CRESTED BUTTE FIRE PROTECTION DISTRICT

Financial Statements
with
Independent Auditors' Report

For the Year Ended
December 31, 2019

Crested Butte Fire Protection District

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CRESTED BUTTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
December 31, 2019

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the District's financial condition and operating results and to disclose to the reader important financial activities and issues related to the District's basic operations and mission. The MD&A should be read in conjunction with the District's basic financial statements.

Within the government type activities, the District has a general fund, a capital projects fund and a debt service fund. During 2019 the capital projects fund and the debt service fund had no activity as all expenses were accounted for in the general fund. The government type activities are funded primarily through the District's ad-valorem property tax.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *Basic Financial Statements*, *Required Supplementary Information,* The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements, Statement of Net Position and Statement of Activities, are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of *Required Supplementary Information* that provides a budget and actual comparison for the District's General fund.

Government-wide Statements

The government-wide statements consist of the *Statement of Net Position* and *the Statement of Activities*. These statements report information about the District as a whole and include *all* assets, liabilities and deferred inflow of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. The District's net position – the difference between assets, liabilities and deferred inflow of resources – is one way to measure the District's financial health, or *financial position*. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base are needed to assess the overall health of the District.

Fund Financial Statements
The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds – not the District as a whole.

The District's activity in the governmental funds focuses on how money flows into and out of these funds. Currently the District only has one active governmental fund – the general fund. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all of other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

HIGHLIGHTS OF GOVERNMENTAL ACTIVITIES

- As of December 31, 2019 the governmental funds held $3,288,192 in assets that were readily convertible to cash.
- As of December 31, 2019, the District's governmental activities held $2,594,780 in net investment in capital assets. As of December 31, 2019 the District had no debt on its capital assets.

STATEMENTS OF NET POSITION

The perspective of the statement of Net Position is of the District as a whole. The following is a summary of the District's Net Position for 2019 compared to 2018:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2019	**2018**
ASSETS		
Current and Other Assets	$ 6,284,712	$ 5,535,238
Capital Assets	2,594,780	2,249,457
Total Assets	8,879,492	7,784,695
DEFERRED OUTFLOWS	1,142,062	565,584
LIABILITIES		
Current Liabilities	66,023	100,556
Noncurrent Liabilities	966,170	65,191
Total Liabilities	1,032,193	165,747
DEFERRED INFOWS	3,200,622	2,875,539
NET POSITION		
Net Investment in Capital Assets	1,883,158	1,956,007
Restricted	120,000	382,450
Unrestricted	3,785,581	3,035,727
Total Net Position	**$ 5,788,739**	**$ 5,374,184**

STATEMENT OF ACTIVITIES

The perspective of the statement of activities is of the District as a whole. The following table reflects the change in Net Position for fiscal year 2019 and 2018.

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2019	**2018**
PROGRAM REVENUES		
Charges for Services	$ 428,096	$ 339,880
Operating Grants	92,558	9,143
Total Program Revenues	520,654	349,023
GENERAL REVENUES		
Property Taxes	2,467,382	2,408,122
Specific Ownership Taxes	191,141	164,014
Interest Income	78,470	42,884
Other Revenues	2,377	1,232
Total General Revenues	2,739,370	2,616,252
Total Revenues	3,260,024	2,965,275
PROGRAM EXPENSES		
General Government	808,739	836,895
Fire Protection	2,064,267	1,519,429
Interest on Debt	22,463	-
Total Program Expenses	2,895,469	2,356,324
CHANGE IN NET POSITION	364,555	608,951
Net Position, Beginning	5,374,184	4,765,233
Prior Period Restatement	50,000	-
Net Position, Beginning (as Restated)	5,424,184	4,765,233
NET POSITION, ENDING	**$ 5,788,739**	**$ 5,374,184**

GOVERNMENTAL ACTIVITIES

The cost of governmental activities this year was $3,598,571 compared to $2,523,466 in the prior year. These increases reflect increased hiring activity following a 3.5 mill levy increase approved in November of 2017 and substantial investments in employee housing construction. The table below presents the cost of each of the District's programs – general government, fire fighting, emergency medical services – and interest on debt as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions for the last year.

THE DISTRICT'S FUNDS

As the District completed the year, its general fund (shown on page 6 of the financial statements) reported a fund balance of $3,406,421, an increase of $404,275 over the previous year. The increase in 2018 was $441,810. The District currently maintains and ending fund balance/reserves of 94% of total annual expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund expenditures were approximately $952,739 less than budgeted (exclusive of contingency and reserves) mostly due to budgeted, yet incomplete capital purchases. General fund actual revenues were $364,807 more than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At year end the District had $869,448 invested in the cost of its capital assets. The most significant capital assets the District holds are District facilities, its fleet of fire emergency and support vehicles, related, equipment and member housing units which account for approximately $5,796,027 before depreciation. The table below summarizes the District's capital assets by category.

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Governmental-Type Activities				
Capital Assets not being depreciated:				
Land	$ 125,000	$ -	$ -	$ 125,000
Construction in Progress	5,741	738,707	-	744,448
Total Capital Assets not being depreciated	130,741	738,707	-	869,448
Capital Assets being depreciated:				
Buildings	1,913,938			1,913,938
Fire Equipment	3,235,869	94,758	(294,674)	3,035,953
Medical Equipment	782,988	15,221	(40,568)	757,641
Other Equipment	88,495	-	-	88,495
Total Capital Assets being depreciated	6,021,290	109,979	(335,242)	5,796,027
Less: Accumlated Depreciation				
Buildings	(912,970)	(33,404)	-	(946,374)
Fire Equipment	(2,655,625)	(138,547)	291,999	(2,502,173)
Medical Equipment	(553,357)	(22,132)	30,421	(545,068)
Other Equipment	(74,072)	(3,008)	-	(77,080)
Total Accumulated Depreciation	(4,196,024)	(197,091)	322,420	(4,070,695)
Net Capital Assets	$ 1,956,007	$ 651,595	$ (12,822)	$ 2,594,780

DEBT OUTSTANDING

In 2019 the District entered into a 15-year lease-purchase arrangement to partially finance construction of a member housing triplex unit for $730,000. The District also maintains liabilities for unpaid compensated absences and liabilities associated with the District's pension plans.

	Balance 1/1/19	Advances	Repayments	Balance 12/31/19	Current Portion	Interest Expense	Accrued Interest
Capital Lease Payable	$ -	$ 730,000	$ 18,378	$ 711,622	$ 37,791	$ 22,462	$ 8,848
Net Pension Liability - SWDB	(150,256)	313,880	-	163,624	-	-	-
Net Pension Liability - Volunteer	(143,194)	178,238	-	35,044	-	-	-
Compensated Absences	40,502	15,377	-	55,879	-	-	-
Total Obligations	**$ (252,948)**	**$ 1,237,495**	**$ 18,378**	**$ 966,169**	**$ 37,791**	**$ 22,462**	**$ 8,848**

ECONOMIC AND OTHER FACTORS

The District's Board of Directors remains attentive to evolving economic trends. While still well short of the 2011 high, the assessed valuation of the District continues to increase at a moderate pace. Increased tourism to the area has also increased call volumes driving the need to hire additional response staff capable of meeting daily needs. Both the increase in emergency medical services activity, as well as increased building activity, have also generated additional fee revenue. In addition to paid staff, the District continues to invest in a robust volunteer force to supplement service delivery and provide surge capacity. As of December 31st the District employees 15 full-time staff members with a total force of 19 full-time and 1 regular-part-time employee. This expansion has been funded by the 2017 mill levy increase. Due to recent growth in assessed valuation the District has not been significantly impacted by decreases in the statewide residential assessment ratio.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Sean Caffrey, Chief Executive Officer and Commissioner
CRESTED BUTTE FIRE PROTECTION DISTRICT
P.O. Box 1009
Crested Butte, Colorado 81224
Tel: (970) 349-5333 x1
Fax: (970) 349-0438

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FINANCIAL SECTION

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
Crested Butte Fire Protection District
Crested Butte, 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 Crested Butte Fire Protection District, as of and for the year ended December 31, 2019, 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 Crested Butte Fire Protection District, as of December 31, 2019, 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.

8310 South Valley Highway – Suite 300
Englewood, Colorado 80112

Voice (303) 993 – 2199
Fax (720) 633 – 9763

Report on Summarized Comparative Information

We have previously audited the Crested Butte Fire Protection District’s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 3, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 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 2018 financial statements have been restated to reflect the restatement of deferred outflows related to the Volunteer Pension Plan. Our opinion is not modified with respect to this matter.

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-M5 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

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 pages 37-38 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. 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
December 4, 2020

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Basic Financial Statements

CRESTED BUTTE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2019

		GOVERNMENTAL ACTIVITIES
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets		
Cash and Investments		
Cash	$	146,631
Investments		3,141,561
Receivables		
Property Tax Receivable		2,821,116
Cash with Fiscal Agent		63,717
Other Receivables		5,934
Prepaid Expenses		77,902
Other Current Assets		27,851
Total Current Assets		6,284,712
Noncurrent Assets		
Capital Assets not being Depreciated		869,448
Capital Assets being Depreciated		5,796,027
Accumulated Depreciation		(4,070,695)
Total Noncurrent Assets		2,594,780
TOTAL ASSETS		8,879,492
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES		
Net Deferred Outflows - Statewide Defined Benefit Plan		697,731
Net Deferred Outflows - Volunteer Pension Plan		444,331
TOTAL DEFERRED OUTFLOWS		1,142,062
TOTAL ASSETS AND DEFERRED OUTFLOWS	$	10,021,554
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilities		
Accounts Payable	$	9,771
Accrued Salaries and Benefits		47,404
Accrued Interest Payable		8,848
Total Current Liabilities		66,023
Noncurrent Liabilities		
Due within one year		37,791
Due in more than one year		928,379
Total Noncurrent Liabilities		966,170
TOTAL LIABILITIES		1,032,193
DEFERRED INFLOWS OF FINANCIAL RESOURCES		
Deferred Property Taxes		2,821,116
Net Deferred Inflows - Statewide Defined Benefit Plan		203,249
Net Deferred Inflows - Volunteer Pension Plan		176,257
TOTAL DEFERRED INFLOWS		3,200,622
NET POSITION		
Net Investment in Capital Assets		1,883,158
Restricted Net Position		120,000
Unrestricted Net Position		3,785,581
TOTAL NET POSITION		5,788,739
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$	10,021,554

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENT ACTIVITIES
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 808,739	$ 428,096	$ 92,558	$ (288,085)
Public Safety	2,064,267	-	-	(2,064,267)
Interest on Debt	22,463	-	-	(22,463)
TOTAL GOVERNMENT	$ 2,895,469	$ 428,096	$ 92,558	(2,374,815)
GENERAL REVENUES				
Property Taxes				2,467,382
Specific Ownership Taxes				191,141
Interest Income				78,470
Gain (Loss) on Disposal of Capital Assets				(1,885)
Other Revenues				4,262
TOTAL GENERAL REVENUES AND TRANSFERS				2,739,370
CHANGE IN NET POSITION				364,555
NET POSITION - Beginning				5,374,184
Prior Period Restatement				50,000
NET POSITION - Beginning (as Restated)				5,424,184
NET POSITION - Ending				$ 5,788,739

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
With Comparative Totals for December 31, 2018

	GENERAL FUND 2019	GENERAL FUND 2018
ASSETS AND DEFERRED OUTFLOWS		
ASSETS		
Current Assets		
Cash and Investments		
Cash	$ 146,631	$ 133,886
Investments	3,141,561	2,819,340
Receivables		
Property Tax Receivable	2,821,116	2,473,038
Cash with Fiscal Agent	63,717	13,578
Accounts Receivable	-	750
Other Receivables	5,934	-
Prepaid Expenses	77,902	94,646
Other Current Assets	27,851	-
TOTAL ASSETS	$ 6,284,712	$ 5,535,238
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 9,771	$ 24,689
Accrued Salaries and Benefits	47,404	35,365
TOTAL LIABILITIES	57,175	60,054
DEFERRED INFLOWS OF FINANCIAL RESOURCES		
Deferred Property Taxes	2,821,116	2,473,038
FUND BALANCE		
Nonspendable Fund Balance	77,902	94,646
Restricted Fund Balance	120,000	89,000
Unassigned Fund Balance	3,208,519	2,818,500
TOTAL FUND BALANCE	3,406,421	3,002,146
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 6,284,712	$ 5,535,238

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2019

Fund Balance - Governmental Funds		$ 3,406,421
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 869,448	
Capital assets, being depreciated	5,796,027	
Accumulated depreciation	(4,070,695)	2,594,780
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 related deferred outflows	697,731	
Net pension asset (liability)	(163,624)	
Net pension related deferred inflows	(203,249)	
FPPA - Volunteer Pension Plan		
Net pension related deferred outflows	444,331	
Net pension asset (liability)	(35,044)	
Net pension related deferred inflows	(176,257)	563,888
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(711,622)	
Accrued interest payable	(8,848)	
Accrued compensated absences	(55,880)	(776,350)
Total Net Position - Governmental Activities		$ 5,788,739

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	GENERAL FUND	
	2019	**2018**
REVENUES		
Taxes	$ 2,658,523	$ 2,572,136
Intergovernmental Revenues	87,187	9,053
Charges for Services	428,096	339,880
Investment Earnings	78,470	42,884
Other Revenues	20,570	1,322
TOTAL REVENUES	3,272,846	2,965,275
EXPENDITURES		
Current:		
General Government	771,942	799,999
Public Safety	1,915,950	1,382,762
Capital Outlay	848,686	340,705
Debt Service	61,993	-
TOTAL EXPENDITURES	3,598,571	2,523,466
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(325,725)	441,809
OTHER FINANCING SOURCES (USES)		
Debt Proceeds	730,000	-
NET CHANGE IN FUND BALANCE - GAAP BASIS	404,275	441,809
FUND BALANCE, BEGINNING	3,002,146	2,560,337
FUND BALANCE, ENDING	$ 3,406,421	$ 3,002,146

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

Change in Fund Balance - Governmental Funds		$ 404,275
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	848,686	
Depreciation Expense	(197,091)	
Gain (Loss) on Asset Disposals	(12,822)	638,773
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.		
Net change in Statewide Defined Benefit Plan	(235,559)	
Net change in Volunteer Pension Plan	292,914	57,355
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		
Proceeds from debt issuances	(730,000)	
Principal payments on capital leases	18,378	
Change in accrued interest payable	(8,848)	
Change in accrued compensated absences	(15,378)	(735,848)
Change in Net Position - Governmental Activities		$ 364,555

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Crested Butte 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

Crested Butte 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 Crested Butte 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 Crested Butte, including ambulance transportation and enforcement of fire safety codes.

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. The District has no fiduciary funds.

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 one major governmental fund:

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

Generally annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Encumbrances are not employed by the District.

Budgetary Practices

The District adheres to the following procedures in establishing budgets reflected in the financial statements:

- From September through November, the designated budget officer assembles the information for the budget related to the ensuing year.
- Public hearings are held to obtain taxpayer comment.
- Prior to December 31, the budget is adopted by formal resolution.
- Appropriations lapse at year end.
- The Board of Directors may amend the budget during the year.

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.

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 2019 and due in 2020.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

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 three years. 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	35-40 years
Fire Equipment	5-20 years
Medical Equipment	5-20 years
Other Equipment	5-7 years

Compensated Absences

The District has the following policy for compensated vacation pay.

1st year of employment	½ day per month
2nd - 5th year of employment	1 day per month
After 5 years	1 ½ days per month

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 two types of items, which arise under 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)

Deferred Outflows and Inflows of Resources (Continued)

The unavailable property taxes are deferred and will be recognized as an outflow or inflow of resources in the period that the amounts become recognizable as an expense or available, respectively. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The other item, deferred charge on refunding, is reported in the governmental activities net position. The charge will be recognized proportionately as the outstanding principal is repaid.

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 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: <u>CASH AND INVESTMENTS</u>

The District's cash and investment balances as of the year ended December 31, 2019 are as follows:

Deposits	$ 146,631
Investments	3,141,561
Total Cash and Investments	$ 3,288,192

DEPOSITS

<u>Custodial Credit Risk - Deposits</u>

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, 2019, 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, 2019 the District's deposits are categorized as follows:

	Bank Balance	**Carrying Balance**
FDIC Insured	$ 169,319	$ 146,631

NOTE 2: CASH AND INVESTMENTS (Continued)

INVESTMENTS

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- 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

During the year ended December 31, 2019, the District's invested funds in the Colotrust. As investment pools, they operate 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.

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, 2019, the District did not have any investments requiring safekeeping.

NOTE 3: CAPITAL ASSETS

Changes in governmental activities capital assets for the year ended December 31, 2019 was as follows:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
Governmental-Type Activities				
Capital Assets not being depreciated:				
Land	$ 125,000	$ -	$ -	$ 125,000
Construction in Progress	5,741	738,707	-	744,448
Total Capital Assets not being depreciated	130,741	738,707	-	869,448
Capital Assets being depreciated:				
Buildings	1,913,938			1,913,938
Fire Equipment	3,235,869	94,758	(294,674)	3,035,953
Medical Equipment	782,988	15,221	(40,568)	757,641
Other Equipment	88,495	-	-	88,495
Total Capital Assets being depreciated	6,021,290	109,979	(335,242)	5,796,027
Less: Accumlated Depreciation				
Buildings	(912,970)	(33,404)	-	(946,374)
Fire Equipment	(2,655,625)	(138,547)	291,999	(2,502,173)
Medical Equipment	(553,357)	(22,132)	30,421	(545,068)
Other Equipment	(74,072)	(3,008)	-	(77,080)
Total Accumulated Depreciation	(4,196,024)	(197,091)	322,420	(4,070,695)
Net Capital Assets	$ 1,956,007	$ 651,595	$ (12,822)	$ 2,594,780

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

General Government	$ 3,008
Public Safety	194,083
Total Depreciation	$ 197,091

NOTE 4: PENSION OBLIGATIONS

Statewide Defined Benefit Pension Plan (FPPA)

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, the most recent of which is for the fiscal year ended December 31, 2015, that can be obtained at:
http://fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20FPPA%20CAFR.pdf.

Benefits provided. A member is eligible for a 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 years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. 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.

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

Statewide Defined Benefit Pension Plan (FPPA) (Continued)

General Information about the Pension Plan (Continued)

A member is eligible for an early retirement at age 50 or after 30 years of 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 2.5 percent for each year of service thereafter.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution 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 8 percent of base salary for a total contribution rate of 17 percent through 2016. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary through 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.5 percent of base salary for a total contribution rate of 8.5 percent through 2018. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were $55,296 for the plan year ended December 31, 2017 and $51,567 for the fiscal year ended December 31, 2018. The current year contributions will be expensed in 2019 for FPPA purposes and are a timing difference at year end.

NOTE 4: PENSION OBLIGATIONS (Continued)

Statewide Defined Benefit Pension Plan (FPPA) (Continued)

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

At December 31, 2019, the District reported a liability of $163,624 for its proportionate share of the SWDB's net pension asset. The net pension asset or liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2019. The District's proportion of the net pension liability was based on District's contributions to the SWDB for the calendar year 2018 relative to the total contributions of participating employers to the SWDB.

At December 31, 2019, the District's proportion was .129421%, which was an decrease of .024979% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019 the District recognized pension expense of $11,052. 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	$ 187,773	$ (647)
Changes of assumptions or other inputs	$ 152,391	$ -
Net difference between projected and actual earnings on pension plan investments	$ 254,294	$ (90,625)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 6,384	$ (111,977)
Contributions subsequent to the measurement date	$ 96,889	$ -
Total	**$ 697,731**	**$ (203,249)**

$96,889 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2020.

NOTE 4: PENSION OBLIGATIONS (Continued)

Statewide Defined Benefit Pension Plan (FPPA) (Continued)

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

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
2020	$ 85,410
2021	65,296
2022	45,313
2023	75,522
2024	26,968
2025-2028	99,084
Total	**$ 397,593**

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2018. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2019	January 1, 2018
Actuarial method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	30 Years
Long-term investment rate of return, net of	7.00%	7.50%
Salary increase, including wage inflation	4.25%-11.25%	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.00%	0.00%
* Includes inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarial determined contributions, 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 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.

NOTE 4: PENSION OBLIGATIONS (Continued)

Statewide Defined Benefit Pension Plan (FPPA) (Continued)

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculation of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	8.03%
Equity Long/Short	9.00%	6.45%
Private Markets	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	**100.00%**	

NOTE 4: PENSION OBLIGATIONS (Continued)

Statewide Defined Benefit Pension Plan (FPPA) (Continued)

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

The discount rate used to measure the total pension liability was 7.00 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 position 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.

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 expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (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 7.00 percent.

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	$ (634,514)	$ (163,624)	$ 226,971

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan

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, an agent multiple-employer defined benefit pension Plan administered by FPPA.

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 $680 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.

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.

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

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

At December 31, 2019, the District reported a net pension liability of $35,044. The net pension asset was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

For the year ended December 31, 2019, the District recognized pension expense of $87,946. At December 31, 2019, 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	$ -	$ (43,067)
Changes of assumptions or other inputs	$ 125,473	$ -
Net difference between projected and actual earnings on pension plan investments	$ 268,855	$ (133,189)
Contributions subsequent to the measurement date	$ 50,002	
Total	$ 444,330	$ (176,256)

$50,002 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, 2020. 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
2020	$ 91,014
2021	57,756
2022	17,106
2023	52,196
Total	$ 218,072

Actuarial Assumptions

A January 1, 2019 actuarial valuation was used to determine the total pension liability as of the measurement date of December 31, 2018. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2017 determines the contribution amounts for 2018 and 2019. The actuarially determined contributions used the following actuarial assumption and other inputs:

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Actuarial Assumptions (Continued)

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-2014 Combined Mortality Table with Blue Collar Adjustment, 55% muliplier for off duty mortality
	Post-retirement: For ages less than 55,
Salary increase, including wage inflation	N/A
Retirement Age	50% per year of eligibility until 100% at age 65
Inflation	2.50%
* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants	

The assumptions shown above pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2018. Following an experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations. The primary changes, which can be observed in the January 1, 2019 valuation, as compared to the assumptions shown are as follows:

Long-term investment Rate of Return	7.00%
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality
	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scales for all years
	Disabled: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scales for all years

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Actuarial Assumptions (Continued)

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 by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal 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%	8.03%
Equity Long/Short	9.00%	6.45%
Private Markets	24.00%	10.00%
Fixed Income	15.00%	2.90%
Absolute Return	9.00%	5.08%
Managed Futures	4.00%	5.35%
Cash	2.00%	2.52%
Total	100.00%	

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 7.00%; the municipal bond rate is 3.71% (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 7.00%.

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

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 plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension asset (liability)	$ 483,646	$ 35,044	$ (333,511)

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	2019
Service cost	$ 36,071
Interest	245,035
Changes of benefit terms	-
Differences between expected and actual experience	(43,379)
Changes of assumptions	162,611
Benefit payments	(184,265)
Net changes in total pension liability	216,073
Total Pension Liability - beginning	3,339,891
Total Pension Liability - ending (a)	$ 3,555,964
Plan Fiduciary Net Position	
Contributions - employer	$ 193,563
Contributions - State of Colorado (discretionary)	40,500
Net investment Income	1,588
Benefit payments, including refunds of employee contributions	(184,265)
Administrative expense	(13,551)
Other	-
Net change in plan fiduciarty net position	37,835
Plan fiduciary net position - beginning	3,483,085
Plan fiduciary net position - ending(b)	$ 3,520,920
District's net pension liability - ending (a)-(b)	$ 35,044

NOTE 4: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Membership

As of the December 31, 2018 measurement date, pension plan membership consisted of the following:

Retirees and Beneficiaries	30
Inactive, Nonretired Members	16
Active Members	21
Total	67

NOTE 5: LONG-TERM OBLIGATIONS

The following is a schedule of changes in debt for the year ended December 31, 2019:

	Balance 1/0/00	Advances	Repayments	Balance 12/31/19	Current Portion	Interest Expense	Accrued Interest
Capital Lease Payable	$ -	$ 730,000	$ 18,378	$ 711,622	$ 37,791	$ 22,462	$ 8,848
Net Pension Liability - SWDB	(150,256)	313,880	-	163,624	-	-	-
Net Pension Liability - Volunteer	(143,194)	178,238	-	35,044	-	-	-
Compensated Absences	40,502	15,377	-	55,879	-	-	-
Total Obligations	**$ (252,948)**	**$ 1,237,495**	**$ 18,378**	**$ 966,169**	**$ 37,791**	**$ 22,462**	**$ 8,848**

During 2019, the District entered into a lease purchase agreement for the construction of employee housing. The lease was for $730,000 including $30,000 of issuance costs. The remaining $700,000 was placed in a construction escrow account to be drawn throughout the construction project. As of December 31, 2019, $47,259 remained in escrow (included in cash with fiscal agent at year end). The lease is subject to annual appropriation. Payments of $31,993 are due semi-annually in March and September consisting of both principal and 3.73% interest through March 2034. In the event of default, all current and future lease payments may be declared due, the leased property can be repossessed, require the District to vacate the property, may sell their interest in the property, or lease the property in an effort to collect required rental payments. The District is reporting construction in progress of $744,448 related to the lease.

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, 2019 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2019, 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 2019 in the amount of 3% or more of its fiscal year spending. At December 31, 2019, the District has reserved the following for emergencies:

General Fund	$120,000

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

As part of the December 31, 2019 audit process, it was determined that the Volunteer Pension Plan deferred outflow related to contributions to measurement date was not properly updated as of December 31, 2018. This resulted in an understatement of the deferral in the amount of $50,000. Beginning net position for the governmental funds was accordingly increased by the same amount from $5,374,184 to $5,424,184.

Required Supplementary Information
Pension Schedules(Unaudited)

CRESTED BUTTE FIRE PROTECTION DISTRICT

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

Fiscal Year	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 proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2019	0.1294212%	$ (35,044)	$ 1,211,113	-2.89%	95.23%
12/31/2018	0.1044421%	$ 143,194	$ 644,588	22.21%	106.34%
12/31/2017	0.1113608%	$ (40,239)	$ 569,925	-7.06%	98.21%
12/31/2016	0.0968831%	$ 1,708	$ 469,663	0.36%	100.10%
12/31/2015	0.0479253%	$ 54,087	$ 215,525	25.10%	106.83%
12/31/2014	0.0086331%	$ 7,720	$ 37,500	20.59%	105.83%

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.

CRESTED BUTTE FIRE PROTECTION DISTRICT

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

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
12/31/2019	$ 96,889	$ 96,889	$ -	$ 1,211,113	8.00%
12/31/2018	$ 51,567	$ 51,567	$ -	$ 644,588	8.00%
12/31/2017	$ 45,594	$ 45,594	$ -	$ 569,925	8.00%
12/31/2016	$ 37,573	$ 37,573	$ -	$ 469,663	8.00%
12/31/2015	$ 17,242	$ 17,242	$ -	$ 215,525	8.00%
12/31/2014	$ 3,000	$ 3,000	$ -	$ 37,500	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.

CRESTED BUTTE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
Volunteer Pension Plan
Last 10 Fiscal Years[(1)]

	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability					
Service cost	$ 36,071	$ 36,071	$ 42,490	$ 42,490	$ 41,350
Interest	245,035	237,820	229,811	221,115	212,260
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(43,379)	-	(57,047)	-	4,300
Changes of assumptions	162,611	-	56,245	-	-
Benefit payments	(184,265)	(171,360)	(152,092)	(143,402)	(137,491)
Net changes in total pension liability	216,073	102,531	119,407	120,203	120,419
Total Pension Liability - beginning	3,339,891	3,237,360	3,117,953	2,997,750	2,877,331
Total Pension Liability - ending (a)	$ 3,555,964	$ 3,339,891	$ 3,237,360	$ 3,117,953	$ 2,997,750
Plan Fiduciary Net Position					
Contributions - employer	$ 193,563	$ -	$ 142,731	$ 145,947	$ 144,958
Contributions - state	40,500	40,500	40,500	40,500	40,500
Net investment Income	1,588	454,658	158,553	51,695	178,088
Benefit payments, including refunds of employee contributions	(184,265)	(171,360)	(152,092)	(143,402)	(137,491)
Administrative expense	(13,551)	(14,327)	(4,968)	(6,642)	(4,519)
Other	-	-	-	-	-
Net change in plan fiduciary net position	37,835	309,471	184,724	88,098	221,536
Plan fiduciary net position - beginning	3,483,085	3,173,614	2,988,890	2,900,792	2,679,256
Plan fiduciary net position - ending(b)	$ 3,520,920	$ 3,483,085	$ 3,173,614	$ 2,988,890	$ 2,900,792
District's net pension liability - ending (a)-(b)	$ 35,044	$ (143,194)	$ 63,746	$ 129,063	$ 651,341
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.01%	104.29%	98.03%	95.86%	96.77%

Note: There were no factors that significantly affected trends in the amounts reported.
All amounts are for the measurement period one 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.

CRESTED BUTTE 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 Percent of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percent of Covered Payroll
12/31/19	$ 3,555,964	$ 3,520,920	$ 35,044	99.01%	$ -	N/A
12/31/18	$ 3,339,891	$ 3,483,085	$ (143,194)	104.29%	$ -	N/A
12/31/17	$ 3,237,360	$ 3,173,614	$ 63,746	98.03%	$ -	N/A
12/31/16	$ 3,117,953	$ 2,988,890	$ 129,063	95.86%	$ -	N/A
12/31/15	$ 2,997,750	$ 2,900,792	$ 96,958	96.77%	$ -	N/A
12/31/14	$ 2,877,331	$ 2,679,256	$ 198,075	93.12%	$ -	N/A

Note: There were no factors that significantly affected trends in the amounts reported.
All amounts are for the measurement period one 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.

CRESTED BUTTE FIRE PROTECTION DISTRICT

SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS
Volunteer Pension Plan
Last 10 Fiscal Years(1)

Fiscal Year Ended	Actuarially determined contributions	Actual contributions	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
12/31/2019	$ 19,697	$ 234,063	$ (214,366)	$ -	N/A
12/31/2018	$ 43,012	$ 40,500	$ 2,512	$ -	N/A
12/31/2017	$ 70,224	$ 183,231	$ (113,007)	$ -	N/A
12/31/2016	$ 70,224	$ 186,447	$ (116,223)	$ -	N/A
12/31/2015	$ 70,224	$ 185,458	$ (115,234)	$ -	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. All amounts presented are for the measurement period one 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.

Required Supplementary Information

CRESTED BUTTE FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2018 Actual
REVENUES					
Taxes					
Property Taxes	$ 2,423,039	$ 2,423,039	$ 2,467,382	$ 44,343	$ 2,408,122
Specific Ownership Taxes	90,000	90,000	191,141	101,141	164,014
Total Tax Revenue	2,513,039	2,513,039	2,658,523	145,484	2,572,136
Intergovernmental Revenues					
State Grants	40,000	47,500	76,212	28,712	9,053
Other Intergovernmental	-	-	10,975	10,975	-
Total Intergovernmental Revenue	40,000	47,500	87,187	39,687	9,053
Charges for Services					
Rents	1,000	1,000	1,192	192	35
Other Charges for Services	323,500	323,500	426,904	103,404	339,845
Total Charges for Services	324,500	324,500	428,096	103,596	339,880
Investment Earnings	20,000	20,000	78,470	58,470	42,884
Other Revenues					
Donations	-	-	5,370	5,370	90
Sale of Capital Assets	3,000	3,000	10,937	7,937	500
Other Miscellaneous Revenue	-	-	4,263	4,263	732
Total Other Revenue	3,000	3,000	20,570	17,570	1,322
TOTAL REVENUES	2,900,539	2,908,039	3,272,846	364,807	2,965,275

See accompanying Independent Auditors' Report.

(Continued)

CRESTED BUTTE FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2018 Actual
(Continued)					
EXPENDITURES					
Administration					
Personnel Services	467,965	468,289	406,011	62,278	577,762
Insurance	9,000	9,000	13,911	(4,911)	13,213
Professional Fees	29,000	42,750	44,719	(1,969)	18,089
Repairs and Maintenance	40,000	40,000	33,313	6,687	1,628
Supplies and Office	40,000	43,000	62,608	(19,608)	13,871
Telephone and Utilities	38,000	38,000	52,252	(14,252)	34,345
Travel and Training	30,000	30,000	31,339	(1,339)	1,860
Volunteer Pension Contribution	-	-	50,002	(50,002)	50,000
Other Expenses	77,078	78,078	77,787	291	89,231
Total General Government	731,043	749,117	771,942	(22,825)	799,999
Operations					
Personnel Services	1,687,038	1,690,249	1,497,217	193,032	1,008,856
Contract Labor	-	-	-	-	2,226
Fuel and Automotive	25,000	25,000	34,304	(9,304)	28,033
Insurance	13,000	13,000	10,077	2,923	10,665
Professional Fees	81,000	81,000	74,082	6,918	57,414
Repairs and Maintenance	50,000	50,000	46,509	3,491	109,621
Supplies	98,000	98,000	123,513	(25,513)	77,493
Telephone and Utilities	6,000	6,000	9,313	(3,313)	7,887
Travel and Training	97,000	107,000	108,812	(1,812)	72,688
Other Expenses	21,500	21,500	12,123	9,377	7,879
Total Public Safety	2,078,538	2,091,749	1,915,950	175,799	1,382,762
Capital Outlay				-	
Public Safety Capital Outlay	1,863,500	1,818,500	848,686	969,814	340,705
Debt Service					
Principal	16,500	16,500	31,993	(15,493)	-
Fees	-	-	30,000	(30,000)	-
Total Debt Service	16,500	16,500	61,993	(45,493)	-
Contingency Reserve	1,819,535	1,934,320	-	1,934,320	-
TOTAL EXPENDITURES	6,509,116	6,610,186	3,598,571	3,011,615	2,523,466
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(3,608,577)	(3,702,147)	(325,725)	3,376,422	441,809
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	550,000	700,000	730,000	30,000	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (3,058,577)	$ (3,002,147)	404,275	$ 3,406,422	441,809
FUND BALANCE, BEGINNING			3,002,146		2,560,337
FUND BALANCE, ENDING			$ 3,406,421		$ 3,002,146

See accompanying Independent Auditors' Report.