

TELLURIDE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2019



DALBY, WENDLAND & CO., P.C.
CPAs and Business Advisors

TELLURIDE FIRE PROTECTION DISTRICT

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Independent Auditor's Report



DALBY, WENDLAND & CO., P.C.

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Board of Directors
Telluride Fire Protection District
Telluride, Colorado

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Telluride Fire Protection District (the District), as of and for the year ended December 31, 2019, 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 each major fund of the 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.

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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 7 and the budgetary comparison information on page 32 be presented to supplement the basic financial statements. Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB No. 27, requires that the Schedule of the District's Proportionate Share of the Net Pension Liability of the FPPA Statewide Defined Benefit Pension Plan, the Schedule of District Contributions to the FPPA Statewide Defined Benefit Pension Plan, the Volunteer Plan Schedule of Changes in Net Pension Liability and Related Ratios – Last 10 Years (to be built prospectively), and the Volunteer Plan Schedule of Contributions – Last 10 Years (to be built prospectively) on pages 33 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental budgetary comparison information, supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund and supplemental Schedule of Revenues, Expenditures, and Changes in Fund Balance – Debt Service Fund on pages 37 through 39 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



DALBY, WENDLAND & CO., P.C.
Grand Junction, Colorado

June 16, 2020

Management's Discussion and Analysis

TELLURIDE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2019

As management of the Telluride Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2019 with comparative information presented for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

Financial Highlights

- In the government-wide financial statements, the District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$8,446,308 at December 31, 2019. In addition, the District's revenues were \$94,915 greater than expenses for the year ended December 31, 2019.
- The General Fund reported an ending fund balance of \$4,422,674 at December 31, 2019, a decrease of \$312,877 from the prior year.
- The Debt Service Fund reported an ending fund balance of \$208,370 at December 31, 2019, an increase of \$17,975 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required and other supplemental 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

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 cash flows. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods.

In the government-wide financial statements, the District's activities are shown in one category; *governmental activities*. The District's activities are principally supported by property taxes and charges for services.

The government-wide financial statements can be found on pages 8 through 10.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are all considered governmental funds.

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 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 activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District presents two governmental funds; the General Fund and the Debt Service Fund. The District's governmental funds financial statements can be found on pages 11 and 13.

An annual appropriated budget was adopted for the funds. Budgetary comparison schedules have been provided on pages 32 and 37 to demonstrate compliance with the adopted budget.

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 31.

Required Supplementary Information (RSI)

The RSI presents additional information that differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes the management's discussion and analysis and General Fund budgetary comparison schedule, as well as certain RSI required by GASB 68 including the:

- Schedule of the District's Proportionate Share of the Net Pension Liability of the Statewide Defined Benefit Pension Plan
- Schedule of District Contributions to the FPPA Statewide Defined Benefit Pension Plan
- Volunteer Plan Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios – Last 10 Years (to be built prospectively)
- Volunteer Plan Schedule of Contributions – Last 10 Years (to be built prospectively)

Other Supplemental Information

The Debt Service Fund budgetary comparison schedule and comparison schedules of fund revenues, expenditures, and changes in fund balance for the current year and two prior years have been presented on pages 37 through 39.

Government-wide Financial Analysis

The following summarizes the District's governmental net position as of December 31:

	<u>2019</u>	<u>2018</u>
Assets		
Current and other assets	\$ 8,920,915	\$ 7,286,497
Capital assets, net	5,946,965	5,836,994
Net pension asset	<u>-</u>	<u>154,078</u>
<i>Total Assets</i>	<u>14,867,880</u>	<u>13,277,569</u>
Deferred Outflows of Resources		
Pension plans	<u>961,794</u>	<u>494,311</u>
<i>Total Deferred Outflows of Resources</i>	<u>961,794</u>	<u>494,311</u>
Liabilities		
Current liabilities	513,104	415,201
Noncurrent liabilities	1,441,067	1,764,960
Net pension liability	<u>1,248,382</u>	<u>817,653</u>
<i>Total Liabilities</i>	<u>3,202,553</u>	<u>2,997,814</u>
Deferred Inflows of Resources		
Pension plans	85,842	163,602
Deferred property tax revenue	<u>4,094,971</u>	<u>2,259,071</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,180,813</u>	<u>2,422,673</u>
Net Position		
Net investment in capital assets	4,234,706	3,805,284
Restricted	352,469	325,938
Unrestricted	<u>3,859,133</u>	<u>4,220,171</u>
<i>Total Net Position</i>	<u>\$ 8,446,308</u>	<u>\$ 8,351,393</u>

Total assets of the District increased from the prior year primarily due to the increase in current and other assets, which is a result of increases in property tax receivables due to an increased mill levy. The changes in actuarial estimates related to the pension plans resulted in an increase in deferred outflows of resources. Total liabilities increased from the prior year due to an increase in the net pension liability due to changes in actuarial estimates. Deferred inflows of resources increased from the prior year due to changes in pension plan actuarial estimates.

The following summarizes the change in the District’s governmental net position for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues:		
Charges for services	\$ 541,406	\$ 417,383
Permits and fees	236,534	384,895
Operating grants	43,722	42,150
General revenues:		
Taxes	2,366,710	2,337,727
Earnings on deposits and investments	78,605	75,135
Miscellaneous	123,789	92,339
	<u>Total Revenues</u>	<u>3,390,766</u>
	<u>3,390,766</u>	<u>3,349,629</u>
Expenses		
Personnel	1,599,525	1,392,187
Fire prevention	458,520	427,932
General operating	380,755	370,894
Ambulance	326,045	300,998
General and administrative	344,746	308,603
Pension expense	123,000	123,000
Interest	35,431	41,659
Other	27,829	13,035
	<u>Total Expenses</u>	<u>2,978,308</u>
	<u>3,295,851</u>	<u>2,978,308</u>
	<i>Changes in Net Position</i>	<u>94,915</u>
	<u>94,915</u>	<u>371,321</u>
Net Position – January 1	<u>8,351,393</u>	<u>7,980,072</u>
Net Position – December 31	<u>\$ 8,446,308</u>	<u>\$8,351,393</u>

Total revenues of the District increased from the prior year, driven primarily by increases in emergency medical services income. Total expenses increased 11% from the prior year. Significant activity was driven by increases in salaries and wages and fire prevention. This resulted in an overall increase in net position.

Financial Analysis of Governmental Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The District has two major governmental funds, the General Fund and the Debt Service Fund. The General Fund had a fund balance of \$4,442,674 as of December 31, 2019, of which \$36,099 is nonspendable for prepaid maintenance contracts and insurance, \$78,000 is restricted for emergencies, \$30,000 is restricted for grants and \$615,000 is assigned for capital outlay. The unassigned portion of

the fund balance in the amount of \$3,663,575 is available for general spending. The Debt Service Fund had a fund balance restricted for debt service of \$208,370 as of December 31, 2019, and paid \$355,399 in principal and interest.

General Fund Budgetary Highlights

The District did not amend its originally adopted budget for the General Fund. Total expenditures were in excess of revenues by \$312,877. Total expenditures were \$46,832 above budget, mainly due to salaries and wages being more than anticipated. The budget amounts as shown on pages 32 and 37 of the financial statements include the adopted budget for the General Fund and Debt Service Fund.

Capital Assets

Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized. Significant additions to capital assets during the year include acquisitions of equipment and vehicles. These additions were offset by depreciation expense. The District also has assigned resources at December 31, 2019 for capital expenditures to occur in future years. See Note 1 – Fund Balance Classification. Additional information on the District’s capital assets can be found in Note 6.

Long-Term Debt

In January of 2013, the District advance refunded the existing 2004 general obligation bonds. The 2004 bonds were completely paid off in 2014, leaving only the 2013 General Obligation Refunding Bonds. Significant long-term debt activity during the year included scheduled principal payments on the bonds payable. This is discussed further in Note 7.

Economic Factors and Next Year’s Budget

The 2020 approved budget reflects a predicted increase in tax revenue from the prior year. In November 2018 taxpayers voted and approved a freeze of the Real Estate Assessment Rate (RAR) to 7.2 and a 2 mill increase in the tax levy effective in budget year 2020. Budgeting remains conservative for the purposes of the general fund, day to day operations and long-term Master Plan projects; however, the District Board of Directors (the Board) accepted management’s recommendation to utilize funds from the General Operating Reserve (GOR) to address significant projects that were deferred in prior years due the economic lull (deferred apparatus replacements) directed from the Reserve Fund Philosophy. In addition, funding approval was provided to execute the purchase of the third floor space at Station 2 effective September 2020. We continue to utilize our Master Plan to direct our long-term apparatus and facility needs with the continued intent of maintaining a healthy reserve fund for unanticipated needs.

Request for Information

This financial report is designed to provide a general overview of the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Chief, P.O. Box 1645, Telluride, CO 81435.

Basic Financial Statements

Government-wide Financial Statements

TELLURIDE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2019

ASSETS

Cash	\$ 1,211,653
Investments	3,487,622
Receivables:	
Taxes	4,094,971
EMS accounts, net of allowance of \$14,000	51,394
Other	9,176
Prepaid expenses	36,099
Restricted cash	30,000
Capital assets, net of accumulated depreciation, where applicable:	
Land and land improvements	594,122
Buildings and improvements	1,856,468
Fire apparatus, ambulances and other vehicles	3,062,181
Other fire support equipment	434,194
	<u>Capital Assets, net</u> 5,946,965
	<u>Total Assets</u> 14,867,880

DEFERRED OUTFLOWS OF RESOURCES

Pension related (see Note 8)	<u>961,794</u>
	<u>Total Deferred Outflows of Resources</u> 961,794

(continued)

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2019

LIABILITIES

Accounts payable	163,864
Accrued payroll liabilities	31,036
Accrued interest payable	3,204
Bonds payable:	
Due within one year	315,000
Due after one year	1,397,259
Compensated absences	43,808
Net pension liability	1,248,382
	<u>3,202,553</u>
	<i>Total Liabilities</i>

DEFERRED INFLOWS OF RESOURCES

Unearned revenue - property taxes	4,094,971
Pension related (see Note 8)	85,842
	<u>4,180,813</u>
	<i>Total Deferred Inflows of Resources</i>

NET POSITION

Net investment in capital assets	4,234,706
Restricted for:	
Debt service	208,370
Emergencies	78,000
Grants	30,000
Nonspendable purposes	36,099
Unrestricted	3,859,133
	<u>8,446,308</u>
	<i>Total Net Position</i>

(concluded)

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES

For the year ended December 31, 2019

PROGRAM EXPENSES

Personnel	\$ 1,599,525
Fire prevention	455,470
General operating	383,805
General and administrative	326,045
Ambulance	344,746
Pension expense	123,000
Interest	35,431
Other	27,829
	<hr/>
<i>Total Program Expenses</i>	<i>3,295,851</i>

PROGRAM REVENUES

Charges for services	541,406
Permits and fees	236,534
Operating grants	43,722
	<hr/>
<i>Net Program Expenses</i>	<i>2,474,189</i>

GENERAL REVENUES

Taxes:	
Property taxes	2,250,549
Specific ownership taxes	110,985
Interest on delinquent taxes	5,176
Earnings on deposits and investments	78,605
Proceeds from sale of capital assets	8,474
Miscellaneous	115,315
	<hr/>
<i>Total General Revenues</i>	<i>2,569,104</i>
<i>Change in Net Position</i>	<i>94,915</i>
Net Position - January 1, 2019	8,351,393
Net Position - December 31, 2019	\$ 8,446,308

See accompanying notes.

Fund Financial Statements

TELLURIDE FIRE PROTECTION DISTRICT

BALANCE SHEET –
GOVERNMENTAL FUNDS

December 31, 2019

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash	\$ 1,001,064	\$ 210,589	\$ 1,211,653
Investments	3,487,622	-	3,487,622
Receivables:			
Taxes	3,729,559	365,412	4,094,971
EMS accounts, net of allowance of \$14,000	51,394	-	51,394
Other	9,176	-	9,176
Prepaid expenses	36,099	-	36,099
Restricted cash	30,000		30,000
Due (to)/from other funds	2,219	(2,219)	-
<i>Total Assets</i>	8,347,133	573,782	8,920,915
LIABILITIES			
Accounts payable	163,864	-	163,864
Accrued payroll liabilities	31,036	-	31,036
<i>Total Liabilities</i>	194,900	-	194,900
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	3,729,559	365,412	4,094,971
<i>Total Deferred Inflows of Resources</i>	3,729,559	365,412	4,094,971
FUND BALANCE			
Nonspendable	36,099	-	36,099
Restricted for:			
Debt service	-	208,370	208,370
Emergencies	78,000	-	78,000
Grants	30,000	-	30,000
Assigned for capital outlay	615,000	-	615,000
Unassigned	3,663,575	-	3,663,575
<i>Total Fund Balance</i>	4,422,674	208,370	4,631,044
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 8,347,133	\$ 573,782	\$ 8,920,915

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

December 31, 2019

Total Fund Balance - Governmental Funds		\$	4,631,044
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Accrued compensated absences payable are not due and payable in the current period and, therefore, are not reported as liabilities in the Fund.			(43,808)
Long-term debt obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.			(1,665,000)
Original issue net premium is reported as financing sources in the governmental funds when first issued, but deferred and amortized over the life of the debt in the Statement of Net Position.			(47,259)
Accrued interest on debt obligations is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.			(3,204)
Net pension liability, deferred outflows, and deferred inflows related to pensions are not current financial resources and therefore are not reported as assets or liabilities in the governmental funds.			(372,430)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:			
Cost of capital assets	\$	11,433,042	
Less accumulated depreciation		(5,486,077)	<u>5,946,965</u>
Total Net Position - Governmental Activities			<u>\$ 8,446,308</u>

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS

For the year ended December 31, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes:			
Property taxes	\$ 1,885,024	\$ 365,525	\$ 2,250,549
Specific ownership taxes	92,959	18,026	110,985
Interest on delinquent taxes	4,337	839	5,176
Charges for services	541,406	-	541,406
Permits and fees	236,534	-	236,534
Operating grants	43,722	-	43,722
Earnings on deposits and investments	78,605	-	78,605
Miscellaneous	115,315	-	115,315
<i>Total Revenues</i>	<u>2,997,902</u>	<u>384,390</u>	<u>3,382,292</u>
EXPENDITURES			
Personnel	1,559,403	-	1,559,403
General and administrative	326,045	-	326,045
General operating	316,769	11,016	327,785
Ambulance	258,959	-	258,959
Fire prevention	180,155	-	180,155
Pension expense	123,000	-	123,000
Other	27,829	-	27,829
Capital outlay	527,093	-	527,093
Debt service			
Principal	-	310,000	310,000
Interest	-	45,399	45,399
<i>Total Expenditures</i>	<u>3,319,253</u>	<u>366,415</u>	<u>3,685,668</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(321,351)</u>	<u>17,975</u>	<u>(303,376)</u>
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	8,474	-	8,474
<i>Total Other Financing Sources</i>	<u>8,474</u>	<u>-</u>	<u>8,474</u>
<i>Net Change in Fund Balance</i>	<u>(312,877)</u>	<u>17,975</u>	<u>(294,902)</u>
Fund Balance - January 1	<u>4,735,551</u>	<u>190,395</u>	<u>4,925,946</u>
Fund Balance - December 31	<u>\$ 4,422,674</u>	<u>\$ 208,370</u>	<u>\$ 4,631,044</u>

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES**

December 31, 2019

Net Change in Fund Balance - Total Governmental Funds		\$ (294,902)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in the governmental funds; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful life as depreciation expense:		
Capital outlay	\$ 527,093	
Depreciation expense	<u>(417,122)</u>	109,971
Principal payment on long-term debt is an expense in the governmental funds and a reduction to a liability in the Statement of Net Position.		
		310,000
Accrued interest on debt obligations is not reported in the governmental funds but reported as an expenditure when due in the Statement of Net Position.		
December 31, 2018	3,721	
December 31, 2019	<u>(3,204)</u>	517
Amortization of premium on long-term debt is recorded in the Statement of Activities, but not on the Fund.		
		9,451
GASB 68 Pension expense is not reported in the governmental funds but are reported in the Statement of Activities.		
		(39,564)
Compensated absences are recognized as an expenditure in the governmental funds when they are determined to be payable from current financial resources. In the Statement of Activities, compensated absences are recognized as an expenditure		
December 31, 2018	43,250	
December 31, 2019	<u>(43,808)</u>	<u>(558)</u>
Change in Net Position of Governmental Activities		<u>\$ 94,915</u>

See accompanying notes.

Notes to Basic Financial Statements

TELLURIDE FIRE PROTECTION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Telluride Fire Protection District (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 District's more significant accounting policies are described below:

Financial Reporting Entity

The District is a political subdivision of the State of Colorado, formed in 1966 for the purpose of providing fire protection and emergency medical services to the Telluride, Colorado area. The District is governed by an elected five-member board of directors (the Board).

Government-wide 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. *Governmental activities* are supported by taxes and charges for services. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *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*.

Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources, and expenditures for the period.

For the year ended December 31, 2019, the District has two funds, the General Fund, which is the District's primary operating fund that accounts for all financial resources of the District, except those required to be accounted for in another fund; and the Debt Service Fund, which is the fund that accounts for principal and interest payments on outstanding bonds of the District. Both funds are considered major funds. Separate financial statements are provided for governmental funds.

Measurement Focus and Basis of Accounting

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

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if collected within 60 days after year end. Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue, and charges for services. Grant revenues are recognized as they are earned. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with available financial resources.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Investments

Money market funds and external investment pools are stated at cost, which is equal to fair value.

The District invests in certificates of deposit (CDs) with varying lengths of maturity. CDs of the District have original maturities of greater than 90 days and are presented as investments on the statements. CDs are reported at cost, which approximates fair value.

Property Taxes

Property taxes for the current year are levied in December of the previous year and attach as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28, and June 15. Property taxes for 2019 are reported as a receivable and deferred inflow of resources at December 31. The deferred taxes are reported as revenue in the year in which the lien attaches and they are available and collected.

Restricted Cash

Restricted cash consists of \$30,000 that is restricted by a donor in order to be used for CPR-focused training and equipment purchases.

Capital Assets

Capital assets are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial cost of more than \$10,000. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	25 - 50 years
Fire apparatus	20 years
Other equipment	3 - 10 years
Ambulances	10 years
Other vehicles	6 years

Long-term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond issuance premiums and discounts, as well as losses on refinancing, are deferred and amortized over the life of the related debt using the straight-line method. Bond obligations payable are reported net of the applicable bond premium or discount and refinancing losses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as program expenses.

In the fund financial statements, issuance costs are recognized when incurred. The face amount of the debt issued, premiums, and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Vacation

Full-time employees accumulate vacation time after the first full year of employment. Eligible personnel accumulate two weeks of vacation after the first full year of employment up to a maximum of eight weeks (320 hours) after ten years of service. Upon separation, employees receive pay for unused vacation. This liability is recorded in the government-wide financial statements.

Sick Leave

The District provides for the accumulation of paid sick leave benefits for personnel at the rate of four hours for each full month worked. Sick leave is accumulated from year to year up to a maximum of ten days (80 hours). Upon separation, employees do not receive pay for unused sick leave.

Deferred Outflows of Resources and Deferred Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), defines the five elements that make up a statement of financial position to include:

- Assets – resources with a present service capacity under District control
- Deferred Outflows of Resources – consumption of net position by the District that is applicable to a future reporting period
- Liabilities – present obligations to sacrifice resources

- Deferred Inflows of Resources – acquisitions of net position by the District that is applicable to a future reporting period
- Net Position – residual of all other elements presented in a statement of financial position

See Note 8 for detail of the composition of the District’s deferred outflows of resources and deferred inflows of resources related to pensions.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing attributable to the acquisition or construction of improvements of those assets. Net position is reported as restricted when there are limitations on their use due to external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Due to and Due from Other Funds

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed.

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 had nonspendable resources for prepaid maintenance contracts and insurance as of December 31, 2019 in the amount of \$36,099.
- **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 the Taxpayer’s Bill of Rights (TABOR) emergency reserves as being restricted because their use is restricted by State Statute. The District has classified the amount restricted for payment of debt service as being restricted because their use is restricted by the financial institution with which the District has a revenue bond. The District has classified \$30,000 of cash as restricted due to donor requested use restrictions.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District’s Board. These amounts cannot be used for any other purpose unless the Board 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 did not have any committed resources as of December 31, 2019.

- Assigned: This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Chief through the budgetary process. The District had assigned resources for future capital outlay as of December 31, 2019 in the amount of \$615,000. Through the budgetary process, this amount has been assigned for various capital outlay projects.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use committed resources first and then assigned resources as appropriate opportunities arise, but the District reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between *fund balance* of the *governmental fund* and *net position of governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances* of the *governmental fund* and the *changes in net position of governmental activities* as reported in the government-wide statement of activities. These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as TABOR, which has several limitations including revenue raising, spending abilities, debt limitations, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. TABOR requires a reserve of 3% of the District’s fiscal year spending, excluding bonded debt service. A portion of the District’s General Fund balance is classified as restricted for emergencies required by TABOR (see Note 1).

In 1996, the voters authorized the District to increase the mill levy from 1.416 mills to 2.465 mills for taxes collected in 1997 and subsequent years.

NOTE 4 - BUDGETS

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

- A. Budgets are required by state law.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. The District did not amend its originally adopted 2019 budget. The District expended more than was appropriated during 2019 in the General Fund. This may be a violation of state budget law.
- F. Budget appropriations lapse at the end of each year.
- G. Budgets are adopted on the modified accrual basis of accounting.

NOTE 5 - DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) governs the District’s deposits. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal deposit insurance through the Federal Deposit Insurance Corporation (FDIC) on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to 102% of the uninsured deposits. The Colorado Division of Banking for banks, savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the carrying amount of the District’s deposits with maturities less than one year consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash in checking accounts	<u>\$ 1,242,217</u>	<u>\$ 1,241,653</u>

At December 31, 2019, the carrying amount of the District’s deposits with maturities over one year consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Certificates of deposit	<u>\$ 453,106</u>	<u>\$ 453,106</u>

At December 31, 2019, \$500,000 was covered by depositor’s insurance and \$1,194,759 was collateralized under PDPA requirements.

Custodial Credit Risk – Deposits and Investments

Custodial credit risk is the risk that in the event of a bank or investment pool failure, the District would not be able to recover its deposits or the value of its investments. The District’s deposits and investments are not deemed to be subject to custodial credit risk as they are covered by the FDIC or are collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including: obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers’ acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District has no investment policy that would further limit its investment choices.

At December 31, 2019 the District had funds in a local government investment pool called COLOTRUST. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares.

COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments include U.S. Treasury and Agency securities, the highest rated commercial paper and repurchase agreements collateralized by U.S. Treasury and Agency securities. COLOTRUST is rated AAAM by Standard and Poor’s. Financial statements for COLOTRUST may be obtained on their website at www.colotruster.com. COLOTRUST is not exposed to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

Description	Credit Quality Rating	Maturity	Fair Value
COLOTRUST Plus+	AAAM	N/A	\$ 3,034,516

Interest Rate Risk – Investments

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board. The Board has not adopted an investment policy that allows investment maturities greater than five years.

Concentrations of Credit Risk – Deposits and Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer or institution. The District holds 100% of its cash deposits in one financial institution. The District holds 87% of its investments in one financial institution, 7% in a second financial institution, and 6% in a third financial institution.

NOTE 6 - CAPITAL ASSETS

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

	Balance December 31, 2018	Increases	Decreases	Balance December 31, 2019
Non-depreciable capital assets				
Land and land improvements	\$ 594,122	\$ -	\$ -	\$ 594,122
<i>Total non-depreciable capital assets</i>	<u>594,122</u>	<u>-</u>	<u>-</u>	<u>594,122</u>
Depreciable capital assets				
Buildings and improvements	4,105,180	-	-	4,105,180
Fire apparatus, ambulances and other vehicles	5,540,824	497,093	(294,166)	5,743,751
Other fire support equipment	959,989	30,000	-	989,989
<i>Total depreciable capital assets</i>	<u>10,605,993</u>	<u>527,093</u>	<u>(294,166)</u>	<u>10,838,920</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,162,925)	(85,787)	-	(2,248,712)
Fire apparatus, ambulances and other vehicles	(2,700,421)	(275,315)	294,166	(2,681,570)
Other fire support equipment	(499,775)	(56,020)	-	(555,795)
<i>Total accumulated depreciation</i>	<u>(5,363,121)</u>	<u>(417,122)</u>	<u>294,166</u>	<u>5,486,077</u>
<i>Total capital assets being depreciated, net</i>	<u>5,242,872</u>	<u>109,971</u>	<u>-</u>	<u>5,352,843</u>
<i>Total capital assets, net depreciation</i>	<u>\$ 5,836,994</u>	<u>\$ 109,971</u>	<u>\$ -</u>	<u>\$ 5,946,965</u>

Depreciation expense was charged to functions/programs of the District as follows: ambulance \$56,020; fire prevention \$275,315; and general operating \$85,787.

NOTE 7 - LONG-TERM LIABILITIES

Land Leases

The District leases land from the Town of Telluride (the Town) on which the District's main facility resides, under an agreement dated June 17, 1997. The lease expires June 30, 2085 and requires an annual rental of \$10. The building and improvements, excluding equipment, are part of the leased premises. The District has the first right of refusal to purchase the leased premises should the Town desire to sell the leased premises.

The District has an intergovernmental agreement with the Mountain Village Metropolitan District and the Town of Mountain Village, dated August 8, 2010, relating to ownership of a joint service facility on land owned by the District located in Mountain Village, Colorado. The agreement continues indefinitely, subject to annual appropriation by the entities. Each entity has an undivided ownership interest in the joint facility in accordance with the following percentages:

Telluride Fire Protection District 54%

Town of Mountain Village 46%

The District leases land from San Miguel County, Colorado for a facility in Placerville, Colorado. The lease, dated December 18, 1984, is for a period of 99 years and requires no rental payments.

General Obligation Bonds

In February 2013, the District issued General Obligation Refunding Bonds, Series 2013 (GO Refunding Bonds 2013) of \$3,080,000. Principal is payable annually on December 1 beginning on December 1, 2015, with interest (rates from 2.0% to 2.5%) payable semiannually beginning June 1, 2013 and semi-annually thereafter maturing on December 1, 2024. The net proceeds were used to advance refund the GO Bonds 2004 maturing on and after December 1, 2015. Additionally, the total proceeds received by the District included a net reoffering premium of \$113,416 and proceeds from the sale of registered B coupons amounting to \$210,022. The premium is amortized over the life of the GO Refunding Bonds 2013. All of the taxable property in the District is subject to the levy of an ad valorem tax to pay the principal of, interest on, and premium, if any, on the GO Refunding Bonds 2013 without limitation as to rate and in an amount sufficient to pay the Bonds when due.

The minimum future obligations on the GO Refunding Bonds 2013, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 315,000	\$ 38,450	\$ 353,450
2021	320,000	32,150	352,150
2022	335,000	25,750	360,750
2023	340,000	17,375	357,375
2024	355,000	8,875	363,875
<i>Total minimum future obligations payments</i>	<u>\$ 1,665,000</u>	<u>\$ 122,600</u>	<u>\$ 1,787,600</u>

Changes in long-term liabilities:

	<u>Balance December 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2019</u>	<u>Due Within One Year</u>
GO refunding bonds 2013	\$1,975,000	\$ -	\$ (310,000)	\$1,665,000	\$ 315,000
Original issue premium, net	56,710	-	(9,451)	47,259	-
<i>Long-term debt</i>	2,031,710	-	(319,451)	1,712,259	315,000
Accrued compensated absences	43,250	45,745	(45,187)	43,808	-
<i>Total long-term liabilities</i>	<u>\$2,078,681</u>	<u>\$ 45,745</u>	<u>\$ (351,827)</u>	<u>\$1,756,066</u>	<u>\$ 315,000</u>

Interest expense of \$35,431 on long-term debt has been included in the direct expenses of individual functions on the government-wide statement of activities. Authorization for general long-term debt is specific to a particular purpose; thus, an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the program for which borrowing is related.

NOTE 8 - PENSION PLANS

Paid Full-Time Personnel

The District participates in the Statewide Defined Benefit Plan (SWDB Plan), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and 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 SWDB 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. Eligible employees of the District are provided with pensions through the SWDB Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://fppaco.org>.

FPPA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714. 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.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB 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.

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 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 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.

At December 31, 2018, the total pension asset for the SWDB Plan was \$2,653,120,261, the plan fiduciary net position was \$2,526,692,808, the net pension liability was \$126,427,453, and the plan fiduciary net position as a percentage of the total pension liability was 95.2 percent.

At December 31, 2018, the District's proportion of the net pension liability of the SWDB Plan was 0.0978 percent, which was a decrease of 0.0093 percent from its proportion measured as of December 31, 2017.

At December 31, 2019, the District reported a net liability of \$123,614 for its proportionate share of the SWDB Plan net pension liability. The net pension liability was measured as of December 31, 2018. The collective total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. The actuarially determined contributions as of December 31, 2018 are based on the January 1, 2018 actuarial valuation. For the year ended December 31, 2019, the District recognized pension expense of \$13,540 related to the SWDB Plan.

Employer contributions recognized by the SWDB Plan from the District were \$52,396 for the year ended December 31, 2019.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 97,241	\$ -
Changes in assumptions	119,716	-
Difference between actual and expected experience	158,833	1,321
Changes in the employer's proportion and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the plan) and the employer's proportionate share of contributions	34,393	7,249
Total	\$ 410,183	\$ 8,570

The deferred outflows of resources and deferred inflows of resources related to pensions are included with total deferred outflows of resources and total deferred inflows of resources on the statement of net position. Deferred outflows of resources of \$53,978 related to FPPA pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the FPPA net pension liability in the year ending 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:

For the years ending December 31,	Amounts Recognized in Pension Expense
2019	\$ 71,035
2020	\$ 50,735
2021	\$ 43,207
2022	\$ 71,487
2023	\$ 34,806
Thereafter	\$ 103,201
Total	\$ 374,471

The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2018. The valuation 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 Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	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 FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board reviewed and approved 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. 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	37.0%	8.03%
Equity Long/Short	9.0%	6.45%
Private Markets	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%	

Discount rate. The discount rate used to measure the total pension asset was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)), and the resulting Single Discount Rate is 7.00 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension (asset) liability	\$ 479,360	\$ 126,614	\$ (171,471)

Pension plan fiduciary net position. Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.coFPPA.org/investments/FPPA-financial-reports.

Volunteer Firefighters

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 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 FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

The District is trustee of a single-employer defined benefit pension plan for all volunteer firefighters (Volunteer Plan). The Volunteer Plan is administered by the FPPA. The Volunteer Plan's Board of Trustees is comprised of the District's Board and firefighters in accordance with Colorado statutes.

The Volunteer Plan provides normal retirement benefits, disability retirement, and survivor benefits. Fully vested firefighters receive the maximum benefit in an amount reviewed every other year during the actuarial review process. Firefighters who have attained both 50 years of age and completed 20 years of active service in any fire department in the State of Colorado are fully vested and are eligible for a normal retirement benefit. Firefighters with 10 to 20 years of service are also eligible for a reduced monthly benefit based off an amount per year of service that is also reviewed every other year during the actuarial review process. Upon death, the surviving spouse receives a monthly pension equal to 50 percent of the benefit previously received, payable until death or remarriage. The District has forty-eight retirees, including beneficiaries, one inactive member, and fifty-nine active members in the Volunteer Plan as of January 1, 2019, the actuarial valuation date.

At December 31, 2019, the District reported a net pension liability of \$1,124,768 related to the Volunteer Plan. 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, 2019.

At December 31, 2019 the total pension liability was \$3,246,604, the plan fiduciary net position was \$2,121,836, and the plan fiduciary net position as a percentage of the total pension liability was 65.36 percent. For the year ended December 31, 2019, the District recognized pension expense of \$198,393 related to the Volunteer Plan.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 100,850	\$ -
Changes in assumptions	114,579	-
Net difference between expected and actual earnings on pension plan investments	165,728	77,272
Total	\$ 381,157	\$ 77,272

The deferred outflows of resources and deferred inflows or resources related to the Volunteer Plan are included with total deferred outflows of resources and total deferred inflows of resources on the statement of net position.

Deferred outflows of resources of \$123,000 related to the Volunteer Plan, resulting from contributions subsequent to the measurement date of December 31, 2018 will be recognized as a reduction of the net pension liability in the year ending 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:

For the years ending December 31,	
2020	\$ 147,121
2021	\$ 79,547
2022	\$ 45,315
2023	\$ 31,902
2024	\$ -
Thereafter	\$ -
Total	\$ 303,885

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were \$123,000 for the year ended December 31, 2019.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The actuarial valuation as of January 1, 2017, determines the contribution amounts for 2018 and 2019. Methods and assumptions used to determine contribution rates for the year ended December 31, 2018 were as follows:

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 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. 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.

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

Development of the single discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be

sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.71 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

- Investment rate of return – 7.00 percent
- Mortality:
 - Pre-retirement – 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
 - Post-retirement – 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
 - 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.

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 for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are summarized in the following table:

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 1,469,895	\$ 1,124,768	\$ 833,904

Deferred Compensation Retirement Plan

Plan Description: The District offers its employees a deferred compensation plan (the Compensation Plan), created in accordance with Internal Revenue Code Section 457, administered by the FPPA. The Compensation Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

All property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in the Compensation Plan trusts for the exclusive benefit of participants and their beneficiaries. FPPA is trustee of the trusts. The District has no ownership interest in the Compensation Plan nor is the District liable for losses under the Compensation Plan.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded this commercial coverage in any of the past three years.

NOTE 10 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 16, 2020, the date which the financial statements were available to be issued.

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global, national, and local markets, supply chains, businesses, and communities. Specific to the District, COVID-19 may impact various parts of its 2020 operations and financial results including but not limited to potential difficulty collecting the property tax levies, decreased emergency medical call volume, and increased costs to purchase medical equipment and to pay employee overtime. Management believes the District is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2019.

Required Supplemental Information

TELLURIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND

For the year ended December 31, 2019

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Taxes:			
Property taxes	\$ 1,892,421	\$ 1,885,024	\$ (7,397)
Specific ownership taxes	60,000	92,959	32,959
Interest on delinquent taxes	-	4,337	4,337
Charges for services	450,000	541,406	91,406
Wildland cooperators reimbursement	200,000	209,053	9,053
Permits and fees	40,000	27,481	(12,519)
Capital grants	-	43,722	43,722
Earnings on deposits and investments	50,000	78,605	28,605
Miscellaneous	25,000	115,315	90,315
<i>Total Revenues</i>	2,717,421	2,997,902	280,481
EXPENDITURES			
Personnel	1,431,972	1,559,403	(127,431)
General and administrative	290,549	326,045	(35,496)
General operating	317,800	316,769	1,031
Ambulance	262,100	258,959	3,141
Fire prevention	177,000	180,155	(3,155)
Pension expense	123,000	123,000	-
Other	115,000	27,829	87,171
Capital outlay	555,000	527,093	27,907
<i>Total Expenditures</i>	3,272,421	3,319,253	(46,832)
<i>Deficiency of Revenues Under Expenditures</i>	(555,000)	(321,351)	233,649
OTHER FINANCING SOURCES			
Sales of Capital Assets and Property	-	8,474	8,474
<i>Total Other Financing Sources</i>	-	8,474	8,474
<i>Net Change in Fund Balance</i>	\$ (555,000)	(312,877)	\$ 242,123
Fund Balance - January 1		4,735,551	
Fund Balance - December 31		\$ 4,422,674	

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET OF THE FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

As of December 31, *

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0978%	0.1071%	0.1192%	0.1151%	0.1190%
District's proportionate share of the net pension asset (liability)	\$ (126,614)	\$ 154,078	\$ (43,055)	\$ 2,029	\$ 134,314
District's covered payroll	\$ 654,945	\$ 634,144	\$ 610,168	\$ 557,941	\$ 535,199
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	19.33%	24.30%	7.06%	0.36%	25.10%
Plan fiduciary net position as a percentage of the total pension asset (liability)	95.20%	106.30%	98.21%	100.10%	106.80%

* The amounts presented for the years shown above were determined as of and for the calendar years ended December 31, 2018, 2017, 2016, 2015, and 2014 (the Plan's measurement periods) occurring prior to the District's calendar years ended December 31, 2019, 2018, 2017, 2016, and 2015 in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN**

For the Years Ended December 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 53,978	\$ 50,116	\$ 48,785	\$ 48,785	\$ 44,635
Contributions in relation to the statutorily required contribution	(53,978)	(50,116)	(48,785)	(48,785)	(44,635)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 674,730	\$ 654,945	\$ 634,144	\$ 610,168	\$ 557,941
Contributions as a percentage of covered payroll	8%	8%	8%	8%	8%

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
VOLUNTEER PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY / (ASSET) AND RELATED RATIOS
LAST 10 YEARS (to be built prospectively)
As of December 31, *

Measurement period ending December 31:	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service cost	\$ 28,376	\$ 28,376	\$ 29,492	\$ 29,492	\$ 30,103
Interest on the total pension liability	216,737	214,109	196,579	194,198	184,998
Difference between expected and actual experience of the total pension liability	99,442	-	129,780	-	83,910
Changes of assumptions	133,690	-	80,440	-	-
Benefit payments	(211,258)	(203,760)	(200,317)	(183,887)	(168,477)
Net change in total pension liability	266,987	38,725	235,974	39,803	130,534
Total pension liability - beginning	2,979,617	2,940,892	2,704,918	2,665,115	2,534,581
Total pension liability - ending	<u>\$ 3,246,604</u>	<u>\$ 2,979,617</u>	<u>\$ 2,940,892</u>	<u>\$ 2,704,918</u>	<u>\$ 2,665,115</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000
Net investment income	1,115	271,830	93,928	31,605	105,141
Benefit payments	(211,258)	(203,760)	(200,317)	(183,887)	(168,477)
Pension plan administrative expense	(23,230)	(22,030)	(3,078)	(4,993)	(2,855)
State of Colorado supplemental discretionary payment	70,245	69,156	69,156	91,969	91,969
Net change in plan fiduciary net position	(40,128)	238,196	82,689	57,694	148,778
Plan fiduciary net position - beginning (market value of assets at beginning of year)	2,161,964	1,923,768	1,841,079	1,783,385	1,634,607
Plan fiduciary net position - ending (market value of assets at end of year)	<u>\$ 2,121,836</u>	<u>\$ 2,161,964</u>	<u>\$ 1,923,768</u>	<u>\$ 1,841,079</u>	<u>\$ 1,783,385</u>
Net Pension Liability	1,124,768	817,653	1,017,124	863,839	881,730
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.36%	72.56%	65.41%	68.06%	66.92%
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

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
VOLUNTEER PLAN SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS (to be built prospectively)
For the Year Ended December 31, 2019

FY Ended December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2018	\$ 112,777	\$ 193,245	\$ (80,468)	N/A	N/A
2017	\$ 104,620	\$ 192,156	\$ (87,536)	N/A	N/A
2016	\$ 104,620	\$ 192,156	\$ (87,536)	N/A	N/A
2015	\$ 122,564	\$ 214,969	\$ (92,405)	N/A	N/A
2014	\$ 122,564	\$ 214,969	\$ (92,405)	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

See accompanying notes.

Other Supplemental Information

TELLURIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – DEBT SERVICE FUND

For the year ended December 31, 2019

	Original and Final Budget	Actual	Favorable (Unfavorable Variance
REVENUES			
Taxes:			
Property taxes	\$ 366,650	\$ 365,525	\$ (1,125)
Specific ownership taxes	-	18,026	18,026
Interest on delinquent taxes	-	839	839
<i>Total Revenues</i>	366,650	384,390	17,740
EXPENDITURES			
General operating	11,000	11,016	(16)
Debt service			
Principal	310,000	310,000	-
Interest	45,650	45,399	251
<i>Total Expenditures</i>	366,650	366,415	235
<i>Excess of Revenues Over Expenditures</i>	-	17,975	17,975
<i>Net Change in Fund Balance</i>	\$ -	17,975	\$ 17,975
Fund Balance - January 1		190,395	
Fund Balance - December 31		\$ 208,370	

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – GENERAL FUND

For the years ended December 31, 2019, 2018, and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
REVENUES			
Taxes:			
Property taxes	\$ 1,885,024	\$ 1,865,346	\$ 1,823,682
Specific ownership taxes	92,959	93,690	79,235
Interest on delinquent taxes	4,337	1,085	3,323
Charges for services	541,406	417,383	494,430
Permits and fees	236,534	384,895	86,791
Capital grants	43,722	42,150	35,213
Earnings on deposits and investments	78,605	75,135	42,219
Miscellaneous	115,315	92,339	128,109
<i>Total Revenues</i>	<u>2,997,902</u>	<u>2,972,023</u>	<u>2,693,002</u>
EXPENDITURES			
Personnel	1,559,403	1,487,894	1,226,457
Capital outlay	527,093	423,947	1,534,178
General and administrative	326,045	308,603	230,303
General operating	316,769	270,095	266,561
Ambulance	258,959	215,213	259,061
Fire prevention	180,155	175,298	156,015
Pension expense	123,000	123,000	123,000
Other	27,829	13,035	15,030
<i>Total Expenditures</i>	<u>3,319,253</u>	<u>3,017,085</u>	<u>3,810,605</u>
<i>Excess (Deficiency) of Revenue Over Expenditures</i>	<u>(321,351)</u>	<u>(45,062)</u>	<u>(1,117,603)</u>
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	8,474	-	32,808
<i>Total Other Financing Sources</i>	<u>8,474</u>	<u>-</u>	<u>32,808</u>
<i>Net Change in Fund Balance</i>	<u>(312,877)</u>	<u>(45,062)</u>	<u>(1,084,795)</u>
Fund Balance - January 1	<u>4,735,551</u>	<u>4,780,613</u>	<u>5,865,408</u>
Fund Balance - December 31	<u>\$ 4,422,674</u>	<u>\$ 4,735,551</u>	<u>\$ 4,780,613</u>

See accompanying notes.

TELLURIDE FIRE PROTECTION DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – DEBT SERVICE FUND**

For the years ended December 31, 2019, 2018, and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
REVENUES			
Taxes:			
Property taxes	\$ 365,525	\$ 359,336	\$ 364,529
Specific ownership taxes	18,026	18,068	15,854
Interest on delinquent taxes	839	202	627
<i>Total Revenues</i>	<u>384,390</u>	<u>377,606</u>	<u>381,010</u>
EXPENDITURES			
General operating	11,016	10,090	10,992
Debt service			
Principal	310,000	310,000	300,000
Interest	45,399	51,625	56,976
<i>Total Expenditures</i>	<u>366,415</u>	<u>371,715</u>	<u>367,968</u>
<i>Net Change in Fund Balance</i>	17,975	5,891	13,042
Fund Balance - January 1	<u>190,395</u>	<u>184,504</u>	<u>171,462</u>
Fund Balance - December 31	<u>\$ 208,370</u>	<u>\$ 190,395</u>	<u>\$ 184,504</u>

See accompanying notes.