WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Financial Statements
with
Independent Auditors' Report

For the Year Ended
December 31, 2018

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Table of Contents

FINANCIAL SECTION

This section of the annual financial report offers readers of the Windsor-Severance Fire Protection District's (the "District") financial statements a discussion and analysis of the financial performance during the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in the financial statements, which immediately follow this section.

Background Information

The District was created in 1950, by a number of citizens concerned about fire protection for their homes and businesses. The predominant fund approach for the District is comprised of three basic funds, the General, Capital and Debt Service Funds.

In November, 1997, the District Board of Directors asked the taxpayers to remove the TABOR limits that were imposed on the District in 1992. In 2000, the voters were asked to approve a 2.00 mill increase to hire the Districts first full-time career firefighters. The final mill levy for the District was set at 7.194 mills for 2018 to be collected during 2019.

Financial Highlights

- The District's financial status increased over the course of the 2018 fiscal year. Total net position increased 16.6 percent.

- Governmental activities tax revenues account for $6,468,460 or 85.1 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions and capital grants and contributions accounted for $969,866 or 12.8 percent of all revenues. Investment earnings and other revenues accounted for $160,773 or 2.1 percent of total revenues of $7,599,099.

- The District had $4,994,517 in expenses related to governmental activities; only $969,866 of these expenses were offset by program specific charges for services and operating grants and contributions. General property and specific ownership taxes of $6,468,460 and $160,773 in other revenues were adequate to provide for these programs.

- Outlay for capital assets primarily comprised of the purchase of a fire truck, transfer van, and SCBA equipment. See the Capital Assets section of this management's discussion and analysis for more information.

- The District had a net decrease in outstanding long-term debt in the amount of $310,000 or 15.1 percent.

Overview of the Financial Statements

This annual financial report consists of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how basic services such as fire protection were financed in the short-term as well as what remains for future spending.

The financial statements also include notes to explain information in the statements and provide more detailed data.

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

These statements provide both short-term and long-term information about the District's overall financial status.

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. To assess the District's overall health, the reader needs to consider additional non-financial factors such as the condition of buildings and equipment.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the District's basic services such as fire protection.

The basic district-wide financial statements can be found on pages 3 - 4 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District funds are all categorized as governmental funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The District maintains two 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 the general and debt service funds which are considered major funds. The basic governmental fund financial statements can be found on pages 5 - 8 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 district-wide and fund financial statements. The notes to the financial statements can be found on pages 9 - 31 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, such as the pension information on pages 32 - 36, the budgetary comparison schedule for the general fund on page 37, and other supplementary information shown on pages 38.

Financial Analysis of the District as a Whole

Net Position and Change in Net Position

The District's combined net position was higher at December 31, 2018, than they were at December 31, 2017, increasing 16 percent to $15,686,708. Table 1 provides a summary of the District's Net Position.

Table 1:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2018	**2017**
ASSETS		
Current Assets	$ 13,889,060	$ 12,395,366
Capital Assets Net	9,743,394	8,478,110
Total Assets	23,632,454	20,873,476
DEFERRED OUTFLOW OF FINANCIAL RESOURCES	1,165,415	1,383,562
LIABILITIES		
Current Liabilities	112,137	81,341
Noncurrent Liabilities	2,327,605	2,881,128
Total Liabilities	2,439,742	2,962,469
DEFERRED INFLOW OF FINANCIAL RESOURCES	6,671,419	6,068,816
NET POSITION		
Net Investment in Capital Assets	7,415,789	5,596,982
Restricted	690,214	655,851
Unrestricted	7,580,705	6,972,920
Total Net Position	**$ 15,686,708**	**$ 13,225,753**

Table 2 provides a summary of the activities of the District. The following table is specific discussion related to overall revenues and expenses.

Table 2:
CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2018	**2017**
PROGRAM REVENUES		
Charges for Services	$ 787,706	$ 496,266
Operating Grants & Contributions	110,695	28,739
Capital Grants & Contributions	71,465	71,465
Total Program Revenues	969,866	596,470
GENERAL REVENUES		
Property Taxes	5,990,919	5,889,361
Specific Ownership Taxes	477,541	481,323
Investment Earnings	101,245	48,224
Other Revenues	77,426	41,812
Transfers	(17,898)	-
Total General Revenues and Transfers	6,629,233	6,460,720
Total Revenues	7,599,099	7,057,190
PROGRAM EXPENSES		
Public Safety	4,994,517	5,059,304
Change in Net Position	2,604,582	1,997,886
Net Position, Beginning	13,225,753	11,227,867
Prior Period Restatement	(143,627)	-
Net Position, Beginning (As Restated)	13,082,126	11,227,867
Net Position, Ending	**$ 15,686,708**	**$ 13,225,753**

Property and specific ownership taxes account for most of the District's revenue, contributing about 85.1 cents for every dollar raised (see Table 2).

The District expenses predominantly relate to fire protection, which includes administration, firefighting, prevention, communications and vehicle and facility maintenance. Given that the District is a service organization providing fire protection, the majority of the expenses are salaries and benefits.

Financial Analysis of District's Funds

The governmental funds monitor cash resources and expenditures. Capital outlay within these funds was $974,232 during 2018. This expenditure is not considered an expense on the government-wide statement of activities. Rather, these costs are written off over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities (page 8), the net difference between depreciation and capital outlay expenses was $592,531 for 2018.

General Fund

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration, firefighting, fire prevention, training, communications, vehicle maintenance, and facility maintenance. The general fund also provides for such other items as insurance, utilities, and other costs the District incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include earnings on investments, grants, donations, plan review fees, and specific ownership taxes. The primary projects or program efforts for establishing needed funding during 2018 were:

1. Salaries and benefits for all existing full time personnel of the District.
2. Normal operational costs of the District.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's budget for the general fund anticipated that revenues would exceed expenditures by $705. The actual results for the year show a $1,232,086 excess of revenue over expenses in the general fund for 2018.

It should be noted that the District's budget format is designed to establish and monitor divisional functions of the District's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- Administration
- Firefighting
- Rescue Services
- Prevention
- Health & Safety
- Repair/Maintenance/Building
- Fleet Maintenance

- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment ("Taxpayer Bill of Rights"). At December 31, 2018, the District's TABOR reserve amounted to $216,000.

Capital Assets and Debt Administration

Capital Assets

By the end of 2018, the District had invested $9,217,188, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment (Table 3). This amount represents a net increase of $592,531 or 6.4 percent from last year. Additional information on the District's capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year was $3,507,758 while net additions amounted to $941,858, due primarily to the purchase a fire truck, transfer van, and SCBA equipment.

Table 3
Capital Assets (Net of Depreciation)

	Balance 1/1/18	Additions	Deletions	Balance 12/31/18
Governmental activities				
Capital assets not being depreciated:				
Land	$ 942,382	$ -	$ -	$ 942,382
Capital assets being depreciated:				
Buildings	6,917,662	-	-	6,917,662
Vehicles	3,576,295	642,412	509,692	3,709,015
Equipment	856,441	299,446	-	1,155,887
Total capital assets being depreciated	11,350,398	941,858	509,692	11,782,564
Less accumulated depreciation for:				
Buildings	(1,197,930)	(142,928)	-	(1,340,858)
Vehicles	(2,047,490)	(130,434)	(509,692)	(1,668,232)
Equipment	(422,703)	(75,965)	-	(498,668)
Total Accumulated Depreciation	(3,668,123)	(349,327)	(509,692)	(3,507,758)
Governmental activities capital assets, net	**$ 8,624,657**	**$ 592,531**	**$ -**	**$ 9,217,188**

Long-Term Debt

At year-end, the District had $0 in capital lease obligations and $1,755,000 in outstanding general obligation bonds as shown below in Table 4. More detailed information about the District's 2012 refinance of 2008 certificates of participation and principal payments on the other leases and the 2009 general obligation bonds are presented in Note 5 to the financial statements.

Table 4
Outstanding Long-Term Debt

	Balance 1/1/18	Advances	Repayments	Balance 12/31/18	Current Portion
General Obligation Bonds Series 2009	$ 2,065,000	$ -	$ 310,000	$ 1,755,000	$ 325,000
Bond Premium	21,835	-	6,041	15,794	-
Compensated Absences	142,873	7,964	-	150,837	-
Total Obligations	**$ 2,229,708**	**$ 7,964**	**$ 316,041**	**$ 1,921,631**	**$ 325,000**

During 2018, the District reduced its general obligation bonds by $310,000. Colorado Revised Statute 32-1-1101(6) states that a fire district shall have a limit of bonded indebtedness determined by a specific formula. The District's outstanding debt is below this limit.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

> The District's budget for 2019 budgets a General Property Tax revenue of $7,797,396 (based on an assessed valuation for the District, of 1,083,874,852 and a mill levy of 7.194 mills in Weld and Larimer Counties) with a budget of $8,792,322 for 2019 General Fund expenditures.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at 100 N. 7th Street, Windsor, Colorado 80550.

Mayberry & Company, LLC
Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Windsor-Severance Fire Protection District
Windsor, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Windsor-Severance Fire Protection District, as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Opinion

In our 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 Windsor-Severance Fire Protection District, as of December 31, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Windsor-Severance Fire Protection District's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 4, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the 2017 financial statements have been restated to reflect receivables related to plan fees and Wildland support charges that had not been recorded as well as overstated deferred outflows related to pension contributions subsequent to the measurement date. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information – Management's Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M7 and pension schedules on pages 32 - 36 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.

Required Supplementary Information – Budgetary Comparison Schedules and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 37 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. In addition, the budgetary comparison schedules on pages 38 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, Colorado
June 6, 2019

Basic Financial Statements

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Statement of Net Position
December 31, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	$ 7,173,785
Restricted Cash and Investments	431,813
Cash with Fiscal Agent	44,017
Accounts Receivable	124,710
Property Taxes Receivable	6,049,288
Prepaid Expenses	65,447
Total Current Assets	13,889,060
Noncurrent Assets	
Capital Assets Not Being Depreciated	942,382
Capital Assets Being Depreciated, net	8,274,806
Net Pension Asset	526,206
Total Noncurrent Assets	9,743,394
Total Assets	23,632,454
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Deferred Outflows - Pensions (net)	1,165,415
Total Assets and Deferred Outlfows	$ 24,797,869
LIABILITIES	
Current Liabilities	
Accounts Payable	101,514
Payroll Liabilities Payable	4,738
Accrued Interest Payable	5,885
Total Current Liabilities	112,137
Noncurrent Liabilities	
Due Within One Year	325,000
Due in Excess of One Year	2,002,605
Total Noncurrent Liabilities	2,327,605
Total Liabilities	2,439,742
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Property Taxes	6,049,287
Deferred Inflows - Pensions (net)	622,132
Total Deferred Inflows of Financial Resources	6,671,419
NET POSITION	
Net Investment in Capital Assets	7,415,789
Restricted Net Position	690,214
Unrestricted Net Position	7,580,705
Total Net Position	15,686,708
Total Liabilities, Deferred Inflows and Net Position	$ 24,797,869

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

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Statement of Activities
Year Ended December 31, 2018

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Governmental Activities
Governmental Activities:					
Administration	$ 1,756,848	$ -	$ -	$ -	$ (1,756,848)
Museum	12,496	-	-	-	(12,496)
Firefighting	2,730,585	787,706	110,695	71,465	(1,760,719)
Medical Rescue Services	6,640	-	-	-	(6,640)
Fire Prevention	102,188	-	-	-	(102,188)
Health and Safety	16,399	-	-	-	(16,399)
Communications	56,785	-	-	-	(56,785)
Building Maintenance	156,494	-	-	-	(156,494)
Equipment Maintenance	156,082	-	-	-	(156,082)
Total Governmental Activities	$ 4,994,517	$ 787,706	$ 110,695	$ 71,465	(4,024,651)
General Revenues:					
Property Taxes					5,990,919
Specific Ownership Taxes					477,541
Investment Earnings					101,245
Other Revenues					77,426
Transfers					(17,898)
Total General Revenues and Transfers					6,629,233
Change in Net Position					2,604,582
Net Position, Beginning					13,225,753
Prior Period Restatement					(143,627)
Net Position, Beginning (As Restated)					13,082,126
Net Position, Ending					$ 15,686,708

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

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Balance Sheet - Governmental Funds
December 31, 2018
(With Comparative Totals for December 31, 2017)

	2018 General Fund	2018 Debt Service Fund	2018 Total	2017 Total
ASSETS				
Cash and Investments	$ 7,173,785	$ -	$ 7,173,785	$ 5,823,726
Restricted Cash and Investments	-	431,813	431,813	416,103
Cash with Fiscal Agent	39,446	4,571	44,017	32,457
Accounts Receivable	124,710	-	124,710	33,747
Property Taxes Receivable	5,652,372	396,916	6,049,288	6,023,887
Due From Other Funds	(2,961)	2,961	-	-
Prepaid Expenses	65,447	-	65,447	65,447
Total Assets	$ 13,052,799	$ 836,261	$ 13,889,060	$ 12,395,367
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ 101,514	$ -	$ 101,514	$ 69,794
Payroll Liabilities Payable	4,738	-	4,738	4,629
Total Liabilities	106,252	-	106,252	74,423
DEFERRED INFLOWS OF FINANCIAL RESOURCES				
Deferred Property Taxes	5,652,371	396,916	6,049,287	6,023,887
FUND BALANCE				
Nonspendable for Prepaids	65,447	-	65,447	65,447
Restricted for Emergencies	216,000	-	216,000	199,000
Restricted for Debt Service	-	439,345	439,345	420,645
Restricted for IGA Maintenance	34,869	-	34,869	36,206
Unassigned	6,977,860	-	6,977,860	5,575,759
Total Fund Balance	7,294,176	439,345	7,733,521	6,297,057
Total Liabilities, Deferred Inflows and Fund Balance	$ 13,052,799	$ 836,261	$ 13,889,060	$ 12,395,367

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

Reconciliation of Governmental Fund Balance
To Governmental Activities Net Position
December 31, 2018

Fund Balance - Governmental Funds		$ 7,733,521
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 942,382	
Capital assets, being depreciated	11,782,564	
Accumulated depreciation	(3,507,758)	9,217,188
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
FPPA Statewide Defined Benefit Plan		
Net pension asset	526,206	
Deferred outflows - SWDB Pension (net)	961,888	
Deferred inflows - SWDB Pension (net)	(455,712)	1,032,382
FPPA Volunteer Defined Benefit Plan		
Net pension liability	(405,974)	
Deferred outflows - Volunteer Pension (net)	203,527	
Deferred inflows - Volunteer Pension (net)	(166,420)	(368,867)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds		
Bonds payable	(1,755,000)	
Bond premiums	(15,794)	
Accrued interest payable	(5,885)	
Accrued compensated absences	(150,837)	(1,927,516)
Total Net Position - Governmental Activities		$ 15,686,708

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

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Funds
Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	2018			
	General Fund	Debt Service Fund	Total	2017 Total
REVENUES				
Taxes	$ 6,050,725	$ 417,736	$ 6,468,461	$ 6,370,684
Grants and Contributions	182,160	-	182,160	100,204
Charges for Services	787,706	-	787,706	496,266
Interest	100,802	443	101,245	48,224
Other Revenues	77,425	-	77,425	41,812
Total Revenues	7,198,818	418,179	7,616,997	7,057,190
EXPENDITURES				
Current:				
Administration	1,644,564	6,460	1,651,024	1,464,375
Museum	12,496	-	12,496	11,874
Firefighting	2,773,367	-	2,773,367	2,696,635
Medical Rescue Services	6,640	-	6,640	9,531
Fire Prevention	115,006	-	115,006	93,048
Health and Safety	16,399	-	16,399	18,752
Communications	56,785	-	56,785	36,769
Building Maintenance	156,494	-	156,494	225,380
Equipment Maintenance	156,082	-	156,082	124,004
Debt Service	-	393,019	393,019	398,694
Capital Outlay	974,232	-	974,232	50,703
Total Expenditures	5,912,065	399,479	6,311,544	5,129,765
Revenues in Excess (Deficiency) of Expenditures	1,286,753	18,700	1,305,453	1,927,425
Other Financing Sources (Uses)				
Transfers Out	(17,898)	-	(17,898)	-
Change in Fund Balance	1,268,855	18,700	1,287,555	1,927,425
Fund Balance, Beginning	5,876,412	420,645	6,297,057	4,369,632
Prior Period Restatement	148,909	-	148,909	-
Fund Balance, Beginning (As Restated)	6,025,321	420,645	6,445,966	4,369,632
Fund Balance, Ending	$ 7,294,176	$ 439,345	$ 7,733,521	$ 6,297,057

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

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Reconciliation of Governmental Change In Fund Balance To
Governmental Activities Change In Net Position
December 31, 2018

Change In Fund Balance - Governmental Funds		$ 1,287,555
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	432,166	
Depreciation Expense	160,365	592,531
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in deferred outflows - pensions (net)	68,211	
Change in net pension asset/liability	918,199	
Change in defered inflows - pensions (net)	(571,024)	415,386
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on bonds payable	310,000	
Change in accrued interest payable	1,033	
Amortization of premiums and discounts	6,041	
Change in accrued compensated absences	(7,964)	309,110
Change in Net Position - Governmental Activities		$ 2,604,582

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Windsor-Severance Fire Protection District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity

Windsor-Severance Fire Protection District is a political subdivision of the State of Colorado governed by a five member board of directors. As required by generally accepted accounting principles, these financial statements present the Windsor-Severance Fire Protection District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

Nature of Operations

The District provides fire and rescue services for citizens in and around the communities of Windsor and Severance, Colorado.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. 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 business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements (Continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental or fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grant revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The District reports the following major governmental funds:

General Fund
This fund accounts for the financial resources of the District which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental revenue and interest. Primary expenditures are for fire protection and general administration. This fund also accounts for the District's ambulance and museum operations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Debt Service Fund
The Debt Service fund was established to account for resources used for the payment of principal and interest on long-term debt.

Budgets

The District adopts an annual budget for all funds which are all prepared on the modified accrual basis of accounting. The District may authorize supplemental appropriations during the budget year. All budgetary appropriations lapse at year-end.

Colorado statutes provide the following timetable which is followed in the adoption of budgets:

(1) Submission of the proposed budget to the local governing body by October 15 of each year.
(2) Certification of mill levies to the Board of County Commissioners by December 15.
(3) Final adoption of budget and appropriations by December 31 of each year.
(4) Property taxes are due by April 30 of each year if paid in full, or in two installments due February 28 and June 15 of each year.

Encumbrances

The District does not utilize encumbrance accounting.

Cash and Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which is equal to fair value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Governmental funds report deferred inflows of resources, as further described below in connection with receivables for revenues that are deferred for use during the next fiscal year. At the end of the current year, these receivables consisted of property taxes levied in 2018 and due in 2019.

Capital Assets

Capital assets, which include land, buildings, vehicles and equipment, are reported in the governmental activities column of the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and a useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	15-50 years
Vehicles	8-25 years
Equipment	7-20 years

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, deferred outflows of financial resources and deferred inflows of financial resources, represent a usage or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until a future period. The government has several deferral items, some of which arise under both the full accrual and modified accrual basis of accounting. Deferred property taxes are reported as a deferred inflow for both the governmental activities presentation and governmental funds balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligation

Long-term debt is reported at face value, net of applicable discounts and deferred charge on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position.

Net Position/Fund Balances Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position/Fund Balances

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balances (Continued)

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in other governmental funds are presented as unassigned.

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Accumulated Unused Leave/Compensated Absences

The District permits an employee to carry over unused personal leave to the next calendar year. The District will compensate an employee for any unused vacation and compensatory time at their current rate of pay upon termination or resignation. The District does not payout unused sick leave upon termination.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

NOTE 2: CASH AND INVESTMENTS

The District's cash and investment balances as of the year ended December 31, 2018 are as follows:

Cash	$ 2,451,693
Investments	5,153,904
Total Cash and Investments	**$ 7,605,597**

DEPOSITS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2018, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At December 31, 2018 the District's deposits are categorized as follows:

	Bank Balance	Book Balance
FDIC Insured	$ 341,415	$ 341,485
PDPA Secured (Not in Entity's Name)	2,172,370	2,105,584
Total Cash	**$ 2,513,785**	**$ 2,451,693**

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS

The District did not hold any investments as of year-end. The following is a summary of District policies related to investments.

Credit Risk

Eligible investments shall conform to state law and may include any of the following:

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

During the year ended December 31, 2018, the District invested funds in the Colorado Surplus Asset Fund (CSAFE). As an investment pool, CSAFE operates under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAm by the Standard and Poor's Corporation.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. 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, other than those contained in state statutes.

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2018, the District did not have any investments requiring safekeeping.

Restricted Cash and Investments

The District has restricted cash and investments for the year ended December 31, 2018 as follows:

Restricted for Debt Repayment	**$ 431,813**

NOTE 3: CAPITAL ASSETS

Changes in governmental activities capital assets for the year ended December 31, 2018 was as follows:

	Balance 1/1/18	Additions	Deletions	Balance 12/31/18
Governmental activities				
Capital assets not being depreciated:				
Land	$ 942,382	$ -	$ -	$ 942,382
Capital assets being depreciated:				
Buildings	6,917,662	-	-	6,917,662
Vehicles	3,576,295	642,412	509,692	3,709,015
Equipment	856,441	299,446	-	1,155,887
Total capital assets being depreciated	11,350,398	941,858	509,692	11,782,564
Less accumulated depreciation for:				
Buildings	(1,197,930)	(142,928)	-	(1,340,858)
Vehicles	(2,047,490)	(130,434)	(509,692)	(1,668,232)
Equipment	(422,703)	(75,965)	-	(498,668)
Total Accumulated Depreciation	(3,668,123)	(349,327)	(509,692)	(3,507,758)
Governmental activities capital assets, net	**$ 8,624,657**	**$ 592,531**	**$ -**	**$ 9,217,188**

Depreciation has been allocated on the statement of activities as follows:

Firefighting	$ 218,971
Administration	130,356
Total Depreciation	**$ 349,327**

NOTE 4: PENSION OBLIGATIONS

FPPA Statewide Hybrid Plan

Plan Description

The District contributes to the FPPA Statewide Hybrid Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Plan provides retirement benefits for members and beneficiaries. The plan consists of a defined benefit component and a money purchase component.

The Statewide Hybrid Plan-Defined Benefit Component is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

The Fire and Police Pension Association (FPPA) administers an agent-multiple employer public employee retirement system (PERS) established for the Windsor-Severance Fire

Description of Benefits

FPPA Statewide Hybrid Plan. A member is eligible for normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. The annual normal retirement benefit is 2 percent of the average of the member's highest three year's base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. Benefits paid to retired members are evaluated and may be redetermined every October 1st. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.% percent for each year of service thereafter.

NOTE 4: **PENSION OBLIGATIONS** (Continued)

FPPA Statewide Hybrid Plan (Continued)

Contributions

Contributions rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase the member contribution rate to the SEDB plan beginning in 2015. Member contribution rated will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary.

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's financial statements are recognized in the period in which they are due. Employer contributions received and processed within the year ended December 31, 2017 are used as the basis for determining the individual employer proportion of total net pension liability and related pension deferrals.

Pension liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2018, the District reported a net pension asset of $526,206 for its proportional share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2017, the District's proportion was 0.36576 percent, which was an decrease of 0.0398 from its proportion measured as of December 31, 2016.

NOTE 4: PENSION OBLIGATIONS (Continued)

FPPA Statewide Hybrid Plan (Continued)

Basis of Presentation (Continued)

For the year ended December 31, 2018, the District recognized pension expense (income) of $(178,232). At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 385,572	$ (6,480)
Changes of assumptions or other inputs	$ 77,741	$ -
Net difference between projected and actual earnings on pension plan investments	$ 251,652	$ (423,166)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 38,085	$ (26,066)
Contributions subsequent to the measurement date	$ 208,838	$ -
Total	$ 961,888	$ (455,712)

$208,838 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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:	Fiscal year Total
2019	$ 67,105
2020	58,065
2021	(16,399)
2022	(47,627)
2023	58,164
2024-2028	178,030
Total	$ 297,338

NOTE 4: PENSION OBLIGATIONS (Continued)

FPPA Statewide Hybrid Plan (Continued)

Actuarial Assumptions

The collective total pension liability as of December 31, 2017 is based upon the January 1, 2018 actuarial valuation. The actuarially determined contributions as of December 31, 2017 are based upon the January 1, 2017 actuarial valuation. The valuation used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.50%
Salary increase, including wage inflation	4.00-14.00%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a 3 percent mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed to 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Illiquid Alternatives	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	6.85%
Cash	2.00%	2.26%
Total	100.00%	

NOTE 4: <u>PENSION OBLIGATIONS</u> (Continued)

<u>FPPA Statewide Hybrid Plan</u> (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net pension was projected to be available to make all the projected future benefit payments of current plan 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.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the valuation, the expected rate of return on pension plan investments of 7.50 percent; the municipal bond rate was 3.31 percent (based on the weekly rate closest to but not later that the measurement date of the "state & local bonds" rate from the Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50 percent.

Regarding the sensitivity of the net pension (liability)/asset to changes in the Single Discount Rate, the following presents the District's proportionate share of the net pension liability calculated using the Single Discount Rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1-percent higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset (liability)	$ (572,882)	$ 526,206	$ 1,438,858

NOTE 4: PENSION OBLIGATIONS (Continued)

FPPA Death and Disability

Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the Colorado Fire and Police Pension Association.

This Statewide Death and Disability Plan is a non-contributory plan. All eligible employees of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature.

FPPA Deferred Compensation Plan

The District provides a deferred compensation plan for all eligible full-time employees. Plan members can elect to defer a portion of their annual compensation into an individual retirement account descripted in Code section 408(a). The annual deferral is subject to a limitation of $15,000, adjusted for cost-of-living after 2006 to the extent as indexed pursuant to Code 457(e)(15).

Volunteer Firefighters Pension Plan (Windsor-Severance Fire Protection District Pension Fund)

Plan Description

The Volunteer Firefighters Pension Plan is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund administered by FPPA. The District's plan is combined with other related volunteer and "Old Hire" plans for administration purposes by FPPA. The Public Employee Retirement System (PERS) provides retirement benefits as well as death and disability benefits.

Description of Benefits

The Plan provides retirement benefits for Members and beneficiaries according to Plan provisions as enacted and governed by the Firefighters Pension Board. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the Plan. In 2018, the regular benefit was $775 per month. A participant becomes fully vested after 20 years of active service and reaching age 50. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. FPPA issues independent annual reports that may be obtained by calling FPPA at (303) 770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

NOTE 4: <u>PENSION OBLIGATIONS</u> (Continued)

<u>Volunteer Firefighters Pension Plan</u> (Continued)

Contributions

The District funds the Plan per provisions in the Plan document and Colorado statutes. The District shall contribute amounts required to fund the benefits provided by the Plan on a sound actuarial basis. The District contributes to the Volunteer Fire Department Pension Fund at a rate determined in the following manner: at least every three (3) years, the Volunteer Fire Department Pension Fund shall have an actuarial study prepared to determine the funds required. The required funds will be paid annually from general revenues of the District into the Volunteer Fire Department Pension Fund. The Volunteer Firefighter's Pension Plan receives contributions from the District in an amount not to exceed one half mill of property tax revenue.

As established by the legislature, the State of Colorado contributes up to ninety percent of the District's contribution. The contributions are not actuarially determined.

The Plan is administered by a Retirement Board composed of seven members, the District’s five elected board members plus two members elected by the volunteers.

The financial statements of the volunteer plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the Plan are paid from the pension fund (CRS 31-30.5-204(3)). There are no investments in, loans to, or leases with parties related to the Plan.

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

At December 31, 2018, the District reported a net pension liability of $405,974. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

For the year ended December 31, 2018, the District recognized pension expense of $25,572. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ -	$ (21,444)
Changes of assumptions or other inputs	$ 36,476	$ -
Net difference between projected and actual earnings on pension plan investments	$ 100,802	$ (144,976)
Contributions subsequent to the measurement date	$ 66,249	$ -
Total	$ 203,527	$ (166,420)

$66,249 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. 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:	Fiscal Year Total
2019	$ 21,304
2020	9,985
2021	(24,186)
2022	(36,245)
Total	$ (29,142)

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Actuarial Assumptions

The January 1, 2017 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal year ending December 31, 2017. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return	7.50%
Mortality	Pre-retirement: RP-2000 Mortality Tables with Blue Collar Adjustment, 40% muliplier for off duty mortality.
	Post-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment
	Disabled: RP-2000 Disabled Mortality Table, All tables projected with Scale AA
Salary increase, including wage inflation	N/A
Retirement Age	50% per year of eligibility until 100% at age 65
Inflation	3.00%
* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants	

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 expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.00%	8.33%
Equity Long/Short	9.00%	7.15%
Private Capital	24.00%	9.70%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Managed Futures	4.00%	3.00%
Cash	2.00%	2.26%
Total	100.00%	

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Sensitivity of the District's Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension (liability)/asset to changes in the Single Discount Rate, the following presents the District's proportionate share of the net pension liability calculated using the Single Discount Rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1-percent higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension asset (liability)	$ (731,938)	$ (405,947)	$ (130,630)

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Changes in net pension liability for the District's agent multiple-employer plan is listed below:

Schedule of Changes in District's Net Pension Liability

Total Pension Liability		2018
Service cost	$	4,922
Interest		240,858
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions		-
Benefit payments		(279,550)
Net changes in total pension liability		(33,770)
Total Pension Liability - beginning		3,346,267
Total Pension Liability - ending (a)	$	3,312,497
Plan Fiduciary Net Position		
Contributions - employer	$	66,249
Contributions - State of Colorado (discretionary)		59,624
Net investment Income		377,237
Benefit payments,including refunds of employee contributions		(279,550)
Administrative expense		(11,884)
Other		-
Net change in plan fiduciarty net position		211,676
Plan fiduciary net position - beginning		2,694,847
Plan fiduciary net position - ending(b)	$	2,906,523

Membership

As of the December 31, 2017 measurement date, pension plan membership consisted of the following:

Retirees and Beneficiaries	37
Inactive, Nonretired Members	10
Active Members	3
Total	50

NOTE 5: LONG-TERM OBLIGATIONS

The following is a schedule of changes in debt for the year ended December 31, 2018:

	Balance 1/1/18	Advances	Repayments	Balance 12/31/18	Current Portion	Interest Expense	Accrued Interest
General Obligation Bonds Series 2009	$ 2,065,000	$ -	$ 310,000	$ 1,755,000	$ 325,000	$ 81,985	$ 5,885
Bond Premium	21,835	-	6,041	15,794	-	-	-
Compensated Absences	142,873	7,964	-	150,837	-	-	-
Total Obligations	**$ 2,229,708**	**$ 7,964**	**$ 316,041**	**$ 1,921,631**	**$ 325,000**	**$ 81,985**	**$ 5,885**

Bonds Payable

In May 2009, the District issued $4,190,000 of general obligation bonds for capital improvements. Bond principal payments are due annually on December 1, and interest is due semi-annually on June 1 and December 1. Principal payments started at $100,000 beginning in 2009 and increase to $380,000 by 2023. Interest rates range from 2% to 4%.

Scheduled payments on the bonds are due as follows:

Year	Principal	Interest	Total
2019	$ 325,000	$ 70,619	$ 395,619
2020	335,000	57,619	392,619
2021	350,000	43,800	393,800
2022	365,000	29,800	394,800
2023	380,000	15,200	395,200
Total	**$ 2,065,000**	**$ 300,057**	**$ 2,365,057**

Capital Leases Payable

In 2013, the District entered into a capital lease agreement for the purchase of an office copier. The lease requires 48 monthly payments beginning February 2013 of $304, including interest at 6.0%. This lease was paid off during the 2017 fiscal year.

NOTE 6: FUND BALANCE RESERVATIONS/APPROPRIATIONS

Emergency Reserve

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2018 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2018, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

At a November 4, 1997 election, the electors of the District authorized the District to collect, retain and expend the full amount of the revenues from all sources during 1997, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The Article requires an emergency reserve be set aside for 2018 in the amount of 3% or more of its fiscal year spending. At December 31, 2018, the District has reserved the following for emergencies:

General Fund	$216,000

The District believes it is in compliance with the provisions of the TABOR Amendment.

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to firemen; and natural disasters. The District purchases commercial insurance for all risks of loss. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 8: PRIOR PERIOD RESTATEMENT

Due to the significance of the plan review fees collected on behalf of the District by the Town of Windsor and the timeliness of receipt subsequent to year end, the District has determined that the fees are more appropriately reported on the accrual basis. Accordingly, the beginning equity in the General Fund has been increased by $98,500.

The District reports Wildland receipts on the accrual basis. It was discovered as part of the 2018 audit process that Wildland charges in the amount of $50,409 incurred during 2017 were not reported as a receivable as of December 31, 2017. The beginning fund balance in the General Fund has been restated to reflect this accrual. Net General Fund restatements increased beginning fund balance by $148,909

NOTE 8: **PRIOR PERIOD RESTATEMENT** (Continued)

In addition to the restatements discussed above, it was determined that the deferred outflows related to pension contributions subsequent to the measurement date for the FPPA Statewide Defined Benefit pension plan were overstated as of December 31, 2017. This has resulted in a reduction in beginning net position in the Governmental Activities of $(292,536) for a net restatement of $(143,627).

REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules Unaudited)

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year Ended	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	District's covered payroll	District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2014	0.383889%	$ 343,269	$ 1,667,388	20.59%	105.83%
12/31/2015	0.406449%	$ 458,709	$ 1,827,813	25.10%	106.83%
12/31/2016	0.358661%	$ 6,323	$ 1,738,688	0.36%	100.10%
12/31/2017	0.405568%	$ (146,547)	$ 2,075,625	7.06%	98.21%
12/31/2018	0.365762%	$ 526,206	$ 2,139,450	24.60%	106.34%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year Ended	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
12/31/2014	$ 133,391	$ (133,391)	$ -	$ 1,667,388	8.00%
12/31/2015	$ 146,225	$ (146,225)	$ -	$ 1,827,813	8.00%
12/31/2016	$ 139,095	$ (139,095)	$ -	$ 1,738,688	8.00%
12/31/2017	$ 166,050	$ (166,050)	$ -	$ 2,075,625	8.00%
12/31/2018	$ 171,156	$ (171,156)	$ -	$ 2,139,450	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

[1] - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

WINDSOR - SEVERANCE FIRE PROTECTION DISTRICT

Schedule of Changes in the District's Net Pension Liability
Volunteer Pension Plan
Last 10 Fiscal Years(1)

	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability				
Service cost	$ 4,922	$ 31,525	$ 31,525	$ 33,305
Interest	240,858	224,526	224,809	222,586
Changes of benefit terms	-	213,881	-	-
Differences between expected and actual experience	-	(53,506)	-	17,546
Changes of assumptions	-	91,012	-	-
Benefit payments	(279,550)	(273,801)	(246,898)	(239,079)
Net changes in total pension liability	(33,770)	233,637	9,436	34,358
Total Pension Liability - beginning	3,346,267	3,112,630	3,103,194	3,068,836
Total Pension Liability - ending (a)	$ 3,312,497	$ 3,346,267	$ 3,112,630	$ 3,103,194
Plan Fiduciary Net Position				
Contributions - employer	$ 66,249	$ 66,249	$ 132,498	$ -
Contributions - State of Colorado (Discretionary)	59,624	59,624	59,624	59,624
Net investment Income	377,237	137,346	49,940	178,326
Benefit payments, including refunds of employee contributions	(279,550)	(273,801)	(246,898)	(239,079)
Administrative expense	(11,884)	(4,390)	(6,375)	(4,463)
Net change in plan fiduciarty net position	211,676	(14,972)	(11,211)	(5,592)
Plan fiduciary net position - beginning	2,694,847	2,709,819	2,721,030	2,726,622
Plan fiduciary net position - ending(b)	$ 2,906,523	$ 2,694,847	$ 2,709,819	$ 2,721,030
District's net pension liability - ending (a)-(b)	$ 405,974	$ 651,420	$ 402,811	$ 382,164

Note: There were no factors that significantly affected trends in the amounts reported.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

WINDSOR - SEVERANCE FIRE PROTECTION DISTRICT

Schedule of the District's Net Pension Liability and Related Ratios
Volunteer Pension Plan
Last 10 Fiscal Years[(1)]

Fiscal Year Ended	Total Pension Liability	Plan's Fiduciary Net Position	Net Pension Liability	Plan's Fiduciary Net Position as % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
12/31/2014	$ 3,068,836	$ (2,726,622)	$ 342,214	88.85%	$ -	N/A
12/31/2015	$ 3,103,194	$ (2,721,030)	$ 382,164	87.68%	$ -	N/A
12/31/2016	$ 3,112,630	$ (2,709,819)	$ 402,811	87.06%	$ -	N/A
12/31/2017	$ 3,346,267	$ (2,694,847)	$ 651,420	80.53%	$ -	N/A
12/31/2018	$ 3,312,497	$ (2,906,523)	$ 405,974	87.74%	$ -	N/A

Note: There were no factors that significantly affected trends in the amounts reported.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

WINDSOR - SEVERANCE FIRE PROTECTION DISTRICT

Schedule of Actuarially Determined and Actual Contributions
Volunteer Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year Ended	Actuarially determined contributions	Actual contributions [2]	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
12/31/2014	$ 75,406	$ 59,624	$ 15,782	$ -	N/A
12/31/2015	$ 75,406	$ 192,122	$ (116,716)	$ -	N/A
12/31/2016	$ 90,859	$ 125,873	$ (35,014)	$ -	N/A
12/31/2017	$ 90,859	$ 125,873	$ (35,014)	$ -	N/A
12/31/2018	$ 66,190	$ 125,873	$ (59,683)	$ -	N/A

Note: See Note 4 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations. There were no factors that significantly affected trends in the amounts reported.

[1] - Additional years will be added to this schedule as they become available.
[2] - Includes both employer and State of Colorado Discretionary Payment.

See the accompanying Independent Auditors' Report.

Required Supplementary Information

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	2018			
	Original & Final Budget	Actual	Variance w/ Final Budget	2017 Actual
REVENUES				
Taxes	$ 5,954,618	$ 6,050,725	$ 96,107	$ 5,936,482
Grants and Contributions	217,901	182,160	(35,741)	100,204
Charges for Services	330,250	787,706	457,456	496,266
Interest	50,000	100,802	50,802	48,073
Other Revenues	-	77,425	77,425	41,812
Total Revenues	6,552,769	7,198,818	646,049	6,622,837
EXPENDITURES				
Current				
Administration	1,742,010	1,644,564	97,446	1,457,617
Museum	-	12,496	(12,496)	11,874
Firefighting	2,972,169	2,773,367	198,802	2,696,635
Medical Rescue Services	32,000	6,640	25,360	9,531
Fire Prevention	96,326	115,006	(18,680)	93,048
Health and Safety	17,250	16,399	851	18,752
Communications	60,500	56,785	3,715	36,769
Building Maintenance	202,850	156,494	46,356	225,380
Equipment Maintenance	114,250	156,082	(41,832)	124,004
Capital Outlay	1,098,709	974,232	124,477	50,703
Total Expenditures	6,336,064	5,912,065	423,999	4,724,313
Excess (Deficiency) Of Revenues Over (Under) Expenditures	216,705	1,286,753	1,070,048	1,898,524
Other Financing Sources (Uses)				
Transfers Out	-	(17,898)	(17,898)	-
Change in Fund Balance - Budget Basis	216,705	1,268,855	1,052,150	1,898,524
Fund Balance, Beginning	(216,000)	5,876,412	6,241,321	3,977,888
Prior Period Restatement	-	148,909	148,909	-
Fund Balance, Beginning (As Restated)	(216,000)	6,025,321	6,390,230	3,977,888
Fund Balance, Ending	$ 705	$ 7,294,176	$ 7,442,380	$ 5,876,412

See the accompanying Independent Auditors' Report.

Other Supplementary Information

WINDSOR-SEVERANCE FIRE PROTECTION DISTRICT

Budgetary Comparison Schedule
Debt Service Fund
Year Ended December 31, 2018
(With Comparative Totals for the Year Ended December 31, 2017)

	2018			
	Final Budget	**Actual**	**Variance w/ Final Budget**	**2017 Actual**
REVENUES				
Taxes	$ 419,419	$ 417,736	$ (1,683)	$ 434,202
Interest	150	443	293	151
Total Revenues	419,569	418,179	(1,390)	434,353
EXPENDITURES				
Current				
Administration	6,686	6,460	226	6,758
Debt Service				
Principal	310,000	310,000	-	305,000
Interest	83,019	83,019	-	93,694
Total Expeditures	399,705	399,479	226	405,452
Change in Fund Balance	19,864	18,700	(1,164)	28,901
Fund Balance, Beginning	420,645	420,645	-	391,744
Fund Balance, Ending	$ 440,509	$ 439,345	$ (1,164)	$ 420,645

See the accompanying Independent Auditors' Report.