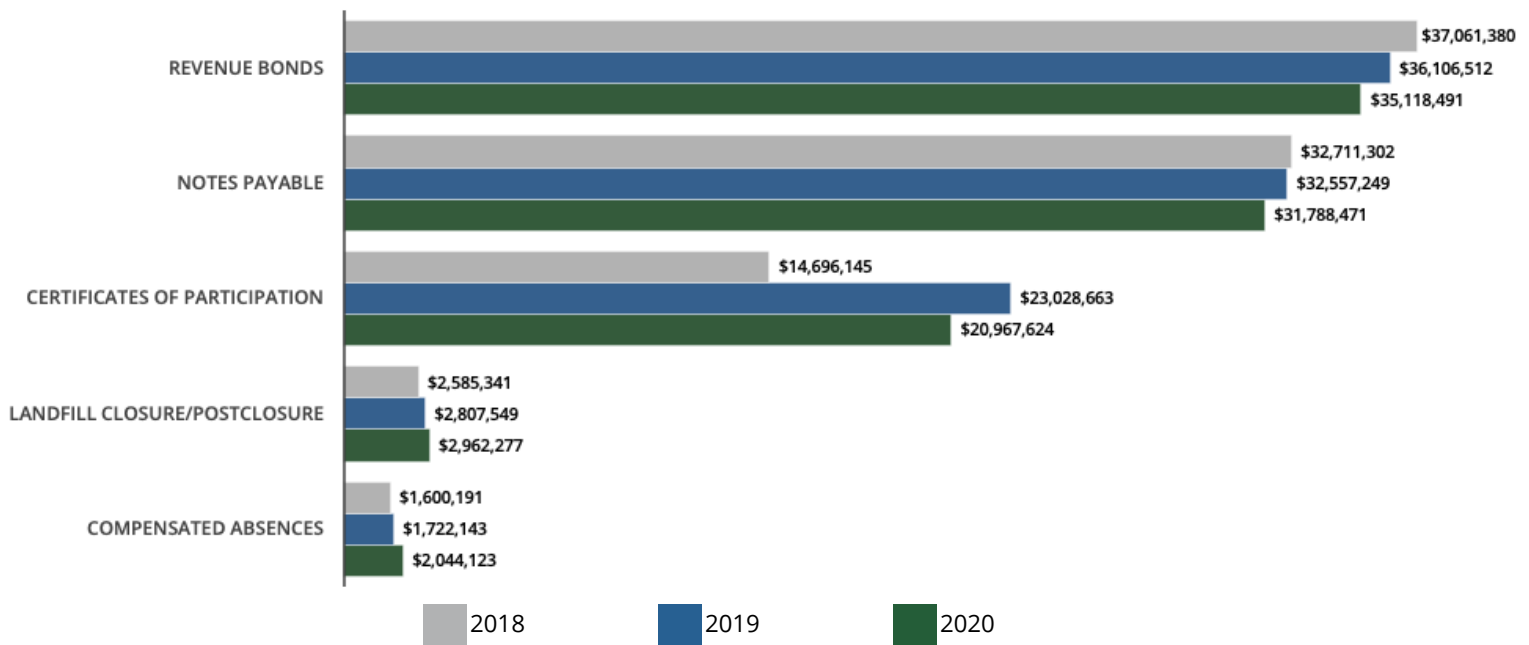


Ridgway Open Space Acquisition \$2.4M

Total Long Term Liabilities

At the end of fiscal year 2020, Eagle County had total long-term liabilities outstanding of \$92.9 million. Of this amount, \$5 million comprised compensated absences and landfill closure/post-closure liabilities, which are backed by the full faith and credit of the government. The remainder of Eagle County's liabilities consist of certificates of participation, revenue bonds, and mortgage notes payable. Eagle County has an issuer rating of Aa1 from Moody's. The County had no general obligation debt as of December 31, 2020. Eagle County's long-term total liabilities for fiscal years 2018, 2019, and 2020 are displayed in the graph below.

Eagle County's Total Long Term Liabilities



REVENUE BONDS - issued by Eagle County Air Terminal Corporation to finance terminal expansion projects and are repaid solely from the revenue generated by the terminal corporation.

NOTES PAYABLE - mortgage notes payable by Lake Creek Village LLC, an affordable housing property. Lake Creek Village financials are rolled into Eagle County Housing and Development Authority financials that are presented in the annual audit. These notes were issued in connection with the acquisition and refurbishment of the housing property and are insured by the U.S. Department of Housing and Urban Development (HUD).

CERTIFICATES OF PARTICIPATION (COP) - issued in 2015 through Eagle County Justice Center Financing Corporation to finance the Justice Center renovation. The Justice Center is leased to Eagle County for a period concurrent with the terms of the COPs. In 2019, the County issued COPs to finance the construction of a 22-unit workforce housing project, Two10 at Castle Peak, and are secured by lease revenues.

In 2020, Eagle County paid off portions of the long-term obligations and did not take on any new debt. As displayed in the graph of total long-term liabilities from 2018 to 2020, the majority of long-term debt categories are decreasing in amount owed.

COVID - 19 PANDEMIC

The global pandemic of COVID-19 has had immediate impacts to the regional economy and the County's service levels and revenues.

- The County's unemployment rate rose to between 17% and 23% in April to June, 2020, as compared with the County's 2019 annual unemployment rate of 2.2%.
- The Eagle County Regional Airport experienced a 23% decline in enplanements in 2020 over 2019. However, revenues remained consistent due to contracts binding airlines to pay a fixed lease space amount.
- The ECO Transit system experienced a 54% decline in service revenue in 2020 over 2019.
- The County benefited from approximately \$8.3 million of the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provides funding for transit agencies, airports, public health agencies and local governments to respond to the pandemic.



Image by Charles Townsend



Image by Charles Townsend

Eagle County Government received \$9.3 million dollars, including CARES funding, total in federal grants to help mitigate the impacts of COVID-19. These funds were used to offset lost revenue, keep services running for the airport and local bus transportation, fund an emergency rent assistance program, donate to local charities to provide food and shelter, ensure a safe election, and support public health initiatives.



Eagle County Public Health's efforts to suppress the spread of the COVID-19 virus included:

- marketing materials
- community outreach
- testing
- vaccinations
- PPE purchases
- COVID sick leave pay
- quarantine shelter for COVID-19 patients



Image by Charles Townsend



TRENDS



The COVID-19 pandemic directly impacted economic factors in the County. In 2021, Eagle County anticipates benefitting from at least \$10.7 million of the American Rescue Plan Act (ARPA) funding to support needs of the community as a result of the pandemic.

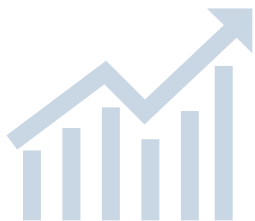
Sales tax revenue across all funds increased by 4.6% from 2019 to 2020 to total \$1.4 million. In 2020, sales tax revenue of \$32,315,404 was **greater** than property tax revenue of \$28,658,517.

Management anticipates a sales tax revenue decrease during 2021 due primarily to the COVID-19 pandemic and uncertainty around the 2020-2021 ski season and related reduction in sales taxes.

The number of building permits increased by 15.9% to 801 total in 2020. There was a significant 37% increase in building valuation in 2020. This indicates that each building permit had a higher average value in 2020 (\$202,000 per permit) as compared to 2019 (\$171,000 per permit).

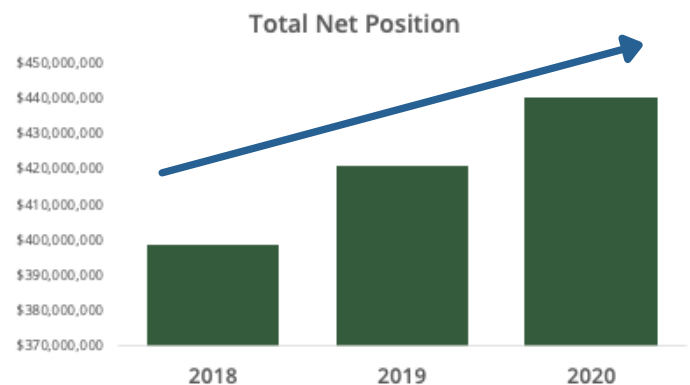


Image by L. Marie Media



Inflationary trends in the region are generally higher than in the nation. However, the Denver consumer price index decreased 1.95% from 2019 to 2020.

Eagle County has an ongoing trend of increasing positive net position as displayed in the graph to the right for 2018 to 2020 total net position.



These indicators were considered in preparing and adopting Eagle County's 2021 budget.

Image by Gabriela Mata



Image by L. Marie Media



GLOSSARY

Assets: resources that the government owns that can be utilized in providing services.

Business-type activities: activities financed by fees charged to users for services. These fees for services offset expenses.

Capital assets: assets with an initial cost of \$10,000 (\$5,000 if purchased with federal funds) and an estimated useful life in excess of one year.

Capital grants: government awards given to encourage acquisition of capital assets such as buildings, land, and machinery.

Certificates of Participation (COPs): government issued shares utilized to fund improvements or infrastructure projects.

Charges for services: a charge or fee collected to help fund services. These may include licenses, permits, fines, applications, or other service charges. Some are state mandated and others are county imposed.

Compensated absences: accumulated leave that is expected to be paid to employees, such as vacation or sick leave.

Comprehensive Annual Financial Report: financial statements issued by a government in accordance with the requirements of the Governmental Accounting Standards Board. The report is comprised of the introductory, financial, and statistical sections, and describes what was spent by the reporting entity during the past year, as well as the ending state of its assets and liabilities. The report is a summary of all of the annual financial reports of the government.

Deferred inflows: an acquisition of net assets by the government that is applicable to a future reporting period.

Deferred outflows: a consumption of net assets by the government that is applicable to a future reporting period.

Generally Accepted Accounting Principles (GAAP): the set of rules that encompass the details, complexities, and legalities of accounting.

Government Finance Officers Association (GFOA): founded in 1906, this organization represents public finance officials throughout the United States and Canada.

Governmental activities: general government activities financed primarily through taxes, intergovernmental revenues, and other non-exchange revenues.

Governmental funds: the general fund, special revenue funds, debt-service funds, and capital projects funds.

Liabilities: what the government owes.

Long-term liabilities: loans, bonds, and debt obligations that are paid for over more than one year.

Net position: assets minus liabilities. Government net worth.

Notes payable: written agreements mostly created and issued for debt arrangements.

PAFR Prepared by:

Desiree Adair with consultation from Eagle County Finance employees Anna Earl and Helen Gies.

Design: Desiree Adair

Cover Image: Cordillera Summit, Image by Bob Silva

This Popular Annual Financial Report (PAFR) was a result of the collaboration between PAFR Fellow Desiree Adair and the government of Eagle County, Colorado. The PAFR Fellowship is a program developed by the organization Engaging Local Government Leaders (ELGL) and the Government Finance Officers Association (GFOA) to connect graduate students with local governments to create PAFRs.



EAGLE COUNTY

