

LYONS FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

December 31, 2019

TABLE OF CONTENTS

Title Page

Table of Contents

FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis i - iv

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 1

Statement of Activities 2

Fund Financial Statements

Balance Sheet – Governmental Funds 3

Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds 4

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances – Governmental Funds to the Statement of Activities 5

Notes to the Financial Statements 6 – 28

Required Supplemental Information

General Fund – Budgetary Comparison Schedule 29

Schedule of Contributions 30

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios 31

Schedule of the District's Proportionate Share 32

Schedule of the District's Contributions 33

Individual Fund Schedules

Bond Fund – Budgetary Comparison Schedule 34

Acquisition Fund – Budgetary Comparison Schedule 35

FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Directors
Lyons Fire Protection District
Lyons, 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 Lyons 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 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 each major fund of the Lyons Fire Protection District, as of December 31, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison and pension information on pages 29-33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lyons Fire Protection District's financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such 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. The 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 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 individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Cutler & Associates, LLC

May 25, 2020

LYONS FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of Lyons Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the District's financial statements which begin on page 1.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The District's basic financial statement consists of three components: 1) the government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., uncollected taxes). The government-wide financial statements detail functions of the District that are principally supported by tax revenues (governmental activities), grants and charges for services. The governmental activity of the District is public safety – Fire/Emergency Services.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements can be found on pages 3 through 5 of this report. The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund is on page 29 of this report.

Notes to 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 6 through 28 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information consisting of the schedules of revenues, expenditures and changes in fund balance – budget to actual – General, Bond, and Acquisition Funds and the summary of historical information of the Defined Benefit Pension Plans, which can be found on pages 30 through 33 of this report.

Lyons Fire Protection District
Condensed Statement of Net Position
December 31,

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Assets		
Current assets	2,262,288	2,060,313
Pension assets	212,083	291,970
Capital assets	2,396,663	2,435,194
Total Assets	4,871,034	4,787,477
Deferred Outflows of Resources	266,475	128,728
Liabilities		
Current liabilities	41,729	31,849
Long-term liabilities	349,947	413,305
Total Liabilities	391,676	445,154
Deferred Inflows of Resources	1,051,198	953,193
Net Position		
Invested in capital assets, net of related debt	2,061,685	2,021,889
Restricted	29,000	29,000
Unrestricted	1,603,950	1,466,969
Total Net Position	3,694,635	3,517,858

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3,694,635 at the close of the most recent fiscal year.

The District's net position reflect its investment in capital assets (e.g. land, buildings and improvements, equipment and vehicles) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

From 2018 to 2019, the District's total assets increased \$83,557. The increase is attributable to greater amounts of property taxes receivable due to higher property valuations. Total liabilities decreased \$53,478, primarily due to reduction of long term debt. The Statement of Net Position can be found on page 1.

**Lyons Fire Protection District
Condensed Statement of Activities
December 31,**

	Governmental Activities	
	<u>2019</u>	<u>2018</u>
Revenues		
Program Revenues		
Grants and donations	23,384	207,558
General Revenues		
Taxes	917,286	893,327
Investment Earnings	33,301	23,869
Other	6,211	41,721
Total General Revenues	<u>956,798</u>	<u>958,917</u>
Total Revenues	<u>980,182</u>	<u>1,166,475</u>
Expenses		
General government	784,893	732,024
Interest on long term debt	18,512	17,635
Total expenses	<u>803,405</u>	<u>749,659</u>
Change in Net Position	176,777	416,816
Net Position, Beginning	3,517,858	3,101,042
Net Position, Ending	<u>3,694,635</u>	<u>3,517,858</u>

The District's overall financial position, as measured by net position, increased \$176,777 during 2019, primarily due to delays in capital equipment expenditures.

Financial Analysis of the District's Funds

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental funds follows.

Government Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and the balance of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Fund balances are detailed on page 3 of this report.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$1,270,801.

Of this fund balance, \$628,363 is restricted, meaning it is not available for new spending, because it has already been committed for emergencies under Taxpayers' Bill of Rights (TABOR), debt service, and capital outlay. The \$642,438 remainder of the fund balance is unreserved and undesignated.

General Fund Budgetary Highlights

Budget Variances: The budget to actual comparison details can be seen on pages 29, 34, and 35 of the financial statements. General fund revenues exceeded budget by \$15,208 due to greater than expected specific ownership taxes and interest. Actual expenditures were under budget by \$257,868 primarily because anticipated capital expenditures lagged behind schedule, as well as lower than projected staffing and administrative costs.

Capital Asset and Debt Administration

Capital Assets: The District's investment in capital assets at December 31, 2019 amounted to \$2,396,663 (net of accumulated depreciation/amortization). The analysis of changes in capital assets is as follows:

Capital Assets (Net of Depreciation)

	<u>2018</u>	<u>Change</u>	<u>2019</u>
Land	45,017	0	45,017
Construction in progress	56,041	0	56,041
Buildings	1,443,224	(42,144)	1,401,080
Vehicles	890,912	3,613	894,525
Total	<u>2,435,194</u>	<u>(38,531)</u>	<u>2,396,663</u>

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

Long-Term Obligations: At the end of the current fiscal year, the District had total outstanding long term debt of \$486,632. The analysis of changes in long term debt is as follows:

Long Term Obligations

	<u>2018</u>	<u>Change</u>	<u>2019</u>
Series 2011 G.O. Bonds	400,000	(75,000)	325,000
Series 2011 Bond Premium	13,305	(3,327)	9,978
Total	<u>413,305</u>	<u>(78,327)</u>	<u>334,978</u>

During 2019, the District made the scheduled principal and interest payments on the bond obligation. Additional information on the District's long-term obligations can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

The District's revenues in 2020 are expected to be comparable to 2019, while expenditures for 2020 are expected to be greater than 2019 as deferred capital outlays are completed. The District does not anticipate significant adverse impact on tax revenues in 2020 due to the COVID-19 pandemic, but it is possible that future years' tax revenues could be affected.

Request for Information

The financial report is designed to provide a general overview of the District's finances for all those interested in the government's finances. Questions concerning any of the information provided in the report or additional financial information should be addressed to: Lyons Fire Protection District, P.O. Box 695, Lyons, CO 80540.

BASIC FINANCIAL STATEMENTS

LYONS FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

As of December 31, 2019

	Governmental Activities	
	2019	2018
ASSETS		
Cash and Investments	\$ 1,300,817	\$ 1,176,685
Receivables		
Property Taxes	949,758	868,789
Accounts	5,855	4,998
Prepaid Items	5,858	9,841
Net Pension Asset - Volunteer Pension	212,083	272,746
Net Pension Asset - SWDB Pension	-	19,224
Capital Assets, not depreciated	101,058	101,058
Capital Assets, depreciated, net of accumulated depreciation	2,295,605	2,334,136
TOTAL ASSETS	4,871,034	4,787,477
DEFERRED OUTFLOWS OF RESOURCES		
Related to Volunteer Pension	193,966	87,175
Related to SWDB Pension	72,509	41,553
TOTAL DEFERRED OUTFLOWS OF RESOURCES	266,475	128,728
LIABILITIES		
Accounts Payable	27,768	19,777
Accrued Expenses	13,961	12,072
Noncurrent Liabilities		
Due within One Year	75,000	75,000
Due in More Than One Year	259,978	338,305
Net Pension Liability - SWDB Pension	14,969	-
TOTAL LIABILITIES	391,676	445,154
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax Revenue	949,758	864,198
Related to Volunteer Pension	101,280	69,222
Related to SWDB Pension	160	19,773
TOTAL DEFERRED INFLOWS OF RESOURCES	1,051,198	953,193
NET POSITION		
Net Investment in Capital Assets	2,061,685	2,021,889
Restricted for Emergencies	29,000	29,000
Unrestricted	1,603,950	1,466,969
TOTAL NET POSITION	\$ 3,694,635	\$ 3,517,858

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

LYONS FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position	
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
PRIMARY GOVERNMENT				2019	2018
Governmental Activities					
Fire Administration	\$ 431,463	\$ -	\$ -	\$ (431,463)	\$ (360,277)
Fire Fighting and Prevention	337,561	23,384	-	(314,177)	(160,565)
Other	15,869	-	-	(15,869)	(3,624)
Interest on Long-term Debt	18,512	-	-	(18,512)	(17,635)
Total Governmental Activities	<u>\$ 803,405</u>	<u>\$ 23,384</u>	<u>\$ -</u>	(780,021)	(542,101)
GENERAL REVENUES					
				865,592	856,299
				51,694	37,028
				33,301	23,869
				6,211	41,721
				<u>956,798</u>	<u>958,917</u>
				176,777	416,816
				<u>3,517,858</u>	<u>3,101,042</u>
				<u>\$ 3,694,635</u>	<u>\$ 3,517,858</u>

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

LYONS FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2019

	GENERAL FUND	BOND FUND	ACQUISITION FUND	TOTAL GOVERNMENTAL FUNDS	
				2019	2018
ASSETS					
Cash and Investments	\$ 1,010,661	\$ 19,425	\$ 270,731	\$ 1,300,817	\$ 1,176,685
Property Taxes Receivable	700,089	93,626	156,043	949,758	868,789
Interfund Receivable	62,972	4,117	-	67,089	29,865
Accounts Receivable	4,659	472	724	5,855	4,998
Prepaid Expenses	5,858	-	-	5,858	9,841
TOTAL ASSETS	\$ 1,784,239	\$ 117,640	\$ 427,498	\$ 2,329,377	\$ 2,090,178
LIABILITIES					
Accounts Payable	\$ 21,320	\$ -	\$ 6,448	\$ 27,768	\$ 19,777
Interfund Payable	-	-	67,089	67,089	29,865
Accrued Expenses	13,961	-	-	13,961	12,072
TOTAL LIABILITIES	35,281	-	73,537	108,818	61,714
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenue	700,089	93,626	156,043	949,758	864,198
FUND BALANCE					
Fund Balance					
Nonspendable	5,858	-	-	5,858	9,841
Restricted for Emergencies	29,000	-	-	29,000	29,000
Restricted for Debt Service	-	24,014	-	24,014	22,495
Restricted for Acquisitions	-	-	197,918	197,918	150,034
Committed for Acquisitions	371,573	-	-	371,573	294,383
Unassigned	642,438	-	-	642,438	658,513
TOTAL FUND BALANCE	1,048,869	24,014	197,918	1,270,801	1,164,266
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,784,239	\$ 117,640	\$ 427,498		
Amounts reported for governmental activities in the statement of Net Position are different because:					
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.				2,396,663	2,435,194
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include Bonds Payable (\$325,000), Bond Premium (\$9,978), Net Pension Liability \$197,114, Deferred Outflows Related to Pensions \$266,475 and Deferred Inflows Related to Pensions (\$101,440).				27,171	(81,602)
Net Position of governmental activities				\$ 3,694,635	\$ 3,517,858

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

LYONS FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	GENERAL FUND	BOND FUND	ACQUISITION FUND	TOTAL GOVERNMENTAL FUNDS	
				2019	2018
REVENUES					
Taxes	\$ 675,733	\$ 95,160	\$ 146,393	\$ 917,286	\$ 893,327
Grants and Donations	23,384	-	-	23,384	207,558
Interest	26,960	1,304	5,037	33,301	23,869
Miscellaneous	6,211	-	-	6,211	41,721
TOTAL REVENUES	732,288	96,464	151,430	980,182	1,166,475
EXPENDITURES					
Fire Administration	245,453	-	4,772	250,225	226,946
Firefighting, Prevention and Emergency Response	220,974	-	26,000	246,974	254,328
Training	14,983	-	-	14,983	10,769
Equipment Repair and Maintenance	28,066	-	-	28,066	70,984
Site and Buildings	11,417	-	8,918	20,335	77,248
Acquisitions	92,090	-	61,651	153,741	79,294
Volunteer Pension Contribution	49,942	-	-	49,942	47,640
Other	12,231	1,433	2,205	15,869	3,624
Debt Service					
Principal	-	75,000	-	75,000	70,000
Interest and Fiscal Charges	-	18,512	-	18,512	20,962
TOTAL EXPENDITURES	675,156	94,945	103,546	873,647	861,795
NET CHANGE IN FUND BALANCES	57,132	1,519	47,884	106,535	304,680
FUND BALANCES, Beginning	991,737	22,495	150,034	1,164,266	859,586
FUND BALANCES, Ending	<u>\$ 1,048,869</u>	<u>\$ 24,014</u>	<u>\$ 197,918</u>	<u>\$ 1,270,801</u>	<u>\$ 1,164,266</u>

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

LYONS FIRE PROTECTION DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 106,535
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$134,623), exceeded capital outlay \$96,092, for the current period.	(38,531)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position. These include payments on bonds of \$75,000 and amortization of bond premium \$3,327.	78,327
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	<u>30,446</u>
Change in Net Position of Governmental Activities	<u><u>\$ 176,777</u></u>

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

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lyons Fire Protection District was formed to provide fire protection and emergency medical services to the Town of Lyons and surrounding area within its boundaries. The District is governed by a five-member Board of Directors elected by the residents.

The accounting policies of the Lyons Fire Protection District (the “District”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

In accordance with governmental accounting standards, the Lyons Fire Protection District has considered the possibility of inclusion of additional entities in its financial statements.

The definition of the reporting entity is based primarily on financial accountability. The District is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if District officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. The District may also be financially accountable for organizations that are fiscally dependent upon it.

Lyons Fire Fund

The District has established the Lyons Fire Fund as a 501(c)(3) supporting organization for the purpose of raising funds to augment the district budget to further its mission.

The activity of the Lyons Fire Fund will be included in the General Fund of the District.

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 nonfiduciary 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 and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the 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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Property taxes, specific ownership taxes, grants, 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Bond Fund* accounts for the accumulation of resources for, and the payment of, governmental long-term debt principal, interest and related costs.

The *Acquisition Fund* accounts for the accumulation of resources for, and the payment of, capital equipment and other firefighting activities provided by the District.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column 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 two years. 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 assets' lives are not capitalized.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Buildings	50 years
Building Improvements	50 years
Machinery and Equipment	5 - 10 years
Vehicles	15 years

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities fund type statement of net position.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The Board has the authority to revisit or alter this designation.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District classifies Prepaid Expenses as nonspendable as these items are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the District has classified the Bond Fund as restricted because its use is restricted for debt service payments and has classified the Acquisition Fund as restricted because its use is restricted by a vote of taxpayers.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District has committed resources to be set aside on an annual basis for future replacement of apparatus.
- **Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources.

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment with the District, an employee may be compensated for all accrued vacation time at the current rate of pay. All vacation must be used by the end of the year or the employee will forfeit the paid time off. Therefore, no liability is recorded in the financial statements.

Deferred Outflows/Inflows of Resources

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

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

- In September, District Management submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- District Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY(Continued)

Budgets and Budgetary Accounting (Continued)

- Budgets are legally adopted for all funds of the District on a basis consistent with generally accepted accounting principles (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.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2019 follows:

Petty Cash	\$ 700
Cash Deposits	31,510
Investments	<u>1,268,607</u>
Total	<u>\$ 1,300,817</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2019, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution 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 District has no policy regarding custodial credit risk for deposits.

At December 31, 2019, the District had deposits with financial institutions with a carrying amount of \$31,510. The bank balances with the financial institutions were \$31,510. All of these balances were covered by federal depository insurance.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Investments

Interest Rate Risk

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

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pool

The District had invested \$1,268,607 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2019, is summarized below:

	<u>Balances</u> <u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/19</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 45,017	\$ -	\$ -	\$ 45,017
Construction in Progress	<u>56,041</u>	<u>-</u>	<u>-</u>	<u>56,041</u>
Total Capital Assets, not depreciated	<u>101,058</u>	<u>-</u>	<u>-</u>	<u>101,058</u>
Capital Assets, depreciated				
Buildings	1,770,704	-	-	1,770,704
Land Improvements	126,028	-	-	126,028
Machinery and Equipment	180,034	50,022	-	230,056
Vehicles	<u>1,856,350</u>	<u>46,070</u>	<u>-</u>	<u>1,902,420</u>
Total Capital Assets, depreciated	<u>3,933,116</u>	<u>96,092</u>	<u>-</u>	<u>4,029,208</u>
Less Accumulated Depreciation				
Buildings	433,747	38,058	-	471,805
Land Improvements	19,761	4,086	-	23,847
Machinery and Equipment	147,000	3,873	-	150,873
Vehicles	<u>998,472</u>	<u>88,606</u>	<u>-</u>	<u>1,087,078</u>
Total Accumulated Depreciation	<u>1,598,980</u>	<u>134,623</u>	<u>-</u>	<u>1,733,603</u>
Total Capital Assets, depreciated, Net	<u>2,334,136</u>	<u>(38,531)</u>	<u>-</u>	<u>2,295,605</u>
Governmental Activities, Capital Assets, Net	<u>\$ 2,435,194</u>	<u>\$ (38,531)</u>	<u>\$ -</u>	<u>\$ 2,396,663</u>

Depreciation expense was charged to Fire Administration.

NOTE 5: LONG-TERM DEBT

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

	<u>Balance</u> <u>12/31/18</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/19</u>	<u>Due In</u> <u>One Year</u>
Series 2011 G.O. Bonds	\$ 400,000	\$ -	\$ 75,000	\$ 325,000	\$ 75,000
Series 2011 Bond Premium	<u>13,305</u>	<u>-</u>	<u>3,327</u>	<u>9,978</u>	<u>-</u>
Total	<u>\$ 413,305</u>	<u>\$ -</u>	<u>\$ 78,327</u>	<u>\$ 334,978</u>	<u>\$ 75,000</u>

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 5: LONG-TERM DEBT (Continued)

Series 2011 G.O. Bond

2011 General Obligation (G.O.) Bonds, dated February 17, 2011, with principal and interest payments due semi-annually on June 1 and December 1, through 2023. Interest accrues at rates ranging from 3.00% to 5.00%. Bonds maturing on or after December 1, 2021, are subject to early redemption on any interest payment date, without any redemption premium.

Future Debt Service Requirements

Annual debt service requirements for the bonds at December 31, 2019, are as follows.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 75,000	\$ 15,500	\$ 90,500
2021	75,000	12,500	87,500
2022	85,000	8,750	93,750
2023	<u>90,000</u>	<u>4,500</u>	<u>94,500</u>
Total Debt Service Requirements	<u>\$ 325,000</u>	<u>\$ 41,250</u>	<u>\$ 366,250</u>

NOTE 6: DEFINED BENEFIT PENSION PLANS

Volunteer Firefighters' Pension Plan

Summary of Significant Accounting Policies

The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

General Information about the Pension Plan

Plan Description. Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for years of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Funding Policy. An actuary is used to determine the annual required contribution ("ARC") necessary to maintain the actuarial soundness of the Plan. Colorado law requires the State to make an annual contribution to the Plan. Because the District's monthly benefit amount is over \$300, the State's annual contribution is calculated as the highest State contribution made between 1998 and 2001. The District makes an additional contribution to support the plan.

The actuarial study as of January 1, 2018, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan.

At December 31, 2019 there are 19 retired volunteers receiving benefits, 3 active volunteers and 9 inactive, nonretired volunteers.

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

At December 31, 2018, the District reported asset of \$212,083. The net pension asset was measured as of December 31, 2017 and was determined by an actuarial valuation as of January 1, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2019.

For the year ended December 31, 2019 the District recognized pension expense of \$35,872.

LYONS FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,953	\$53,453
Net difference between projected and actual earnings on pension plan investments	\$96,926	\$47,827
Change in assumptions and other inputs	\$45,145	N/A
Contributions subsequent to the measurement date	\$49,942	N/A
Total	\$193,966	\$101,280

\$49,942 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2020	\$21,008
2021	\$6,974
2022	(\$1,188)
2023	\$15,950
2024	-

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

Actuarial assumptions: Method, and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar Open*
Remaining Amortization Period:	20 years*
Asset Valuation Method:	5-Year smoothed fair value
Inflation	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	Pre-retirement: RP-2014 Combined Mortality Table with Blue Collar Adjustment, 55% multiplier for off-duty mortality. Post-retirement: RP-2014 Combined Mortality Table, with Blue Collar Adjustment. Disabled: RP-2000 Disabled Mortality. All tables projected with Scale BB.

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Assumption Changes: 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 a regularly scheduled experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

The primary changes, which can be observed in the January 1, 2018 valuation, as compared to the assumptions shown are as follows:

Inflation	2.50%
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% for females.

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 for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.0%	2.52%
Fixed Income	15.0%	2.9%
Managed Futures	4.00%	5.35%
Absolute Return	9.0%	5.08%
Long Short	9.0%	6.45%
Global Public Equity	37.0%	8.03%
Private Capital	24.0%	10.00%
Total	100.0%	

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Volunteer Firefighters' Pension Plan (Continued)

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

*While expected inflation exceeds the expected rate of return for cash, a 0% real rate of return is utilized.

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

Sensitivity of the District's net pension asset to changes in the discount rate. The following presents the net pension asset calculated using the discount rate of 7.50 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset	(\$79,651)	(\$212,083)	(\$320,669)

FPPA System Description. The Fire & Police Pension Association 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 plans have elected to affiliate with FPPA for plan administration and investment only.

FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District contributes to the Statewide Defined Benefit Pension Plan (“SWDB Plan”), a cost-sharing multiple employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member’s Benefit Fund.

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA’s Pension Fund Board of Trustees. Colorado Revised Statutes (“CRS”), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA’s website at <http://www.fppaco.org>.

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 SWDB 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.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (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 a least five years of accredited service may leave contributions with the SWDP 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 SWDB 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 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent in 2016. In 2014, the members elected to increase the member contribution rate to the SWDB 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 re-entry group has a combined contribution rate of 20.5 percent of base salary in 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 and 4 percent, respectively, of base salary for a total contribution rate of 8.5 percent in 2016. 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.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit 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 liability in the amount of \$14,969 for its proportionate share of the net pension asset. 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 January 1, 2017. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The District's proportion of the net pension asset was based on the District's contributions to the SWDB Plan for the calendar year 2018 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2018 the District's proportion was 0.01184%, which was a decrease of 0.00152% from its proportion measured as of December 31, 2017.

For the year ended December 31, 2019 the District recognized a pension income of \$5,704. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$19,234	\$160
Net difference between projected and actual earnings on pension plan investments	\$11,776	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$4,922	N/A
Change in assumptions and other inputs	\$14,497	N/A
Contributions subsequent to the measurement date	\$22,080	N/A
Total	\$72,509	\$160

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

\$6,345 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2020	\$8,149
2021	\$8,148
2022	\$8,149
2023	\$4,223
2024	\$4,223
2025	\$4,223
Thereafter	\$13,154

Actuarial assumptions. The actuarial valuations for the SWBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2019
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent

*Includes Inflation at 2.5%

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2018
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.50 percent
Projected salary increases*	4.0 – 14.0 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

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.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

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.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Illiquid Alternatives	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

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 payment) to determine the total pension liability.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net asset liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$58,049	\$14,969	(\$20,765)

Pension plan fiduciary net position. Detailed information about the SWDB Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

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 employees; and natural disasters. The District maintains insurance through a commercial carrier for these risks of loss.

LYONS FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 8: COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District believes that disallowed expenses, if any, would not have a material effect on the overall financial position of the District.

TABOR Amendment - Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. The District has established an emergency reserve, representing 3% of fiscal year spending (excluding debt service), as required by the Amendment. At December 31, 2019, the emergency reserve of \$29,000 was recorded in the General Fund.

REQUIRED SUPPLEMENTAL INFORMATION

LYONS FIRE PROTECTION DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ 636,600	\$ 637,651	\$ 1,051	\$ 615,587
Specific Ownership Taxes	16,175	38,082	21,907	37,028
Grants and Donations	49,805	23,384	(26,421)	207,558
Interest	8,000	26,960	18,960	19,632
Miscellaneous	6,500	6,211	(289)	41,721
TOTAL REVENUES	717,080	732,288	15,208	921,526
EXPENDITURES				
Fire Administration	239,711	245,453	(5,742)	222,009
Firefighting, Prevention and Emergency Response	374,645	220,974	153,671	204,766
Training	39,821	14,983	24,838	10,769
Equipment Repair	23,800	28,066	(4,266)	54,641
Site and Buildings	49,000	11,417	37,583	70,814
Acquisitions	145,943	92,090	53,853	71,398
Volunteer Pension Contribution	49,942	49,942	-	47,640
Other	10,162	12,231	(2,069)	-
TOTAL EXPENDITURES	933,024	675,156	257,868	682,037
CHANGE IN FUND BALANCE	(215,944)	57,132	273,076	239,489
FUND BALANCE, Beginning	757,481	991,737	234,256	752,248
FUND BALANCE, Ending	\$ 541,537	\$ 1,048,869	\$ 507,332	\$ 991,737

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT
 SCHEDULE OF PENSION CONTRIBUTIONS
 December 31, 2018

<u>FY Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2009	8,178	29,858	(21,680)	N/A	N/A
2010	8,178	59,442	(51,264)	N/A	N/A
2011	2,029	45,305	(43,276)	N/A	N/A
2012	2,029	45,598	(43,569)	N/A	N/A
2013	11,757	45,665	(33,908)	N/A	N/A
2014	11,757	41,276	(29,519)	N/A	N/A
2015	(7,344)	44,866	(52,210)	N/A	N/A
2016	-	42,477	(42,477)	N/A	N/A
2017	-	44,790	(44,790)	N/A	N/A
2018	4,665	33,010	(28,345)	N/A	N/A

*Includes both employer and State of Colorado Supplementary Discretionary Payment

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' PENSION PLAN

Measurement Period Ending December 31,	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 22,913	\$ 20,566	\$ 20,566	\$ 26,042	\$ 26,042
Interest on the Total Pension Liability	62,222	58,972	61,634	71,035	74,734
Benefit Changes	-	-	61,397	-	-
Difference Between Expected and Actual Experience	(85,876)	-	5,505	-	(67,862)
Assumption Changes	-	-	19,726	-	48,431
Benefit Payments	(39,965)	(42,984)	(45,150)	(47,227)	(48,300)
Net Change in Total Pension Liability	(40,706)	36,554	123,678	49,850	33,045
Total Pension Liability - Beginning	838,004	797,298	833,852	957,530	1,007,380
Total Pension Liability - Ending	\$ 797,298	\$ 833,852	\$ 957,530	\$ 1,007,380	\$ 1,040,425
Plan Fiduciary Net Position					
Employer Contribution	\$ 30,236	\$ 26,646	\$ 27,847	\$ 30,691	\$ 33,010
Pension Plan Net Investment Income	66,696	18,991	57,480	163,983	578
Benefit Payments	(39,965)	(42,984)	(45,150)	(47,227)	(48,300)
Pension Plan Administrative Expenses	(1,925)	(4,041)	(1,976)	(12,752)	(12,906)
State of Colorado Supplemental Discretionary Payme	14,630	14,630	14,630	14,630	-
Net Change in Plan Fiduciary Net Position	69,672	13,242	52,831	149,325	(27,618)
Plan Fiduciary Net Position - Beginning	995,056	1,064,728	1,077,970	1,130,801	1,280,126
Plan Fiduciary Net Position - Ending	1,064,728	1,077,970	1,130,801	1,280,126	1,252,508
Net Pension Liability/(Asset)	\$ (267,430)	\$ (244,118)	\$ (173,271)	\$ (272,746)	\$ (212,083)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	133.54%	129.28%	118.10%	127.07%	120.38%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportionate share of the Net Pension Liability (Asset)	0.021%	0.019%	0.013%	0.014%	0.013%	0.013%
District's proportionate share of the Net Pension Liability (Asset)	\$ (18,487)	\$ (20,930)	\$ (228)	\$ 5,094	\$ (19,224)	\$ 14,969
District's covered payroll	\$ 89,813	\$ 89,400	\$ 62,800	\$ 72,138	\$ 78,160	\$ 79,316
District's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-20.6%	-23.4%	-0.4%	7.1%	-24.6%	18.9%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%	106.3%	95.2%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorily required contributions	\$ 7,185	\$ 6,672	\$ 5,024	\$ 5,771	\$ 6,253	\$ 6,345	\$ 22,080
Contributions in relation to the statutorily required contributions	<u>7,185</u>	<u>6,672</u>	<u>5,024</u>	<u>5,771</u>	<u>6,253</u>	<u>6,345</u>	<u>22,080</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 89,813	\$ 83,400	\$ 62,800	\$ 72,138	\$ 78,159	\$ 79,316	\$ 276,000
Contributions as a percentage of covered payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

LYONS FIRE PROTECTION DISTRICT
 BOND FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ 89,647	\$ 89,798	\$ 151	\$ 89,461
Specific Ownership Taxes	-	5,362	5,362	5,381
Interest	-	1,304	1,304	1,132
 TOTAL REVENUES	 <u>89,647</u>	 <u>96,464</u>	 <u>6,817</u>	 <u>95,974</u>
EXPENDITURES				
Current				
Treasurer Fees	1,500	1,433	67	1,428
Debt Service				
Principal	75,000	75,000	-	70,000
Interest and Fiscal Charges	18,513	18,512	1	20,962
 TOTAL EXPENDITURES	 <u>95,013</u>	 <u>94,945</u>	 <u>68</u>	 <u>92,390</u>
 NET CHANGE IN FUND BALANCE	 (5,366)	 1,519	 6,885	 3,584
FUND BALANCE, Beginning	<u>21,972</u>	<u>22,495</u>	<u>523</u>	<u>18,911</u>
FUND BALANCE, Ending	<u>\$ 16,606</u>	<u>\$ 24,014</u>	<u>\$ 7,408</u>	<u>\$ 22,495</u>

See the accompanying independent auditors' report.

LYONS FIRE PROTECTION DISTRICT

ACQUISITION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2019

	2019		VARIANCE Positive (Negative)	2018 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ 137,919	\$ 124,531	\$ (13,388)	\$ 137,592
Specific Ownership Taxes	4,487	21,862	17,375	8,278
Interest	1,000	5,037	4,037	3,105
TOTAL REVENUES	<u>143,406</u>	<u>151,430</u>	<u>8,024</u>	<u>148,975</u>
EXPENDITURES				
Current				
Fire Administration	5,900	4,772	1,128	4,937
Fire Fighting	6,000	26,000	(20,000)	49,562
Equipment	83,000	61,651	21,349	16,343
Site & Buildings	51,557	8,918	42,639	6,434
Acquisitions	86,000	-	86,000	7,896
Other	2,210	2,205	5	2,196
TOTAL EXPENDITURES	<u>234,667</u>	<u>103,546</u>	<u>131,121</u>	<u>87,368</u>
NET CHANGE IN FUND BALANCE	(91,261)	47,884	139,145	61,607
FUND BALANCE, Beginning	<u>145,112</u>	<u>150,034</u>	<u>4,922</u>	<u>88,427</u>
FUND BALANCE, Ending	<u>\$ 53,851</u>	<u>\$ 197,918</u>	<u>\$ 144,067</u>	<u>\$ 150,034</u>

See the accompanying independent auditors' report.