



LaSalle Fire Protection District

Financial Statements
and Supplementary Information
For the Year Ended December 31, 2019



LaSalle Fire Protection District

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Independent Auditor's Report

Board of Directors
LaSalle Fire Protection District
LaSalle, Colorado

We have audited the accompanying financial statements of the governmental activities and the General Fund of the LaSalle Fire Protection District (the "District"), as of December 31, 2019, and for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the LaSalle 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.



Emphasis of A Matter

The COVID-19 outbreak in 2020 (see Note 8) has caused business in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and duration, which cannot be reasonably estimated at this time. Our conclusion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 and the budgetary comparison information for the General Fund on page 35, and the pension related schedules on pages 36 through 39 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.

ACM LLP

Greeley, Colorado
September 24, 2020

LaSalle Fire Protection District Management's Discussion and Analysis For the Year Ended December 31, 2019

This section of the annual financial report offers readers of the LaSalle Fire Protection District's (the "District") financial statements, management's discussion and analysis of the District's financial performance during the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follows this section.

Background Information

The District was created in 1960, by a number of citizens concerned about fire protection for their homes and businesses. The District is comprised of one basic fund, the General Fund.

On May 7, 1996, the taxpayers approved a ballot question which eliminated the TABOR limits that were imposed on the District in 1992.

Financial Highlights

- The District's financial status increased by 1.38 percent over the course of the 2019 fiscal year.
- General revenues account for \$1,973,626 or 100 percent of all revenues.
- The District had \$1,874,744 in expenses related to governmental activities. Property and specific ownership taxes of \$1,863,924 and \$109,702 in other revenues were more than the amount of expenses in the governmental activities by \$98,882.
- Outlays for capital assets during the year were primarily for the acquisition of real estate property. See the capital assets section of this management's discussion and analysis for more information.

Overview of the Financial Statements

This annual financial report consists of four parts: management's discussion and analysis, the basic financial statements, footnotes, and required 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 fund statements tell how basic services such as fire protection were financed in the short-term as well as what remains for future spending.

**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Table 1
Organization of the LaSalle Fire Protection
District's Annual Financial Report**

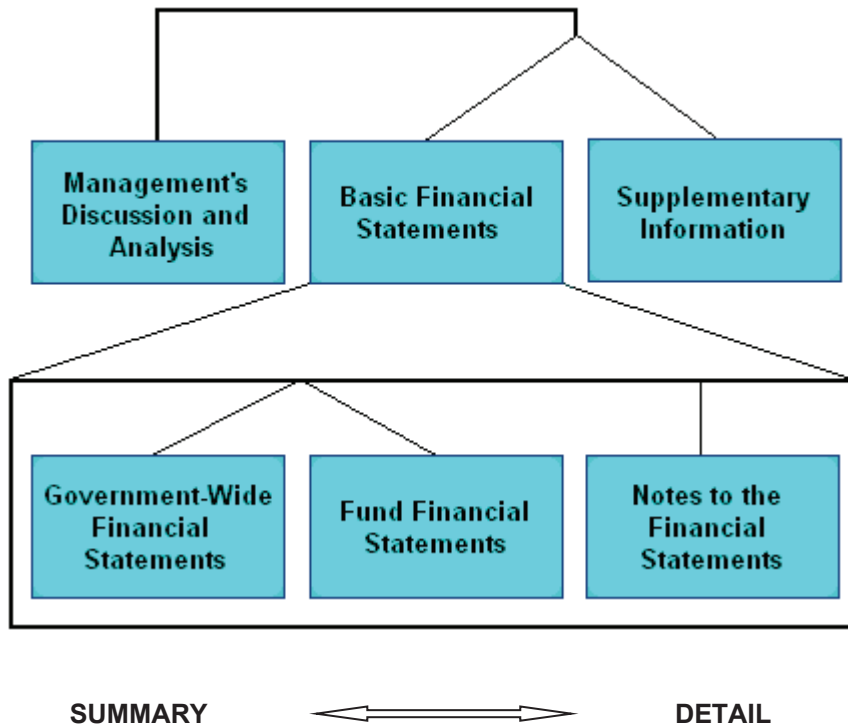


Table 2, displayed on the following page summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, government-wide and fund financial statements, found in the basic financial statements.

**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

**Table 2
Major Features of the Government-Wide and Fund Financial Statements**

	Government-Wide Statements	Governmental Fund
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

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.

**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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, you need to consider additional non-financial factors such as the condition of buildings and equipment.

The statement of activities presents information showing how the District'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 government-wide financial statements can be found on pages 12 and 13 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 only has one fund, the General Fund.

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 government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The District maintains one governmental fund, the General Fund. The basic governmental fund financial statements can be found on pages 14 to 17 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 to 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This required supplementary information is presented on pages 35 to 39 of this report.

**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Financial Analysis of the District as a Whole

Net Position and Changes in Net Position

The District's combined net position was more on December 31, 2019, than it was the year before, increasing 1.38 percent to \$7,248,461. Table 3 provides a summary of the District's net position at December 31, 2019 and 2018.

**Table 3
Condensed Statement of Net Position**

	2019	2018
Assets		
Current assets	\$ 8,466,127	\$ 7,939,600
Capital assets, net of accumulated depreciation	1,659,202	1,436,573
Total assets	10,125,329	9,376,173
Deferred outflows of resources	1,024,310	551,557
Liabilities		
Current liabilities	22,786	13,745
Non-current liabilities	1,033,950	739,671
Total liabilities	1,056,736	753,416
Deferred inflows of resources	2,844,442	2,024,735
Net position		
Net investment in capital assets	1,659,202	1,436,573
Restricted	59,300	223,177
Unrestricted	5,529,959	5,489,829
Total net position	\$ 7,248,461	\$ 7,149,579

**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Table 4 provides a summary of the changes in net position. Following Table 4 is specific discussion related to overall revenues and expenses.

**Table 4
Condensed Statement of Changes in Net Position**

	<u>2019</u>	<u>2018</u>
<u>Revenues</u>		
Program revenues:		
Charges for services	\$ -	\$ -
Operating grants and contributions	-	-
Capital grants and contributions	-	-
General revenues:		
Property taxes	1,752,597	1,675,999
Specific ownership taxes	111,327	137,252
Earnings on investments	98,500	13,170
Other	11,202	4,512
Total revenues	<u>1,973,626</u>	<u>1,830,933</u>
<u>Expenses</u>		
Administration	470,025	273,002
Firefighting	1,313,438	1,237,778
Station utilities and maintenance	84,875	130,960
Communications	6,406	6,631
Total expenses	<u>1,874,744</u>	<u>1,648,371</u>
Change in net position	<u>\$ 98,882</u>	<u>\$ 182,562</u>

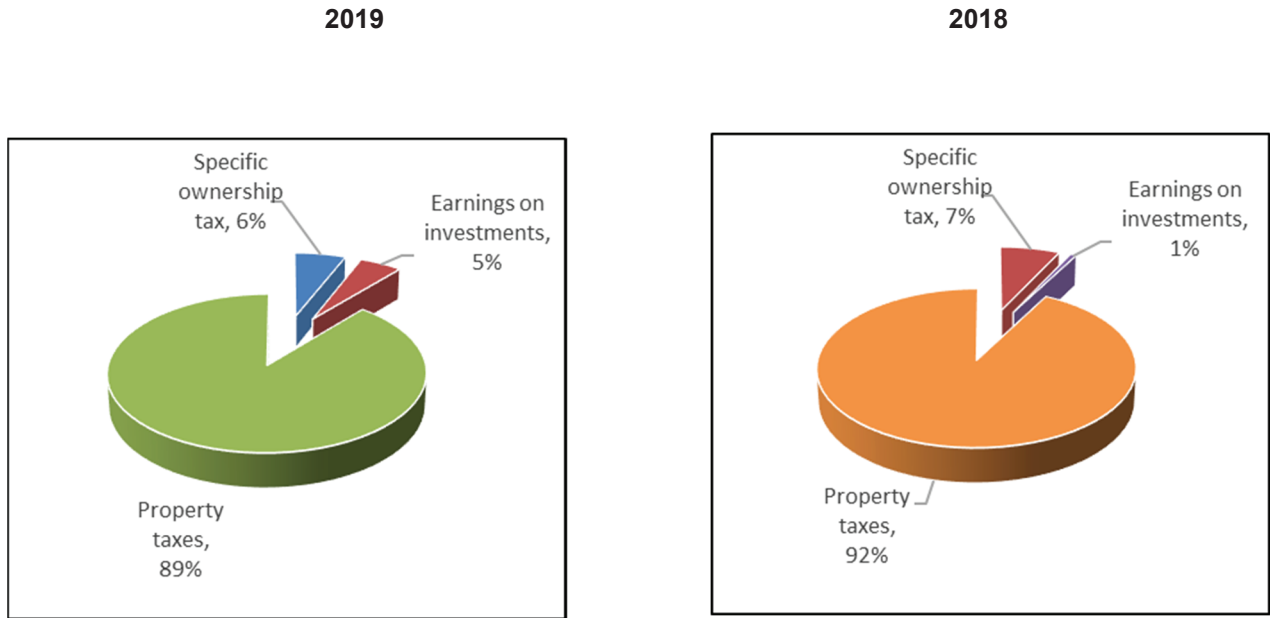
Property and specific ownership taxes account for most of the District's revenue, contributing about 95 cents for every dollar raised (see Table 5). The remaining 5 cents came from earnings on investments and other sources.

The District's expenses predominantly relate to fire protection, which includes administration, firefighting, station utilities and maintenance, and communications.

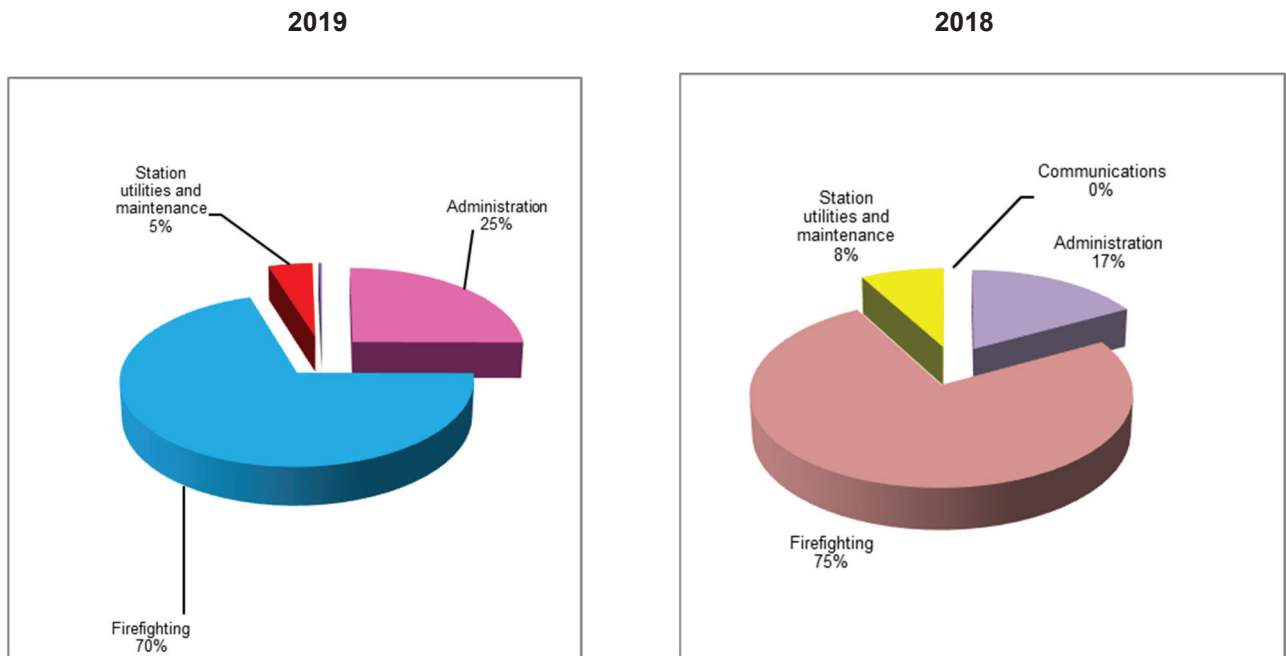
**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Detailed below in Tables 5 and 6 are charts displaying revenues by sources and expenses by program for the District.

**Table 5
Sources of Revenues for Fiscal Year**



**Table 6
Expenses for Fiscal Year**



**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Governmental Activities

The decrease in fund balance for the General Fund was \$72,652 during 2019.

The governmental funds monitor cash resources and expenditures. Capital outlay within these funds was \$557,643 during 2019. A portion \$(518,090) of these expenditures are not considered an expense on the government-wide statement of activities. Rather, these costs are capitalized and expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities (page 17), the net difference between capital outlays and depreciation expenses was \$222,629 for 2019.

Financial Analysis of the District's Funds

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 resources for functional areas of the organization - administration, firefighting, station utilities and maintenance, and communications. 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 and miscellaneous sources. The primary projects or program efforts for establishing needed funding during 2019 were normal operational costs of the District and capital outlay.

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 expenditures would exceed revenues by \$620,022. The actual results for the year show a \$72,652 excess of expenditures over revenues in the General Fund for 2019.

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
- Station Utilities and Maintenance
- Communications

Emergency Reserve

The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2019, the District's TABOR reserve amounted to \$59,300.

**LaSalle Fire Protection District
Management's Discussion and Analysis
For the Year Ended December 31, 2019**

Capital Assets and Debt Administration

Capital Assets

By the end of 2019, the District had invested \$1,659,202, net of accumulated depreciation, in a broad range of capital assets, including land, building, vehicles and other equipment (See Table 7). This amount represents a net increase of \$222,629. 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 \$295,461 while additions amounted to \$518,090, due to the acquisition of real estate property.

**Table 7
Capital Assets (Net of Depreciation)**

	Governmental Activities	
	2019	2018
Land	\$ 660,189	\$ 190,405
Buildings and improvements	164,885	152,352
Vehicles and equipment	834,128	1,093,816
Total	\$ 1,659,202	\$ 1,436,573

Long-Term Debt

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 has no outstanding debt.

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 assessed valuation will see an increase of \$147,203,260 for 2020. This will generate an extra \$758,687 in revenue which should be adequate to cover the district's 2020 budget 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 LaSalle Fire Protection District at 118 Main Street, LaSalle, Colorado 80645.

Basic Financial Statements

LaSalle Fire Protection District
Statement of Net Position
December 31, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 5,885,934
Property taxes receivable	2,569,156
Prepaid items	11,037
Capital assets:	
Not being depreciated	660,189
Being depreciated, net of accumulated depreciation	999,013
Total assets	10,125,329
Deferred outflows of resources	
Deferred outflows of resources relating to pensions	1,024,310
Total deferred outflows of resources	1,024,310
Liabilities	
Accounts payable	12,257
Accrued liabilities	10,529
Noncurrent liabilities:	
Accrued compensated absences payable	10,809
Net pension liability	1,023,141
Total liabilities	1,056,736
Deferred inflows of resources	
Unearned revenue - property taxes	2,569,156
Deferred inflows of resources relating to pensions	275,286
Total deferred inflows of resources	2,844,442
Net position	
Net investment in capital assets	1,659,202
Restricted for:	
Emergencies	59,300
Unrestricted	5,529,959
Total net position	\$ 7,248,461

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

LaSalle Fire Protection District
Statement of Activities
December 31, 2019

	Expenses	Program Revenues		Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
Administration	\$ 470,025	\$ -	\$ -	\$ (470,025)
Firefighting	1,313,438	-	-	(1,313,438)
Station utilities and maintenance	84,875	-	-	(84,875)
Communications	6,406	-	-	(6,406)
Total governmental activities and primary government	\$ 1,874,744	\$ -	\$ -	\$ (1,874,744)
General revenues:				
Property taxes				1,752,597
Specific ownership taxes				111,327
Earnings on investments				98,500
Other				11,202
Total general revenues				1,973,626
Change in net position				98,882
Net position at beginning of year				7,149,579
Net position at end of year				\$ 7,248,461

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

LaSalle Fire Protection District
Balance Sheet
General Fund
December 31, 2019

Assets	
Cash and cash equivalents	\$ 5,885,934
Property taxes receivable	2,569,156
Total assets	\$ 8,455,090
Liabilities, deferred inflows of resources and fund balance	
Liabilities	
Accounts payable	\$ 12,257
Accrued liabilities	10,529
Total liabilities	22,786
Deferred inflows of resources	
Unearned revenue - property taxes	2,569,156
Total deferred inflows of resources	2,569,156
Fund balance	
Restricted for emergencies	59,300
Assigned for subsequent year's expenditures	1,056,083
Unassigned	4,747,765
Total fund balance	5,863,148
Total liabilities, deferred inflows of resources and fund balance	\$ 8,455,090

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

LaSalle Fire Protection District
Reconciliation of the General Fund Balance Sheet
with the Government-Wide Statement of Net Position
December 31, 2019

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

Total fund balance - General Fund	\$ 5,863,148	
Prepaid insurance is reflected as an asset on the statement of net position and is recorded as an expenditure in the year paid in the statement of revenues, expenditures and changes in fund balance.		11,037
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the governmental fund financial statements.		
Capital assets	\$ 4,417,020	
Accumulated depreciation	<u>(2,757,818)</u>	1,659,202
Accrued compensated absences payable are not due and payable from current financial resources and therefore, are not reported as liabilities in the fund financial		(10,809)
Net pension asset and liability amounts, and the related deferred inflows and deferred outflows of resources are not current financial resources or due and payable from current financial resources and, therefore, are not reported in the fund financial statements.		
Net pension liability	\$ (1,023,141)	
Deferred outflows of resources relating to pensions	1,024,310	
Deferred inflows of resources relating to pensions	(275,286)	(274,117)
Total net position - governmental activities		\$ 7,248,461

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

LaSalle Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
December 31, 2019

Revenues	
Taxes	\$ 1,863,924
Earnings on investments	98,500
Other	11,202
Total revenues	1,973,626
Expenditures	
Current:	
Administration	467,300
Firefighting	984,914
Station utilities and maintenance	30,015
Communications	6,406
Capital outlay	557,643
Total expenditures	2,046,278
Excess of revenues over expenditures	(72,652)
Fund balance at beginning of year	5,935,800
Fund balance at end of year	\$ 5,863,148

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

LaSalle Fire Protection District
Reconciliation of the General Fund Statement of Revenues, Expenditures
and Changes in Fund Balance with the Government-Wide Statement of Activities
December 31, 2019

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

Change in fund balance - General Fund	\$	(72,652)
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Decrease in prepaid insurance is reflected as an expense on the government-wide financial statements and the change is not reflected on the governmental fund financial statements.		(372)
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Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, these costs are capitalized on the statement of net position and depreciated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay exceeded depreciation during the period.

Depreciation	(295,461)	
Capital outlay	518,090	222,629

Increase in accrued compensated absences is reflected as an expense on the government-wide financial statements and not reflected in the governmental fund financial statements.		(2,353)
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Pension expense relating to changes in the pension related accounts of the District's defined benefit retirement plans are recognized on the statement of activities and not included in the fund financial statements.		(48,370)
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Change in net position - governmental activities	\$	98,882
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The accompanying notes are an integral part of these financial statements.

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

1. Summary of Significant Accounting Policies

Form of Organization

The LaSalle Fire Protection District (the “District”) is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes (“CRS”). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof, which includes the power to levy taxes against property within the District.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“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 more significant of the District’s accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The District meets the criteria of an “other stand alone government.”

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support. The District does not report any business-type activities.

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The District only has one governmental fund, the General Fund, which is a major fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balance presents increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby 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 of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes, intergovernmental grants, and earnings on investments 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.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Governmental funds are used to account for all or most of a government's general activities. The following is the District's only major governmental fund:

General Fund - The General Fund is the District's primary operating fund. It accounts for all the financial resources of the District.

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the District staff submits to the Board of Directors, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them;
- A public hearing is conducted to obtain taxpayer comments;
- Prior to December 31, the budget is legally enacted through passage of a resolution;
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Directors through passage of a formal resolution;
- The District legally adopts budgets for all of the funds of the District on a basis consistent with GAAP;
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

The original and final budgeted expenditures for the General Fund for the year ended December 31, 2019 were \$2,595,491.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and demand deposits. All cash equivalents have an original maturity date of less than three months.

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2019. Property taxes levied on December 31, 2019, are identified as property taxes receivable and deferred inflows of resources.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items in the government-wide financial statements and will be reflected as expenditures in the year paid in the governmental fund financial statements.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable District activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

LaSalle Fire Protection District
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Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

Description	Estimated Lives
Land	N/A
Buildings and improvements	7 - 30 years
Vehicles and equipment	7 - 12 years

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Upon termination of employment from the District, an employee will be compensated for up to 48 hours of unused personal leave. As of December 31, 2019, the District had a balance in accrued compensated absences of \$10,809. During the year ended December 31, 2019, employees earned \$45,990 and used or forfeited \$43,637 of their accrued benefits.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements, regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources relate to pensions (see Note 5).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources relate to deferred property taxes and pensions (see Note 5).

Fund Balance and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

LaSalle Fire Protection District
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Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact;

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments;

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the "Board"). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board;

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes; or

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which they are levied provided they become available and measurable. Property tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

LaSalle Fire Protection District
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Pensions

The District contributes to the Statewide Defined Benefit Plan (“SWDBP”). The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDBP plan and additions to/deductions from the SWDBP plan fiduciary net position have been determined on the same basis as they are reported by the FPPA. 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.

In addition, the District contributes to a defined benefit pension plan to provide retirement income for volunteer firefighters in recognition of their service to the District. This plan is an agent multiple-employer Public Employee Retirement System affiliated with the FPPA for the purpose of administering the plan and managing the funds of the plan for investment.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

Custodial Credit Risk - Deposits

Colorado state statutes govern the entity’s deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (“PDPA”) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (“FDIC”) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2019, the District had deposits with financial institutions with a carrying amount of \$1,783,411. The bank balances with the financial institutions were \$1,789,483, of which \$250,000 was covered by federal depository insurance. The remaining balance of \$1,539,483 was collateralized with securities held by the financial institutions’ agents but not in the District’s name.

At December 31, 2019, the District had cash and cash equivalent balances as follows:

Cash on hand	\$	200
Cash with county treasurer		9,845
Bank deposits		1,783,411
Local government investment pool		4,092,478
	\$	5,885,934

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the District may invest, which include:

- Certificates of deposit with an original maturity in excess of three months;
- Certain obligations of the United States and U.S. Government agency securities;
- Certain international agency securities;
- General obligation and revenue bonds of U.S. local government entities;
- Banker's acceptance of certain banks;
- Commercial paper;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market funds;
- Guaranteed investment contracts;
- Local government investment pools.

The District's policy is to hold investments until maturity.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2019, the District had no investments exposed to custodial credit risk.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

Local Government Investment Pools

At December 31, 2019, the District had invested \$4,092,478 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

3. Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 190,405	\$ 469,784	\$ -	\$ 660,189
Total capital assets, not being depreciated	190,405	469,784	-	660,189
Capital assets, being depreciated:				
Buildings and improvements	871,761	27,840	-	899,601
Vehicles and equipment	2,836,764	20,466	-	2,857,230
Total capital assets, being depreciated	3,708,525	48,306	-	3,756,831
Less accumulated depreciation for:				
Buildings and improvements	(719,409)	(15,307)	-	(734,716)
Vehicles and equipment	(1,742,948)	(280,154)	-	(2,023,102)
Total accumulated depreciation	(2,462,357)	(295,461)	-	(2,757,818)
Total capital assets being depreciated, net	1,246,168	(247,155)	-	999,013
Total capital assets, net	\$1,436,573	\$ 222,629	\$ -	\$1,659,202

Depreciation expense of \$280,154 has been allocated to the firefighting activity and \$15,307 to station utilities and maintenance.

4. 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 employees; and natural disasters.

The District carries commercial insurance covering specific and general risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

5. Defined Benefit Pension Plans

The following tables present combining information relating to the District's Defined Benefit Pension Plans as of and for the year ended December 31, 2019.

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

	Volunteer Firefighters' Pension Plan	Statewide Defined Benefit Plan	Combined
Deferred outflows of resources at December 31, 2019			
Differences between expected and actual experience	\$ -	\$ 192,633	\$ 192,633
Changes of assumptions or other inputs	99,724	145,192	244,916
Net difference between projected and actual earnings			
on pension plan investments	229,347	117,935	347,282
District contributions subsequent to measurement date	175,991	63,488	239,479
Total deferred outflows of resources relating to pensions	\$ 505,062	\$ 519,248	\$ 1,024,310
Deferred inflows of resources at December 31, 2019			
Differences between expected and actual experience	\$ 59,535	\$ 1,602	\$ 61,137
Net difference between projected and actual earnings			
on pension plan investments	115,375	-	115,375
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	98,774	98,774
Total deferred inflows of resources relating to pensions	\$ 174,910	\$ 100,376	\$ 275,286
Net pension liability as of December 31, 2019	\$ 873,222	\$ 149,919	\$ 1,023,141
Total pension expense for the year ended December 31, 2019	\$ 159,666	\$ 128,183	\$ 287,849

Volunteer Firefighters' Pension Plan

Plan Description. The District has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA"). As of December 31, 2019, the Plan has 30 retirees and beneficiaries, 1 inactive, nonretired members, and 20 active members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at www.fppaco.org.

Benefits Provided. The Plan provides for a monthly pension of \$1,000 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, lump sum payment of \$2,000.

Funding Policy. The funding of the plan by the District and members is authorized by the Board of Directors. The District can contribute to this pension plan an annual amount, with a tax levy not to exceed one mill on the assessed valuation of the District. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts

LaSalle Fire Protection District
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contributed by the employer up to maximum of one half (1/2) mill on the assessed valuation or 90% of District contributions, whichever is less. Since the District currently offers maximum retirement benefits in excess of \$350 per month on an actuarially sound basis, and the amount of State contributions provided in the prior year.

The District contributed \$175,991 and the State of Colorado contributed \$45,770 to the plan for the year ended December 31, 2019.

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 \$873,222. 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 as of January 1, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2018.

For the year ended December 31, 2019, the District recognized pension expense of \$159,666 relating to the volunteer firefighters' pension plan. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the volunteer firefighters' pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 59,535
Changes of assumptions or other inputs	99,724	-
Net difference between projected and actual earnings on pension plan investments	229,347	115,375
District contributions subsequent to measurement date	175,991	-
	\$ 505,062	\$ 174,910

The \$175,991 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,	Amortization
2020	\$ 61,746
2021	30,774
2022	17,819
2023	43,822
	\$ 154,161

LaSalle Fire Protection District
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Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	20 years
Asset valuation Period	5-year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	<p>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.</p> <p>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 scale for all years.</p> <p>Disabled: 2006 central rates from the RP-2014 Disabled 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.</p>

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 3.71% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate form Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Long-term expected return on plan assets. 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 real rates of return which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund’s target asset allocation as of December 31, 2018 are summarized in the following table:

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Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash	2%	2.52%
Fixed Income	15%	2.90%
Managed Futures	4%	5.35%
Absolute Return	9%	5.08%
Equity Long/Short	9%	6.45%
Global Equity	37%	8.03%
Private Markets	24%	10.00%
Total	100%	

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District’s proportionate share of the net pension liability	\$ 1,221,043	\$ 873,222	\$ 577,834

FPPA System Description. The FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plan has elected to affiliate with FPPA for plan administration and investment only.

State of Colorado Fire and Police Pension Association - Statewide Defined Benefit Plan

Plan Description. The District contributes to the Statewide Defined Benefit Plan (“SWDBP”), a cost-sharing multiple-employer defined benefit pension plan administered by FPPA for firefighters hired on or after April 8, 1978 (New Hires), provided that they are not already covered by statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The plan became effective January 1, 1980. All full-time, paid firefighters of the District are members of the SWDBP Plan.

The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Directed Investment Fund (for Deferred Retirement Option Plan (“DROP”) asset and Separate Retirement Account assets from eligible retired members).

Benefits Provided. SWDBP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 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

LaSalle Fire Protection District
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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.

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 2.5 percent for each year of service thereafter.

Contributions. Contribution rates for the SWDBP 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 SWDBP plan and their employers are contributing at the rate of 10 percent and 8 percent, respectively, of base salary for a total contribution rate of 18 percent in 2018. In 2014, the members elected to increase the member contribution rate to the SWDBP plan beginning in 2015. 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 reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 22.0% of base salary in 2018. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group also had 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 5.0% and 4.0%, respectively, of base salary for a total contribution rate of 8 percent in 2018. Per the 2014 member election, members of the affiliate social security group had 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 4.0% resulting in a combined contribution rate of 10 percent in 2022.

Employer contributions are recognized by SWDBP in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SWDBP. Employer contributions recognized by SWDBP from the District were \$63,488 for the year ended December 31, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2019, the District reported net pension liability of \$149,919 for its proportionate 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 as of that date. 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 Departments, actuarially determined. At December 31, 2018, the District's proportion was 0.11858%, which was an decrease of 0.00168% from its proportion measured as of December 31, 2017.

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For the year ended December 31, 2019, the District recognized pension expense of \$128,183 related to the SWDB plan. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the SWDBP plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 192,633	\$ 1,602
Changes of assumptions or other inputs	145,192	-
Net difference between projected and actual earnings on pension plan investments	117,935	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	98,774
District contributions subsequent to measurement date	63,488	-
	\$ 519,248	\$ 100,376

The \$63,488 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,	Amortization
2020	\$ 71,081
2021	50,059
2022	27,679
2023	73,402
2024	26,071
Thereafter	107,092
	\$ 355,384

Actuarial Assumptions. The actuarial valuations for the 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 *	7.0 %	7.5 %
Projected salary increases *	4.25 - 11.25 %	4.0 - 14.0 %
Cost of Living Adjustment	0.0 %	0.0 %
* Includes Inflation at	2.5 %	2.5 %

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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 nondisabled 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.

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 Rate of Return
Global Equity	37%	8.33%
Equity Long/Short	9%	7.15%
Private Markets	24%	9.70%
Fixed Income	15%	3.00%
Absolute Return	9%	6.46%
Managed Futures	4%	6.85%
Cash	2%	2.52%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. 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 SWDBP 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.

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

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%; 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%

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District’s proportionate share of the net pension liability (asset)	\$ 581,369	\$ 149,919	\$ (207,960)

Pension Plan Fiduciary Net Position. Detailed information about the SWDBP’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

6. Voluntary Investment Program

Description - Effective May 1, 2010, employees of the District who are members of the SWDB (see Note 5) may voluntarily contribute to the Voluntary Investment Program (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is optional, and contributions are separate from others made to FPPA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 457 Plan provisions to the State Legislature.

Funding Policy - The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$19,000 for calendar year 2019 and \$18,500 for the calendar years 2018 and 2017). Catch-up contributions up to \$6,000 for calendar years 2019, 2018, and 2017 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v). For the years ended December 31, 2019, 2018 and 2017, \$40,776, \$29,060 and \$12,049 contributions were made to this 457 Plan, respectively.

7. TABOR Compliance

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

LaSalle Fire Protection District
Notes to Financial Statements
Year Ended December 31, 2019

voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local districts to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$59,300 for this purpose.

On May 7, 1996, the voting citizens of the District authorized the District to be governed by prior state law regarding retention and limitation of revenues to a 5.5% increase per year as determined by the division of local governments for the year of 1997, also to be effective for all years thereafter.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

8. Subsequent Events

Management of the District has evaluated subsequent events through September 24, 2020, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to or disclosure in the financial statements were identified.

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”) has caused disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the District’s operations and finances will be affected is also uncertain. Therefore, while we expect this matter to negatively impact our results of operations, and financial position, the related impact cannot be reasonably estimated at this time.

Required Supplementary Information

LaSalle Fire Protection District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Budget and Actual) - General Fund
December 31, 2019

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$1,910,469	\$1,910,469	\$ 1,863,924	\$ (46,545)
Earnings on investments	50,000	50,000	98,500	48,500
Other	15,000	15,000	11,202	(3,798)
Total revenues	\$1,975,469	1,975,469	1,973,626	(1,843)
Expenditures				
Current:				
Administration	516,991	516,991	467,300	49,691
Firefighting	1,039,200	1,039,200	984,914	54,286
Station utilities and maintenance	121,800	121,800	30,015	91,785
Communications	7,500	7,500	6,406	1,094
Capital outlay	850,000	850,000	557,643	292,357
Reserves	60,000	60,000	-	60,000
Total expenditures	2,595,491	2,595,491	2,046,278	549,213
Change in fund balance	\$ (620,022)	\$ (620,022)	(72,652)	\$ 547,370
Fund balance at beginning of year			5,935,800	
Fund balance at end of year			\$ 5,863,148	

See accompanying Independent Auditor's Report.

LaSalle Fire Protection District
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)
FPPA - Cost-Sharing Defined Benefit Plan
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014
Distict's proportion of the net pension asset	0.11858%	0.11690%	0.14424%	0.11926%	0.11787%	0.11391%
District's proportionate share of the net pension liability / (asset)	\$ 149,919	\$ (168,177)	\$ 52,121	\$ (2,102)	\$ (133,029)	\$ (144,267)
District's covered payroll	\$ 991,075	\$ 637,623	\$ 624,364	\$ 618,938	\$ 616,417	\$ 548,500
District's proportionate share of the net pension liability (asset) as a percentage of of its covered payroll	15.13%	-26.38%	8.35%	-0.34%	-21.58%	-26.30%
Plan fiduciary net position as a percentage of the total pension	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of 12/31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

**LaSalle Fire Protection District
Schedule of District Contributions
FPPA - Statewide Defined Benefit Plan
Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
Statutorily Required Contribution	\$ 63,488	\$ 79,286	\$ 51,009	\$ 49,950	\$ 46,253	\$ 42,406	\$ 39,582
Contributions in Relation to the Contribution	63,488	79,286	51,009	49,950	46,253	42,406	39,582
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 793,600	\$ 991,075	\$ 637,623	\$ 624,364	\$ 618,938	\$ 616,417	\$ 548,500
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	7.47%	6.88%	7.22%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

LaSalle Fire Protection District
Schedule of Changes in Net Pension Liability/(Asset)
and Related Ratios - Volunteer Firefighters' Pension Plan
Last Ten Fiscal Years

Measurement Period Ended December 31,	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 16,765	\$ 16,765	\$ 9,521	\$ 9,521	\$ 5,130
Interest on the Total Pension Liability	269,415	273,733	262,041	268,212	140,811
Benefit Changes	-	-	-	-	1,500,070
Difference Between Expected and Actual Experience	(80,076)	-	106,931	-	410,511
Assumption Changes	134,132	-	128,442	-	-
Benefit Payments	(347,113)	(349,000)	(360,000)	(360,000)	(360,000)
Net Change in Total Pension Liability	(6,877)	(58,502)	146,935	(82,267)	1,696,522
Total Pension Liability - Beginning	3,754,391	3,812,893	3,665,958	3,748,225	2,051,703
Total Pension Liability - Ending	\$ 3,747,514	\$ 3,754,391	\$ 3,812,893	\$ 3,665,958	\$ 3,748,225
Plan Fiduciary Net Position					
Employer Contributions	\$ 162,000	\$ 160,569	\$ 228,291	\$ 221,274	\$ 198,954
Pension Plan Net Investment Income	2,075	395,340	143,695	49,881	181,797
Benefit Payments	(347,113)	(349,000)	(360,000)	(360,000)	(360,000)
Pension Plan Administrative Expenses	(11,616)	(13,488)	(3,110)	(6,086)	(4,543)
State of Colorado Supplemental Discretionary Payment	45,770	45,770	45,770	45,770	45,770
Net Change in Plan Fiduciary Net Position	(148,884)	239,191	54,646	(49,161)	61,978
Plan Fiduciary Net Position - Beginning	3,023,176	2,783,985	2,729,339	2,778,500	2,716,522
Plan Fiduciary Net Position - Ending	\$ 2,874,292	\$ 3,023,176	\$ 2,783,985	\$ 2,729,339	\$ 2,778,500
Net Pension Liability/(Asset) - Ending	\$ 873,222	\$ 731,215	\$ 1,028,908	\$ 936,619	\$ 969,725
Plan Fiduciary Net Position as a Percentage of Total					
Pension Liability	76.70%	80.52%	73.02%	74.45%	74.13%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See accompanying Independent Auditor's Report.

**LaSalle Fire Protection District
Schedule of District Contributions
Volunteer Firefighters' Pension Plan
Last Ten Fiscal Years**

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2008	\$ 179,126	\$ 179,126	\$ -	N/A	N/A
2009	\$ 175,645	\$ 175,645	\$ -	N/A	N/A
2010	\$ 175,645	\$ 175,645	\$ -	N/A	N/A
2011	\$ 181,261	\$ 181,261	\$ -	N/A	N/A
2012	\$ 233,171	\$ 233,171	\$ -	N/A	N/A
2013	\$ 275,854	\$ 275,854	\$ -	N/A	N/A
2014	\$ 244,724	\$ 244,724	\$ -	N/A	N/A
2015	\$ 267,044	\$ 267,044	\$ -	N/A	N/A
2016	\$ 267,044	\$ 274,061	\$ (7,017)	N/A	N/A
2017	\$ 90,939	\$ 206,339	\$ (115,400)	N/A	N/A
2018	\$ 90,939	\$ 207,770	\$ (116,831)	N/A	N/A
2019	\$ 98,735	\$ 221,761	\$ (123,026)	N/A	N/A

See accompanying Independent Auditor's Report.

Notes to Schedule of Contributions:

Actual Contribution includes both employer and State of Colorado Supplemental Discretionary Payment.

Valuation Date:

Actuarially determined contributions rates are calculated as of January 1 of odd number years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2017, determines the contribution amounts for 2017 and 2018.