

**STRASBURG METROPOLITAN PARKS AND
RECREATION DISTRICT**

ANNUAL FINANCIAL REPORT

AND SUPPLEMENTAL INFORMATION

FOR THE

YEAR ENDED DECEMBER 31, 2017

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Office of the State Auditor

September 6, 2018

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

INTRODUCTION	Page
District Officials	ii
FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet – Governmental Funds	10-11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12-13
Notes to the Financial Statements	14-27
Required Supplemental Information	
General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	28
Conservation Trust Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	29
Schedule of Proportionate Share of Net Pension Liability	30
Schedule of District Contributions	31

STRASBURG METROPOLITAN PARKS AND
RECREATION DISTRICT

ROSTER OF DISTRICT OFFICIALS
DECEMBER 31, 2017

BOARD OF DIRECTORS

David SpillerChairman
Mitch Swanson.....Vice President
Loren L. LoshSecretary
Cynthia FaheyTreasurer
Scott Gerrard.....Director

DISTRICT ADMINISTRATOR

Angela Graf

SCOTT C. WRIGHT
CERTIFIED PUBLIC ACCOUNTANT

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Avon, Colorado 81620
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Strasburg Metropolitan Parks and Recreation District
Strasburg, Colorado

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of the Strasburg Metropolitan Parks and Recreation District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity's 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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

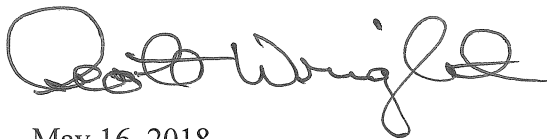
Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Strasburg Metropolitan Parks and Recreation District as of December 31, 2017, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7, the budgetary comparison information on pages 28-29, the schedule of the District's proportionate share of the net pension liability on page 30, and the schedule of the District contributions on page 31 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.



May 16, 2018
Avon, Colorado

Management's Discussion and Analysis

As management of the Strasburg Metropolitan Parks and Recreation District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's basic financial statements.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1,699,002.
- The District's total net position increased by \$130,490 from the previous year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$523,750, an increase of \$100,541 in comparison with the prior year. Approximately eighty-two percent (82%) of this total amount, or \$429,912 is available for use within the District's policies (unassigned fund balance).
- Unassigned general fund balances represent 55 percent of total general fund expenditures or over 6 months of operations.

Overview of the Financial Statements

This 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Two categories are reported:

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two 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 past 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 the related cash flows*. Thus, revenues and expenses may be reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 8-9 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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses only governmental 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 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 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 governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general fund, debt service fund, and capital projects fund – all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for this fund in the basic financial statements to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 10-13 of this report.

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. The notes to the financial statements can be found on pages 14-27 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Strasburg Metropolitan Parks and Recreation District adopts an annual appropriated budget for its general fund and conservation trust fund. Budgetary comparison statements have been provided in this section for the general fund and the conservation trust fund to demonstrate compliance with these budgets and can be found after the notes to the financial statements on pages 28-29 of this report. Pension-related required supplemental information is included on pages 30-31 of this report.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$1,699,002. However, the implementation of GASB 68 and GASB 71 have caused a large change in unrestricted net position that make other changes difficult to discern. Net position decreased \$184,638 from the prior year due to the recording of the net pension liability.

The largest portion of the District's net position (90.4%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (5.5%) represents resources that are subject to external restriction on how they may be used.

NET POSITION

	<u>2017</u>	<u>2016</u>
Assets:		
Current Assets	\$ 978,290	\$ 911,086
Capital Assets	<u>1,536,599</u>	<u>1,424,676</u>
Total Assets	<u>2,514,889</u>	<u>2,335,762</u>
Deferred Outflows of Resources	<u>214,846</u>	<u>112,321</u>
Liabilities:		
Current and Other Liabilities	25,182	71,359
Noncurrent Liabilities	<u>573,086</u>	<u>388,448</u>
Total Liabilities	<u>459,807</u>	<u>459,807</u>
Deferred Inflows of Resources	<u>432,465</u>	<u>419,764</u>
Net Position:		
Net Investment in Capital Assets	1,536,599	1,424,676
Restricted For:		
Emergencies	25,711	24,259
Purposes of Grantors	68,127	46,575
Unrestricted	<u>68,565</u>	<u>73,002</u>
Total Net Position	<u>\$ 1,699,002</u>	<u>\$ 1,568,512</u>

CHANGE IN NET POSITION

Governmental activities increased the District's net position by \$130,490 for 2017.

The following is a condensed comparative summary of the District's revenue and expenses as of December 31:

	<u>2017</u>	<u>2016</u>
General Revenues:		
Property and Specific Ownership	\$ 452,772	\$ 466,138
Intergovernmental	26,341	28,883
Investment Earnings	4,600	2,748
Miscellaneous	<u>139,761</u>	<u>80,747</u>
Total General Revenues	<u>623,474</u>	<u>578,516</u>
Program Revenues:		
Charges for Services	193,801	166,911
Capital Grants	<u>66,716</u>	<u>63,222</u>
Total Program Revenues	<u>260,517</u>	<u>230,133</u>
Total Revenues	<u>883,991</u>	<u>808,649</u>
Expenses:		
Governmental Activities:		
Administration	371,283	312,493
Facilities	189,475	213,802
Programs	<u>192,743</u>	<u>159,732</u>
Total Expenses	<u>753,501</u>	<u>686,027</u>
Change in Net Position	130,490	122,622
Net Position – Beginning of Year	<u>1,568,512</u>	<u>1,455,890</u>
Net Position – End of Year	<u>\$ 1,699,002</u>	<u>\$ 1,568,512</u>

Capital assets. The Strasburg Metropolitan Parks and Recreation District’s investment in capital assets for its governmental and business-type activities as of December, 31, 2017, totals \$1,424,676 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, water rights, buildings and improvements, utility lines, infrastructure, wells, and machinery and equipment (see table below). The total increase in the District’s investment in capital assets for the current fiscal year was 8.04%.

**Strasburg Metropolitan Parks and Recreation District’s Capital Assets
(net of depreciation)**

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
Land	\$ 462,140	\$ 462,140
Construction in Progress	-	248,953
Land Improvements	723,727	459,533
Buildings and Improvements	201,805	102,749
Machinery and Equipment	<u>148,927</u>	<u>151,301</u>
 Total Capital Assets, Being Depreciated	 <u>\$ 1,536,599</u>	 <u>\$ 1,424,675</u>

Additional information on the District’s capital assets can be found in Note 4 on page 21 of this report.

Long-term debt. At December 31, 2017, the District had no outstanding debt.

Economic Factors and Next Year’s Budgets and Rates

The District’s total assessed valuations for 2017 as certified by the Adams County and Arapahoe County Assessors was \$63,777,520 and \$21,024,513, respectively. The District’s mill rate for general operating purposes was set at 5.010 mills in 2017 for 2018 collections. Budgeted 2018 property tax revenues are \$424,858.

Requests for Information

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Angie Graff, Strasburg Metropolitan Parks and Recreation District, 1932 Burton Street, P.O. Box 118, Strasburg, Colorado 80136.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

STATEMENT OF NET POSITION DECEMBER 31, 2017

	Total Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 465,274
Receivables (net)	507,878
Prepaid Expenses	5,138
Capital Assets, net of accumulated depreciation	
Nondepreciable	462,140
Depreciable	1,074,459
Total Assets	2,514,889
DEFERRED OUTFLOWS OF RESOURCES	
Contributions After Measurement Date	35,626
Collective Pension Amounts	119,673
Changes in District's Proportion	59,547
Total Deferred Outflows of Resources	214,846
LIABILITIES	
Accounts Payable	13,462
Accrued Liabilities	11,720
Noncurrent Liabilities:	
Net Pension Liability	573,086
Total Liabilities	598,268
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - County Grants	4,500
Deferred Revenue - Property Taxes	424,858
Collective Pension Amounts	1,656
Change in District Proportion	1,451
Total Deferred Inflows of Resources	432,465
NET POSITION	
Net Investment in Capital Assets	1,536,599
Restricted For:	
Emergencies	25,711
Purposes of Grantors	68,127
Unrestricted	68,565
Total Net Position	\$ 1,699,002

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

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

	Total Governmental Activities
Expenses	
Parks and Recreation:	
Administration	\$ 371,283
Facilities	189,475
Programs	192,743
	<hr/>
Total Expenses	753,501
	<hr/>
Program Revenues	
Charges for Services	193,801
Capital Grants	66,716
	<hr/>
Total Program Revenues	260,517
	<hr/>
Net Program Expense	492,984
	<hr/>
General Revenues	
Property and Specific Ownership Taxes	452,772
Intergovernmental	26,341
Investment Earnings	4,600
Miscellaneous	139,761
	<hr/>
Total General Revenues	623,474
	<hr/>
Change in Net Position	130,490
	<hr/>
Net Position, Beginning of Year	1,568,512
	<hr/>
Net Position, End of Year	\$ 1,699,002
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The accompanying notes are an integral part of the financial statements.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2017

	General Fund	Conservation Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 397,147	\$ 68,127	\$ 465,274
Receivables:			
- Taxes	428,039	-	428,039
- Account	2,955	-	2,955
- Intergovernmental	76,884	-	76,884
Prepaid Expenses	5,138	-	5,138
Total Assets	\$ 910,163	\$ 68,127	\$ 978,290
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 13,462	\$ -	\$ 13,462
Accrued Liabilities	11,720	-	11,720
Total Liabilities	25,182	-	25,182
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue from County Grants	4,500	-	4,500
Unavailable Revenue - Property Taxes	424,858	-	424,858
Total Deferred Inflows of Resources	429,358	-	429,358
FUND BALANCES			
Restricted For:			
TABOR Emergency Reserve	25,711	-	25,711
Purposes of Grantors	-	68,127	68,127
Unassigned	429,912	-	429,912
Total Fund Balances	455,623	68,127	523,750
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 910,163	\$ 68,127	\$ 978,290

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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Total Fund Balances - Governmental Fund	\$ 523,750
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet.	
Capital Assets	2,271,511
Accumulated Depreciation	(734,912)
	<u>1,536,599</u>
Deferred outflows of resources used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Contributions After Measurement Date	35,626
Changes in Proportionate Share	59,547
Collective Pension Amounts	119,673
	<u>214,846</u>
Deferred inflows of resources used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Changes in Proportionate Share	(1,451)
Changes in Collective Pension Amounts	(1,656)
	<u>(3,107)</u>
The long-term liability for pension is not due and payable in the current period and therefore not reported as a liability in the governmental funds.	
	<u>(573,086)</u>
Net Position of Governmental Activities	<u><u>\$ 1,699,002</u></u>

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Conservation Trust Fund	Total
Revenues			
Taxes	\$ 452,772	\$ -	\$ 452,772
Intergovernmental	66,717	26,340	93,057
Charges for Services	193,801	-	193,801
Investment Earnings	3,972	628	4,600
Miscellaneous	139,761	-	139,761
Total Revenues	<u>857,023</u>	<u>26,968</u>	<u>883,991</u>
Expenditures			
Current:			
Administration	289,309	-	289,309
Facilities	118,094	-	118,094
Programs	192,743	-	192,743
Capital Improvements	183,304	-	183,304
Total Expenditures	<u>783,450</u>	<u>-</u>	<u>783,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>73,573</u>	<u>26,968</u>	<u>100,541</u>
Other Financing Sources (Uses)			
Transfers In	5,416	-	5,416
Transfers Out	-	(5,416)	(5,416)
Total Other Financing Sources (Uses)	<u>5,416</u>	<u>(5,416)</u>	<u>-</u>
Net Change in Fund Balances	78,989	21,552	100,541
Fund Balances, Beginning of Year	<u>376,634</u>	<u>46,575</u>	<u>423,209</u>
Fund Balances, End of Year	<u>\$ 455,623</u>	<u>\$ 68,127</u>	<u>\$ 523,750</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Net change in fund balances - Total Governmental Funds \$ 100,541

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	183,303
Depreciation	<u>(71,380)</u>
	<u>111,923</u>

Net pension liability-related items reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the expenditures of the governmental funds.

Change in proportionate shares of collective net pension-related items	(123,643)
Change in contributions made after the measurement date	1,815
Net amortization of change in proportionate share	<u>39,854</u>
	<u>(81,974)</u>

Change in Net Position of Governmental Activities \$ 130,490

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

The financial statements of the Strasburg Metropolitan Parks and Recreation District (District) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the District’s financial statements.

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the Strasburg Metropolitan Parks and Recreation District (the primary government). The District does not have any component units for which the District is considered financially accountable.

Primary Government. The Strasburg Metropolitan Parks and Recreation District was organized in 1974. The District is a quasi-municipal corporation and is governed pursuant provisions of the Colorado Special District Act. The District was organized for the purpose of providing recreational facilities and programs for its inhabitants. The District is located approximately 30 miles east of the Denver International Airport and encompasses parts of both Arapahoe and Adams counties in its jurisdiction.

B. Government-wide and Fund Financial Statements

Government-wide 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. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business segment are offset by program revenues and helps identify the extent to which each is self-financing or draws from the general revenues of the District. Direct expenses are those that are clearly identifiable with a specific function or business segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. Fund financial statements report detailed information about the District with the focus on major funds rather than on reporting funds by type. Separate financial statements are provided for governmental funds. The District has no proprietary or fiduciary funds. Individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The major sources of revenue which are susceptible to accrual are property taxes and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The District reports the following major governmental funds:

- *General Fund* - This is the District's primary operating fund. It is used to account for all activities of the District not required to be accounted for in some other fund.
- *Conservation Trust Fund* - This fund is used to account for lottery proceeds from the State of Colorado that are legally restricted to expenditures for park and recreation purposes.

D. Capital Assets

Capital assets, which include land, buildings, and certain equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Facilities	10-30 years
Vehicles and Rolling Stock	3-17 years
Machinery and Equipment	3-10 years

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District does not have any items that qualify.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. Accordingly, the items, *deferred revenue – county grants*, and *deferred revenue – property taxes*, are reported in the government-wide statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Compensated Absences

It is the District's policy to require employees to use accumulated vacation in the year awarded. There is no liability for unpaid accumulated vacation or sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District.

G. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;
- 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;

-
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
 - Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
 - Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

H. Budgetary Information

Budgets are adopted on a basis consistent with GAAP for all funds. According to Local Government Budget Law, the legal level of appropriations are at the total fund expenditures level and lapse at year-end. During the year, the District's Board of Directors can modify the budget by line item within a fund's total appropriation without notification. Upon meeting notification and publication requirements, supplemental amendments increasing appropriations may be passed by resolution of the Board of Directors.

I. Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the Arapahoe and Adams County Assessors generally as of January 1, of each year. The levy is normally set by December 15, by certification to the respective County Commissioners to place the tax lien on the individual properties as of January 1, of the following year. The respective County Treasurers collect the determined taxes during the ensuing calendar year. Taxes are payable by April 30, or if at the taxpayer's election paid in equal installments, by February 28 and June 15, respectively.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are collected.

J. Pension

The District participates in the Local Government Division Trust Fund (LGDTF), a cost sharing multiple-employer defined benefit pension fund administered by the Colorado Public Employees' Retirement Association (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 LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Deposits and Investments

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	\$ 465,274
Total	<u>\$ 465,274</u>

Cash and investments as of December 31, 2017 consist of the following:

Deposits With Financial Institutions	\$ 72,325
Deposits With Local Government Investment Pools	<u>392,949</u>
Total	<u>\$ 465,274</u>

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with RHMAEC being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

Investments

Credit Risk. Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. These investments include local government investment pools and certain obligations of the United States government. State law limits investments in commercial paper, corporate bonds, and money market mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices.

Presented below is the minimum rating, as required by Colorado State Statutes, for investments held by the District as of December 31, 2017.

<u>Ratings</u> <u>S&P</u>	<u>Local Government</u> <u>Investment Pools</u>
AAAm	<u>\$ 392,949</u>

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The District places no limit on the amount it may invest in any one issuer. The District invests in one local government investment pool, the Colorado Local Government Liquid Asset Trust (COLOTRUST). The investment is not categorized because the investment is not evidenced by securities that exist in physical or book entry form. At December 31, 2017, the District had an investment of \$392,949 for both market and carrying value.

Fair Value of Investments. The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2017, the District had no investments measured at fair value and had the following investments measured at net asset value:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colotrust	\$ 392,949
Total	<u>\$ 392,949</u>

At December 31, 2017, there were no unrealized losses reflective of changes in the fair market value of investments.

Note 3. Legal Compliance – Budgets

No later than October 15th, the District Administrator submits to the Board of Directors a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, program, and line item and includes information on the prior year, current year estimates and requested appropriations and estimated revenues for the upcoming year.

The Board of Directors holds public hearings and must adopt the budget by resolution prior to December 15th. Once adopted, the Board may at any time, by resolution, amend the budget. The District had one supplemental appropriation during the year ended December 31, 2017.

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented with a higher level of detail than legally required in order to facilitate closer financial analysis.

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 462,140	\$ -	\$ -	\$ 462,140
Construction in Progress	<u>248,953</u>	<u>62,325</u>	<u>(311,278)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>711,093</u>	<u>62,325</u>	<u>(311,278)</u>	<u>462,140</u>
Capital Assets, Being Depreciated:				
Land Improvements	775,941	311,278	-	1,087,219
Buildings and Improvements	261,993	114,362	-	376,355
Machinery and Equipment	<u>339,181</u>	<u>6,616</u>	<u>-</u>	<u>345,797</u>
Total Capital Assets, Being Depreciated	<u>1,377,115</u>	<u>432,256</u>	<u>-</u>	<u>1,809,371</u>
Less Accumulated Depreciation:				
Land Improvements	(316,408)	(47,084)	-	(363,492)
Buildings and Improvements	(159,244)	(15,306)	-	(174,550)
Machinery and Equipment	<u>(187,880)</u>	<u>(8,990)</u>	<u>-</u>	<u>(196,870)</u>
Total Accumulated Depreciation	<u>(663,532)</u>	<u>(71,380)</u>	<u>-</u>	<u>(734,912)</u>
Total Capital Assets, Being Depreciated, Net	<u>713,583</u>	<u>360,876</u>	<u>-</u>	<u>1,074,459</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,424,676</u>	<u>\$ 423,201</u>	<u>\$ (311,278)</u>	<u>\$ 1,536,599</u>

Depreciation expense in the amount of \$71,380 was charged to the facilities function in the Statement of Activities for the year ended December 31, 2017.

Note 5. Long-term Debt

The District had no long-term debt as of December 31, 2017 and no debt related transactions for the year ended December 31, 2017.

Note 6. Intergovernmental Agreements

The District has entered into a Master Joint Use Agreement with Strasburg 31J School District in order to define the obligations of each party with respect to providing facilities, services, and programs to citizens, scheduling the use of facilities, developing a fair schedule of charges; joint funding of capital construction, and maintenance and operation of facilities.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

Note 7. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for significant insurable risks. Settled claims did not exceed this commercial coverage in any of the past three fiscal years.

Note 8. Employee Retirement Plan

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

Benefits provided. 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 2.5 percent and then multiplied by years of service credit .
- The value of the retiring employee's member contribution account plus a 100 percent 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.

In all cases the service retirement benefit is limited to 100 percent 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 percent or 100 percent 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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

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 retirement benefit formula 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.

Contributions. Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	<u>Rate</u>
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	<u>1.50%</u>
Total Employer Contribution Rate to the LGDTF ¹	<u>12.68%</u>

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$35,626 for the year ended December 31, 2017.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

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

At December 31, 2017, the District reported a liability of \$573,086 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the collective 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, 2015. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2016, the District's proportion was 0.0424400925%, which was an increase of 0.0071773644% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District recognized pension expense of \$81,974. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 10,198	\$ -
Changes of assumptions or other inputs	40,650	1,656
Net difference between projected and actual earnings on pension plan investments	68,825	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	59,547	1,451
Contributions subsequent to the measurement date	<u>35,626</u>	<u>-</u>
Total	<u>\$ 214,846</u>	<u>\$ 3,107</u>

Deferred outflows of resources related to pensions in the amount of \$35,626, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2018	\$ 38,561
2019	5,172

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount Rate	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 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 Board on November 13, 2012, and an economic assumption study, adopted by PERA’s Board on November 15, 2013 and January 17, 2014.

The LGDTF’s long-term expected rate of return on pension 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.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

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	<u>1.00%</u>	0.20%
Total	<u>100.00%</u>	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF'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 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. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$1,991,016	\$1,350,341	\$819,792

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

Note 9. Commitments and Contingencies

Litigation. The District has filed an action in District court against a vendor for breach of contract. Recovery of damages is not estimable at the balance sheet date and have not been accrued on the financial statements. According to legal counsel for the District, there are no other material loss contingencies of the District coming within the scope of the District's legal representation letter dated May 16, 2018.

Tax, Spending and Debt Limitations. Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has established an emergency reserve for the year ended December 31, 2017 in the amount of \$25,711.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including interpretation of how to calculate Fiscal Year Spending limits may require judicial interpretation.

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 457,496	\$ 457,496	\$ 452,772	\$ (4,724)
Intergovernmental	100,000	100,000	66,717	(33,283)
Charges for Services	171,000	171,000	193,801	22,801
Investment Earnings	1,500	1,500	3,972	2,472
Miscellaneous	47,000	103,000	139,761	36,761
Total Revenues	<u>776,996</u>	<u>832,996</u>	<u>857,023</u>	<u>24,027</u>
Expenditures				
Current:				
Administration	323,497	323,497	289,309	34,188
Facilities	118,500	118,500	118,094	406
Programs	158,000	158,000	192,743	(34,743)
Capital Improvements	146,000	186,000	183,304	2,696
Total Expenditures	<u>745,997</u>	<u>785,997</u>	<u>783,450</u>	<u>2,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,999	46,999	73,573	26,574
Other Financing Sources (Uses)				
Transfers In	-	-	5,416	5,416
Net Change in Fund Balances	30,999	46,999	78,989	31,990
Fund Balances, Beginning of Year	<u>369,063</u>	<u>369,063</u>	<u>376,634</u>	<u>7,571</u>
Fund Balances, End of year	<u>\$ 400,062</u>	<u>\$ 416,062</u>	<u>\$ 455,623</u>	<u>\$ 39,561</u>

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

CONSERVATION TRUST FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 28,000	\$ 28,000	\$ 26,340	\$ (1,660)
Investment Earnings	500	500	628	128
Total Revenues	<u>28,500</u>	<u>28,500</u>	<u>26,968</u>	<u>(1,532)</u>
Expenditures				
Capital Improvements	20,000	20,000	-	20,000
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,500	8,500	26,968	20,000
Other Financing Sources (Uses)				
Transfers Out	-	-	(5,416)	(5,416)
Net Change in Fund Balances	8,500	8,500	21,552	18,468
Fund Balances, Beginning of Year	<u>60,829</u>	<u>60,829</u>	<u>46,575</u>	<u>(14,254)</u>
Fund Balances, End of year	<u><u>\$ 69,329</u></u>	<u><u>\$ 69,329</u></u>	<u><u>\$ 68,127</u></u>	<u><u>\$ 4,214</u></u>

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Last Fiscal Year

	<u>2016¹</u>
District's Proportion of the Net Pension Liability	0.0424400925%
District's Proportionate Share of the Net Pension Liability	\$ 573,086
District's Covered-Employee Payroll	\$ 266,648
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	214.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.60%

¹ Amounts presented are as of the Measurement Date

STRASBURG METROPOLITAN PARKS AND RECREATION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS Last Fiscal Year

	<u>2016</u>
Contractually Required Contribution	\$ 33,811
Contributions in Relation to the Contractually Required Contribution	<u>(33,811)</u>
Contribution Deficiency	<u><u>\$ -</u></u>
District's Covered-Employee Payroll	\$ 266,648
Contributions as a Percentage of Covered-Employee Payroll	12.68%

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