
Delta County Fire Protection District # 3
Cedaredge, Colorado
Basic Financial Statements
December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Delta County Fire Protection District # 3
Cedaredge, Colorado 81413

We have audited the accompanying financial statements of the governmental activities of Delta County Fire Protection District # 3 as of and for the year ended December 31, 2018, 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

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 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, 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Delta County Fire Protection District # 3, as of December 31, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues and expenditures budget to actual for the General Fund, Schedule of Changes in Net Pension Liability and Schedule of Contributions on pages 3 through 7, page 28, page 29 and page 30 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 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 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of revenues and expenditures budget to actual for the Pension Fund is not a required part of the basic financial statements.

The schedule of revenues and expenditures budget to actual for the Pension Fund is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenditures budget to actual for the Pension Fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
May 2, 2019

Delta County Fire Protection District #3
Management Discussion and Analysis
Year Ended December 31, 2018

As the financial management of the Delta County Fire Protection District # 3 (“District”), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31, 2018 and 2017. This discussion and analysis is designed to assist the reader in focusing on the significant accomplishments, financial issues and activities, and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

The Delta County Fire Protection District # 3 incurred excess of expenditures over revenues of \$ 36,967 in 2018. In 2017, excess of expenditures over revenues was \$ 26,937. The term “net position” refers to the difference between assets and deferred outflows over deferred inflow of resources and liabilities. At the close of 2018, the District had a net position of \$1,223,557, decrease of 3% from fiscal year 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s financial statements, which is comprised of the basic financial statements, the notes to the financial statements, and supplementary information presented. In addition to the basic financial statements, this report also contains other supplementary information pertaining to the District’s budget.

Combined Government-Wide Fund Financial Statements

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the entire District’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District’s assets, liabilities and deferred inflows of resources, with the difference between the three 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 government’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 are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and other revenues. The District’s main function is to provide fire protection to the citizens within its area.

The government-wide financial statements are combined with the fund financial statements.

Delta County Fire Protection District #3
Management Discussion and Analysis
Year Ended December 31, 2018

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 has two funds, the governmental fund and the pension 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 a government's near-term financing requirements.

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

The basic governmental fund financial statements are combined with the government-wide financial statements.

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.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertaining to the District's progress in funding its obligation to provide pension benefits to its volunteer firefighters. Required supplementary information can be found on pages 28 through 30 of this report.

Also, this report presents certain supplementary information pertaining to the District's budget for demonstrating legal compliance with budgetary control obligations. This supplementary information can be found on page 31 of this report.

Delta County Fire Protection District #3
Management Discussion and Analysis
Year Ended December 31, 2018

Financial Analysis

Net position, the excess of assets and deferred outflows over liabilities and deferred inflows of resources, may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets, exceeded liabilities and deferred inflows of resources by \$ 1,223,557 at the close of the most recent fiscal year. The overall net position decreased by \$ 36,967.

District's Net Position at December 31:

<i>Assets</i>	2018	2017
Current and other assets	\$ 563,594	\$ 525,490
Capital assets, net of depreciation	1,189,637	1,356,967
Deferred outflow of resources	166,877	183,762
Total assets	\$ 1,920,108	\$ 2,066,219
 <i>Liabilities and deferred inflows of resources</i>		
Long-term liabilities outstanding	\$ 433,436	\$ 546,233
Other liabilities	19,426	17,588
Deferred inflows of resources	243,689	241,874
Total liabilities and deferred inflows of resources	696,551	805,695
 <i>Net position</i>		
Net Investment in capital assets	756,201	810,734
Restricted for emergencies	8,377	10,480
Restricted for retirement benefits	307,619	324,504
Unrestricted	151,360	114,806
Total net position	\$ 1,223,557	\$ 1,260,524

The largest portion of the District's net position is its investment in capital assets (62%). These assets include land, vehicles, leasehold improvements, buildings and equipment. The District uses these capital assets to provide service and consequently, these assets are not available to liquidate liabilities or for other spending.

\$ 8,377 is restricted for labor emergencies. The District has unrestricted net position of \$ 151,360.

Delta County Fire Protection District #3
Management Discussion and Analysis
Year Ended December 31, 2018

Statement of Activities - December 31, 2018 and 2017

General Revenues	2018	2017
Property taxes	\$ 275,963	\$ 289,957
Specific ownership taxes	49,290	49,446
Other taxes	719	1,044
Investment and other income	28,058	74,701
Grants	20,317	20,317
Total revenues	374,347	435,465
Expenses		
Administration	47,844	47,479
Public safety - fire protection	58,418	56,832
Depreciation expense	175,830	176,623
Pension expense	113,087	160,569
Debt service - interest	16,135	20,899
Total expenditures/expenses	411,314	462,402
Change in net position - General Fund	(36,967)	(26,937)
Beginning of the year	1,260,557	1,287,494
Ending of the year	1,223,590	\$ 1,260,557

Capital Assets and Debt Administration

The District's investment in capital assets at December 31, 2018 amounts to \$ 1,189,637 (net of accumulated depreciation). This investment in capital assets includes land, buildings and equipment. There were purchases of capital assets for 2018 of \$ 8,500.

Capital assets are classified as follows (net of depreciation):

	2018	2017
Land	\$ 5,759	\$ 5,759
Buildings	358,108	370,387
Vehicles and equipment	825,770	980,821
Total	\$ 1,189,637	\$ 1,356,967

Delta County Fire Protection District #3
 Management Discussion and Analysis
 Year Ended December 31, 2018

Debt

At year end, the District owed \$ 433,436 in leases payable which was a decrease of \$ 112,797.

	Balance 1/1/2018	Additions	Deletions	Balance 12/31/2018	Due Within One Year
Leases payable	\$ 546,233	\$ -	\$ (112,797)	\$ 433,436	\$ 116,181

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:

Delta County Fire Protection District #3
 P. O. Box 804
 Cedaredge, CO 81413

Basic Financial Statements

Delta County Fire Protection District #3
 Combined Government-Wide and Fund Financial Statements
 Governmental Fund Balance Sheet and Statement of Net Position
 December 31, 2018

	General Fund	Adjustments (See Below)	Statement Of Net Position
Assets			
Cash and investments	\$ 179,163	\$ -	\$ 179,163
Property tax receivable	210,815	-	210,815
Net Pension Asset	-	173,616	173,616
Capital assets			
Non depreciable assets			
Land	-	5,759	5,759
Depreciable assets			
Building and Improvements	-	358,108	358,108
Vehicles and equipment	-	825,770	825,770
Total capital assets	<u>-</u>	<u>1,189,637</u>	<u>1,189,637</u>
Total assets	<u>389,978</u>	<u>1,363,253</u>	<u>1,753,231</u>
Deferred outflow of resources			
Pension change in proportionate share of net pension liability	-	109,196	109,196
Pension contributions made after measurement date	-	57,681	57,681
Total deferred outflow of resources	<u>-</u>	<u>166,877</u>	<u>166,877</u>
Liabilities			
Accounts payable	17,520	-	17,520
Due to Pension Fund	1,906	-	1,906
Long-term liabilities			
Portion due within one year	-	116,181	116,181
Portion due after one year	-	317,255	317,255
Total liabilities	<u>19,426</u>	<u>433,436</u>	<u>452,862</u>
Deferred inflows of resources			
Difference between expected and actual experience	-	32,874	32,874
Deferred property taxes	210,815	-	210,815
Total deferred inflows of resources	<u>210,815</u>	<u>32,874</u>	<u>243,689</u>
Fund balance			
Restricted emergency reserve	8,377	(8,377)	-
Assigned	25,000	(25,000)	-
Unassigned	126,360	(126,360)	-
Total fund balances	<u>159,737</u>	<u>(159,737)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 389,978</u>		
Net position:			
Investment in capital assets net of related debt		756,201	756,201
Restricted for emergencies		8,377	8,377
Restricted for retirement benefits		307,619	307,619
Unrestricted		151,360	151,360
Total net position		<u>\$ 1,223,557</u>	<u>\$ 1,223,557</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

Delta County Fire Protection District #3
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2018

Amount reported for governmental activities in the statement of net position
are different because:

Total fund balance-governmental funds	\$ 159,737
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet	1,189,637
Some liabilities, including leases payable, are not due and payable in the current period and therefore are not reported in the fund balance sheet	(433,436)
Net pension assets and related deferred outflows of resources are not reported in the funds	307,619
Total net position-governmental activities	<u>\$ 1,223,557</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

Delta County Fire Protection District #3
Statement of Revenue, Expenditures and Changes in Fund Balance/Net Position
Governmental Fund and Statement of Activities
For the Year Ended December 31, 2018

	General Fund	Adjustments (See Next Page)	Statement of Activities
Expenditures/Expenses			
Public safety - fire protection			
Administration	\$ 47,844	\$ -	\$ 47,844
Public safety	58,418	-	58,418
Depreciation expense	-	175,830	175,830
Pension expenses	-	113,087	113,087
Capital outlay	8,500	(8,500)	-
Debt service:			
Principal	112,797	(112,797)	-
Interest	16,135	-	16,135
Total expenditures/expenses	<u>243,694</u>	<u>167,620</u>	<u>411,314</u>
General Revenues			
Property taxes	208,562	67,401	275,963
S. O. taxes	49,290	-	49,290
Other taxes	719	-	719
Investment income	19,574	8,484	28,058
State matching funds	-	20,317	20,317
Total general revenue	<u>278,145</u>	<u>96,202</u>	<u>374,347</u>
Change in net position	34,451	(71,418)	(36,967)
Fund balances/Net position:			
Beginning of the year	<u>125,286</u>	<u>1,135,238</u>	<u>1,260,524</u>
End of the year	<u>\$ 159,737</u>	<u>\$ 1,063,820</u>	<u>\$ 1,223,557</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

Delta County Fire Protection District #3
 Reconciliation of the Statement of Revenue, Expenditures and Changes in the
 Fund Balance
 Governmental Fund to the Statement of Activities
 For the Year Ended December 31, 2018

A reconciliation reflecting the differences between the general fund excess of revenues over expenditures and the changes in net position reported for governmental activities in the statement of activities is as follows:

Excess of expenditures over revenues - general fund	\$	34,451
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses:

Capital outlay		8,500
Depreciation		(175,830)
Total		<u>(167,330)</u>

The issuance of capital leases provides current financial resources to governmental funds, while the repayment of the principal of capital leases consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Principal payments - Capital lease		<u>112,797</u>
		<u>112,797</u>

Net change in pension assets		<u>(16,885)</u>
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Change in net position - Statement of Activities	\$	<u><u>(36,967)</u></u>
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These financial statements should be read only in connection with the accompanying notes to financial statements.

Delta County Fire Protection District #3
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2018

Assets

Investments

Cash and cash equivalents	\$ 793,486
Investments, at fair market value	1,192,511
Due from state	20,317
Due from general fund	1,906
Total assets	<u>\$ 2,008,220</u>

Liabilities

Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>

Net position

Held in trust for volunteer's pension benefits	<u>2,008,220</u>
Total net position	<u>\$ 2,008,220</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

Delta County Fire Protection District #3
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
December 31, 2018

Additions	
Contributions	
State participation contributions	\$ 20,317
Property taxes	67,401
Investment income:	
Net investment return	21,620
Net increase in fair market value	
Realized loss on investments	<u>(13,136)</u>
Total income	<u>96,202</u>
Deductions	
Pension benefits paid	98,317
Actuarial Study	12,535
Administrative fees	<u>2,235</u>
Total deductions	<u>113,087</u>
Increase in net position	(16,885)
Net position beginning	<u>2,025,105</u>
Net position ending	<u>\$ 2,008,220</u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of the Delta County Fire Protection District # 3 (the District), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant principles:

Financial Reporting Entity

The District is a governmental entity to provide fire protection to the citizens with the Cedaredge and Orchard city areas. The District has a five-member board of directors. For reporting purposes, the district, is a governmental stand-alone entity; with no component units. The District was formed in 1955.

Government-Wide and Fund Financial Statements

The government-wide financial statement (i.e. the statement of net position and the statement of activities) reports information on all of the non-fiduciary activities of the government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The major source of revenue susceptible to accrual is property tax. All other revenue items are considered to be measurable and available only when cash is received by the district.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Governmental Funds

The general fund is the District’s operating fund. It accounts for all financial resources of general government.

Fiduciary Fund

Pension Trust Fund accounts for pension benefits for the volunteer fire department, the financial statements for the Pension Trust Fund is reported on an accrual basis of accounting.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. For the District these include payments on insurance policies.

Capital Assets

Capital assets, which include land, buildings, vehicles and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government 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.

All depreciable assets of the District are being depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Vehicles	5-10
Equipment	5-10

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Fund Equity

This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) 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 by 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.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board of Directors has provided otherwise in its commitment or assignment actions. The board has assigned \$25,000 to be used for capital replacement in the future.

The District's considers all unreserved 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.

Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado. A portion of the General Fund equity and net position has been reserved/restricted in compliance with this requirement in the amount of \$8,377.

Budgetary Information

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

The budget includes each fund on its basis of accounting unless otherwise indicated.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies – continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of money are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or facilitate effective cash planning and control.

Compensated absences

The District has no liability for compensated absences to its employees. There are no full-time employees at this time.

Investments

Investments are stated at fair market value.

Note 2 - Deposits and Investments

Deposits - Colorado state statutes govern the entity's deposits of cash. The Public Deposit Protection Acts for banks and savings and loans require the state regulators to certify eligible depositories for public deposits. The acts require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all the un-insured public deposits as a group. The market value of the assets in the pool must be at least equal to the un-insured deposits.

At year-end carrying value of the District's deposits was \$ 903,362 and bank balance was \$ 913,201. All of the bank balances were covered by FDIC insurance.

Investments - The District policy is to invest only in notes or bonds secured by mortgage or trust deed insured pursuant to Title II of the "National Housing Act", and obligations of national mortgage associations or similar credit institutions organized under Title III of the "National Housing Act". Also, investments in financing governmental coupons strips known as zero coupons and (ColoTrust) a pool surplus funds for local government entities. The District has authorized those types of investments for maturity over five years.

The District had invested \$ 65,392 in the Colorado Government Liquid Asset Trust (ColoTrust), which is investment vehicle established for local government entities in Colorado to pool surplus funds. ColoTrust operates similarly to money market funds and each share is equal in value to \$1.00. Investments of ColoTrust consist of U. S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to ColoTrust in connection with the direct investment and withdrawal functions of ColoTrust.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 2 - Deposits and Investments – continued

Substantially all securities owned by ColoTrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by ColoTrust. These pools are not required to and are not registered with the secretary. ColoTrust Funds are rated AAA by Standard and Poors, Fitch's and Moody's rating services.

The District investments are categorized under Category 1 which is insured or registered or for which the securities are held by the District's agent in the District's name.

Credit Risk

Pension Investments

Investments

	<u>Fair Market</u>	<u>Credit Rating</u>
Government and Agency Securities		
Federal National Mortgage Strips	\$ 96,992	AAA
Federal Home Loan Mortgage Corp. Strips	194,752	AAA
Tennessee Valley Authority	339,710	No Rating
US Treasury Strips	247,530	AAA
Res Fdg Corp Cpn Strp	171,474	AAA
Federal Farm Credit Bank	<u>63,012</u>	AAA
Total	<u>1,113,470</u>	
Municipal Bonds		
Utah State Board of Regents	<u>25,917</u>	AA+
Total	<u>25,917</u>	
Asset and Mortgage backed securities		
Federal Home Loan Mortgage Corp.	7,762	No Rating
GNMA Guaranteed	17,223	No Rating
Federal National Mortgage Assoc. REMIC	<u>2,077</u>	Aaa
Total	<u>27,062</u>	
Money Market Account-Edward D. Jones	<u>26,062</u>	No Rating
 Total Investments	 <u>\$ 1,192,511</u>	

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District does not have a formal policy limiting investment maturities, other than that established by the state statute of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 3 - Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Note 4 - Capital Assets

Capital asset activity for the year ended December 31, 2018 is as follows:

	<u>Balance 1/1/18</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/18</u>
Government activities				
Capital assets, not being depreciated				
Land	\$ 5,759	\$ -	\$ -	\$ 5,759
Capital assets being depreciated				
Building and improvements	621,181	-	-	621,181
Vehicles	2,437,085	-	-	2,437,085
Equipment	176,607	8,500	-	185,107
Total capital assets being depreciated	<u>3,234,873</u>	<u>8,500</u>	<u>-</u>	<u>3,243,373</u>
Less accumulated depreciation for				
Building and improvements	(250,794)	(12,279)	-	(263,073)
Vehicles	(1,494,558)	(152,056)	-	(1,646,614)
Equipment	(138,313)	(11,495)	-	(149,808)
Total accumulated depreciation	<u>(1,883,665)</u>	<u>(175,830)</u>	<u>-</u>	<u>(2,059,495)</u>
Total capital assets being depreciated, net	<u>1,351,208</u>	<u>(167,330)</u>	<u>-</u>	<u>1,183,878</u>
Governmental capital assets, net	<u>\$ 1,356,967</u>	<u>\$ (167,330)</u>	<u>\$ -</u>	<u>\$ 1,189,637</u>

Depreciation costs for 2018 for the government activities was \$ 175,830.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 5 - Retirement Plan

Defined Benefit Plan

Administration

The plan is administered by a Board of Trustees composed of District members and firefighters selected in accordance with Colorado State Statutes.

District Contributions

The District can contribute to the Fund an annual amount, with a tax levy not to exceed one mill on the assessed valuation of the District. The District is currently contributing to the fund a level annual dollar amount of \$67,401.

State Contributions

The contribution by the State of Colorado toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of 1/2 mill on the assessed valuation or 90% of District contributions, whichever is less. If the plan currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions received during 2001 (which was \$20,317 for your Fund).

Retirement Benefits

The Board may pension any firefighter having 20 years of active service and being above the age of 50 years, such pension not to exceed \$100 per month, unless an actuarial review indicates a higher payment can be supported by the contributions. No volunteer firefighter shall receive a pension for service in a fire department while an active member of that department. On and after January 1, 1978, firefighters shall maintain a minimum training participation of 36 hours each year to qualify for retirement benefits.

The Board may, with the consent of the governing body and sixty-five percent of the active and retired volunteer firefighters, authorize a supplemental monthly pension payment to any volunteer firefighter who has attained age 50 and has more than twenty years of active service. The supplemental pension cannot exceed five percent of the normal benefit level (based on twenty years of service) multiplied by the number of years of service in excess of twenty years, up to a maximum of ten years. The supplemental pension can only be granted if an actuarial review indicates that the additional pension can be supported by the contributions.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 5 - Retirement Plan – continued

Disability Benefits

Temporary

In the event of an injury to a member while in the line of duty as a firefighter, it is the duty of the Board to pay a monthly annuity to the firefighter in an amount that is proper and equitable, the financial condition of the Fund considered, up to the greater of \$225 per month or one-half of the monthly retirement benefit level, for a period of time up to but not to exceed one year.

Permanent

Any firefighter who is disabled in the line of duty as to deprive the firefighter of his earning capacity and whose disability shall extend beyond one year, shall be compensated by the Board in a monthly annuity in such an amount as the Board determines proper and necessary, up to the greater of \$450 per month or the monthly retirement benefit level.

Death Benefits

Duty Death

If a firefighter dies from injuries received while in the line of duty, leaving surviving spouse, the Board shall pay to the surviving spouse a monthly annuity in such an amount as it deems proper and necessary, up to the greater of \$225 per month or one-half of the monthly retirement benefit level, or within limits as are prescribed by municipal ordinance or by rules and regulations of the Board, as long as the surviving spouse remains unmarried.

If there is no surviving spouse but there is a surviving child under 18 years of age the Board shall pay a monthly payment of an annuity in such amount as it deems proper or necessary, up to the greater of \$225 per month or one-half of the monthly retirement benefit level, or within limits as prescribed by municipal ordinance or by rules and regulations of the Board to the guardian of the child for the child, to continue until the child reaches the age of 18 years.

In the event there is no surviving spouse or child but there is a surviving dependent parent, the Board shall pay to the dependent parent a monthly annuity in such an amount as it deems proper and necessary, up to the greater of \$225 per month or one-half of the monthly retirement benefit level, or within limits as are prescribed by municipal ordinance or by rules and regulations of the Board, so long as the dependent parent remains unmarried.

No dissolution of a subsequent marriage shall have the effect of reinstating benefits to the surviving spouse or dependent parent or authorizing the granting of a pension or benefit.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 5 - Retirement Plan – continued

Non-Duty Death

In the event of the death of an active member not in the line of duty, or any retired, pensioned firefighter, or any other firefighter eligible for retirement under the age of 50 years, who leaves a surviving spouse, the Board may pay an annuity in a sum of money not to exceed 50% of the current pension payment for retired firefighters. The annuity shall remain in effect so long as the surviving spouse remains unmarried. No dissolution of a subsequent marriage shall have the effect of reinstating the pension or benefit.

Optional Survivor Benefit

In lieu of the survivor benefits available under State statutes, the Board may, with the consent of the governing body and sixty-five percent of the active and retired volunteer firefighters, provide a survivor benefit upon the death of an active member on duty, or if authorized by the Board, for death occurring while off duty. The survivor benefit is a monthly annuity in an amount up to one-hundred percent of the pension the member would have been entitled to receive if the member had retired immediately before the member's death.

The monthly annuity shall be paid to a beneficiary designated by the member or to the legal guardian of the designated beneficiary who is a child under the age of 18 as follows:

- Until the death of the designated beneficiary
- If the beneficiary is a child under age 18, until the earlier of the child's death or attainment of age 18
- If the beneficiary is a full-time student, until age 23
- If the beneficiary is a surviving spouse, until the earlier of the death of the surviving spouse or remarriage

Funeral Benefit

In addition, the Board shall pay a lump sum funeral benefit from the Fund in an amount not to exceed two times the monthly benefit level available upon retirement with twenty years of service, but not less than \$100, to be paid to the person who pays the necessary expenses for the deceased member's funeral.

Severance Benefits

Twenty or More Years of Service

Any firefighter who first became a volunteer prior to June 3, 1977, and who has completed 20 years of service shall, upon application to and with the Board's consent, be relieved from further duty and be entitled to receive a monthly pension beginning upon the attainment of age 50.

Any firefighter who first became a volunteer on or after June 3, 1977, and earns 20 years of service as a volunteer by serving more than one department, will be entitled to a benefit from the fund of each department for which he or she served at least five years equal to 1/20 of the monthly retirement benefit being paid by the department the day he or she left the service of that department for each year of service with the department.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 5 - Retirement Plan – continued

Defined Benefit Plan – continued

Less Than Twenty Years of Service

If the fund is determined to be actuarially sound, the Board of any volunteer firefighters' pension fund may elect to provide vesting of a volunteer's accrued benefit for any volunteer who terminates after ten years of active service. The benefit, payable at age 50, would be equal to the retirement benefit level, prorated based upon the ratio of the number of years of service accrued at termination to 20 years of service.

Plan membership

As of December 31, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving	23
Inactive plan members entitled to but not yet receiving	3
Active plan members	<u>21</u>
Total	47

Net Pension Liability

The components of the net pension liability at December 31, 2016 were as follows:

Total pension liability	\$	1,776,923
Plan fiduciary net position		<u>(1,950,539)</u>
District's net pension liability/ (asset)	\$	(173,616)
Plan fiduciary net position as a percentage of the total pension liability		109.77%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2016 using the actuarial assumptions described in Exhibit 11, applied to all periods included in the measurement:

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return and by adding expected inflation. Best estimates of rates of return for each major asset class included in the pension plan's target asset allocation as of the valuation date are summarized in the following table (note that the rates shown below include the inflation component):

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 5 - Retirement Plan – continued

Defined Benefit Plan – continued

Asset Class	Long-Term Expected Rate of Return
Domestic Equity	8.74%
International Equity	7.82%
Fixed Income	3.36%
Cash	2.28%

For the year ended December 31, 2017, the Authority recognized pension expense of \$160,569. At December 31, 2017, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resource	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 32,874
Changes in proportion share of net pension liability	109,196	
Contributions subsequent to the measurement date	57,681	-
Total	\$ 166,877	\$ 32,874

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:	
2019	\$ 10,967
2020	\$ 19,187
2021	\$ 31,512
2022	\$ 14,656
2023	\$ -
Thereafter	\$ -

Discount rate

The discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that the District contributions will continue to follow the current funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 5 - Retirement Plan – continued

Defined Benefit Plan – continued

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 5.50%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (4.50%) or 1-percentage-point higher (6.50%) than the current rate:

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Net Pension Liability/(Asset)	\$37,215	\$(173,616)	\$(348,241)

Note 6 - Contingent Liabilities

Risk management

The District is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases general liability and property insurance through commercial insurers. There have been no significant reductions in insurance coverage in the prior year and no settlement exceeding insurance coverage for each of the past three years.

Note 7 - Tax, Spending and Debt Limitations

In November 1992, Colorado voters passed an amendment (Amendment One) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of the state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances).

The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required in 1994 and thereafter.

On November 7, 1995, the District's electorate authorized the District to increase the mill levy by 1.75 mills to a total of 4.100 mills

The District's management believes it is in compliance with the provisions of TABOR; however, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 8 - Lease Purchases Agreements

- On April 24, 2015, the District borrowed \$ 267,529 on a lease purchase agreement with Zions National Bank at a rate of 3.05% per annum, with payments of \$ 43,021 due on April 24, 2016 and each year thereafter with a final payment on April 24, 2022. The following is a detailed breakdown of the debt service payments:

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	4,866	38,155	43,021
2020	3,702	39,319	43,021
2021	2,503	40,518	43,021
2022	1,268	41,554	42,822
	<u>\$ 12,339</u>	<u>\$ 159,546</u>	<u>\$ 171,885</u>

- On May 29, 2015, the District borrowed \$ 333,087 on a lease purchase agreement with Zions National Bank at a rate of 3.05% per annum, with payments of \$ 53,563 due on May 29, 2016 and each year thereafter with a final payment on May 29, 2022. The following is a detailed breakdown of the debt service payments:

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 5,539	\$ 48,024	\$ 53,563
2020	4,074	49,489	53,563
2021	2,565	50,998	53,563
2022	1,012	33,067	34,079
	<u>\$ 13,190</u>	<u>\$ 181,578</u>	<u>\$ 194,768</u>

- On October 1, 2016, the District borrowed \$ 150,209 on a lease purchase agreement with Zions National Bank at a rate of 2.54% per annum, with payments of \$ 32,347 due on October 1, 2017 and each year thereafter with a final payment on October 1, 2021. The following is a detailed breakdown of the debt service payments:

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 2,345	\$ 30,002	\$ 32,347
2020	1,583	30,764	32,347
2021	801	31,546	32,347
	<u>\$ 4,729</u>	<u>\$ 92,312</u>	<u>\$ 97,041</u>

Delta County Fire Protection District # 3
Notes to the Financial Statements
December 31, 2018

Note 9 - Changes in Long-Term Debt

Summarize of changes in long-term debt is as follows:

	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2018</u>	<u>Due Within</u> <u>One Year</u>
Leases payable	\$ 546,233	\$ -	\$ (112,797)	\$ 433,436	\$ 116,181

Note 10 - Interfund Transactions

Interfund receivable and payable balances as of December 31, 2018 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Pension	General	<u>\$ 1,906</u>

Delta County Fire Protection District #3
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2018

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Current property taxes	\$ 208,955	\$ 208,955	\$ 208,562	\$ (393)
Specific ownership taxes	45,500	45,500	49,290	3,790
Other taxes	-	-	719	719
Total taxes	<u>254,455</u>	<u>254,455</u>	<u>258,571</u>	<u>4,116</u>
Interest and miscellaneous	500	500	19,574	19,074
Grants	1,000	1,000	-	(1,000)
Total revenues	<u>255,955</u>	<u>255,955</u>	<u>278,145</u>	<u>22,190</u>
Expenditures				
Administration:				
Contract labor	4,000	4,000	4,402	(402)
Supplies	1,000	1,000	356	644
Insurance	23,000	23,000	18,290	4,710
Board expenses	1,000	1,000	804	196
Utilities	12,500	12,500	11,412	1,088
Professional fees	6,700	6,700	5,300	1,400
Treasurer fees	6,000	6,000	5,534	466
Miscellaneous	-	-	1,213	(1,213)
Dues and memberships	1,200	1,200	533	667
Total administration	<u>55,400</u>	<u>55,400</u>	<u>47,844</u>	<u>7,556</u>
Public safety				
Stipends	18,000	18,000	17,520	480
Training	1,500	1,500	2,491	(991)
Fuel and oil	5,000	5,000	4,733	267
Foam agent	3,000	3,000	2,149	851
Wildfire support	10,000	10,000	-	10,000
Maintenance and repairs	19,200	19,200	9,618	9,582
Miscellaneous	-	-	192	(192)
Total public safety	<u>56,700</u>	<u>56,700</u>	<u>36,703</u>	<u>19,997</u>
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>30,215</u>	<u>(215)</u>
Debt service	<u>129,527</u>	<u>129,527</u>	<u>128,932</u>	<u>595</u>
Total expenditures	<u>271,627</u>	<u>271,627</u>	<u>243,694</u>	<u>27,933</u>
Excess revenues over (under) expenditures	(15,672)	(15,672)	34,451	50,123
Beginning fund balance	<u>131,592</u>	<u>131,592</u>	<u>125,286</u>	<u>(6,306)</u>
Ending fund balance	<u>\$ 115,920</u>	<u>\$ 115,920</u>	<u>\$ 159,737</u>	<u>\$ 43,817</u>

Delta County Fire Protection District # 3
 Schedule of Changes in Net Pension Liability
 For the Year Ended December 31, 2018

Schedule of Changes in District's Net Pension Liability and Related Ratios

Total pension liability	2016
Service cost	\$ 29,177
Interest	97,398
Changes of benefit terms	0
Differences between expected and actual experience	(53,421)
Changes of assumptions	0
Benefit payments	<u>(81,569)</u>
Net change in total pension liability	\$ (8,415)
Total pension liability – beginning	\$ 1,785,338
Total pension liability – ending (a)	\$ 1,776,923
Plan fiduciary net position	
Contributions – employer	\$ 91,266
Contributions – employee	0
Net investment income	31,854
Benefit payments, including refunds of employee contributions	(81,569)
Administrative expense	(2,145)
Other	<u>0</u>
Net change in plan fiduciary net position	\$ 39,406
Plan fiduciary net position – beginning	\$ 1,911,133
Plan fiduciary net position – ending (b)	\$ 1,950,539
District's net pension liability – ending (a)-(b)	\$ (173,616)
Plan fiduciary net position as a percentage of the total pension liability	109.77%

Delta County Fire Protection District # 3
 Schedule of Changes in Net Pension Liability
 For the Year Ended December 31, 2018

Schedule of District Contributions

Year	Actuarially Determined Contribution	Contributions Related to the Actuarially Determined Contribution	Contribution Deficiency (Excess)
2016	\$0	\$70,949	\$(70,949)
2015	\$0	\$70,806	\$(70,806)
2014	\$0	\$71,596	\$(71,596)
2013	\$0	\$83,728	\$(83,728)
2012	\$0	\$80,829	\$(80,829)
2011	\$0	\$76,739	\$(76,739)
2010	\$0	\$71,553	\$(71,553)
2009	\$0	\$66,868	\$(66,868)
2008	\$14,987	\$49,992	\$(35,005)
2007	\$14,987	\$53,993	\$(39,006)

Delta County Fire Protection District #3
Pension Fund
Schedule of Revenues and Expenditures
Budget and Actual
For the Year Ended December 31, 2018

Revenues	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Current property taxes	\$ 67,401	\$ 67,401	\$ 67,401	\$ -
Interest and Miscellaneous	100	100	8,484	8,384
State matching funds	20,317	20,317	20,317	-
Total revenues	<u>87,818</u>	<u>87,818</u>	<u>96,202</u>	<u>8,384</u>
Expenditures				
Pension benefits	100,354	100,354	98,317	2,037
Actuarial study	11,500	11,500	12,535	(1,035)
Miscellaneous	2,000	2,000	2,235	(235)
Total expenditures	<u>113,854</u>	<u>113,854</u>	<u>113,087</u>	<u>767</u>
Excess revenues over (under) expenditures	(26,036)	(26,036)	(16,885)	9,151
Beginning fund balance	<u>1,922,087</u>	<u>1,922,087</u>	<u>2,025,105</u>	<u>103,018</u>
Ending fund balance	<u>\$ 1,896,051</u>	<u>\$ 1,896,051</u>	<u>\$ 2,008,220</u>	<u>\$ 112,169</u>