

FLORISSANT FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2020

ERICKSON, BROWN & KLOSTER, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Florissant Fire Protection District
Florissant, Colorado

We were engaged to audit the accompanying financial statements of the governmental activities and each major fund of the Florissant Fire Protection District (District), as of and for the year ended December 31, 2020, and the related notes to the financial statements. We were not engaged to audit the financial statements of the aggregate discretely presented component units. These financial statements 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.



Erickson, Brown & Kloster, LLC
Certified Public Accountants

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Disclaimer
General Fund	Disclaimer

Basis for Disclaimer of Opinion

Substantially all of the Districts corroborating evidence in support of the financial statements was unavailable for inspection. The records that remain are not sufficient to permit the application of accounting procedures that would be adequate for us to express an opinion on the accompanying financial statements

Disclaimer of Opinion

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of the Florissant Fire Protection District. Accordingly, we do not express an opinion on these financial statements.

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 information on page 19 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.

Erickson, Brown & Kloster LLC

Colorado Springs, Colorado
January 11, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FLORISSANT FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

This Management's Discussion and Analysis (MD&A) for the years ended December 31, 2020, is designed to provide an overview of the financial activities of the Florissant Fire Protection District (District) during 2020, and the integration of those activities within the long-range programs and planning of the District. The MD&A should be read in conjunction with the District's basic financial statements.

Background Information

The Florissant Fire Protection District is a Special District organization under the provisions of the State of Colorado to provide fire suppression and protection and emergency services to the residents and visitors of the District

Overview of Financial Statements

The content of this memorandum is intended to serve as an introduction to the District's basic financial statements.

Government-Wide and Fund Financial Statements

The Government-wide financial statements (statements of net position and activities) are designed to provide readers with a broad overview of the District's finances using the economic resources measurement focus and accrual basis of accounting. Revenue is recorded when received and expense is paid and recorded when a liability is incurred.

Every fund, within the accounts of the District, is considered an individual fiscal and accounting unit. Each fund contains a self-balancing set of accounts that record cash and/or other assets with related liabilities, obligations, reserves and equities that have been specified for individual activities or objectives.

The District used a general fund to monitor its financial resources in 2020. The District adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided to demonstrate compliance with the accepted budget.

**FLORISSANT FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Comparative statements of net position and comments relating to significant changes for 2020 and 2019 is as follows:

	Condensed		
	Statement of Net Position		
	2020	2019	Increase
	(Audited)	(Audited)	(Decrease)
Assets			
Current	\$ 909,602	\$ 797,787	\$ 111,815
Capital Assets (Net of Depreciation)	542,963	593,796	(50,833)
Total Assets	\$ 1,452,565	\$ 1,391,583	\$ 60,982
Liabilities			
Current	\$ 129,193	\$ 172,625	\$ (43,432)
Total Liabilities	129,193	172,625	(43,432)
Deferred Inflows of Resources			
Unearned Tax Revenue	370,148	366,303	3,845
Net Position			
Investment in Capital Assets Net of Related Debt	583,763	593,796	(10,033)
Restricted for Emergencies	10,000	18,000	(8,000)
Unrestricted	359,461	240,859	118,602
Total Net Position	\$ 953,224	\$ 852,655	\$ 100,569

Current Assets

Current assets increased due to cash and cash equivalents increasing and due to a refund of a deposit for capital assets.

Capital Assets (Net of Depreciation)

Capital assets net of depreciation decreased due to current year depreciation expense of approximately \$50,800.

Liabilities

Current liabilities decreased due to expenditures in 2019 for Firefighting equipment and new fire truck were not repeated in 2020.

**FLORISSANT FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Comparative statements of activities and comments relating to significant changes for 2020 and 2019 are as follows:

	Condensed		
	Statement of Activities		
	2020	2019	Increase
	(Audited)	(Audited)	(Decrease)
Revenue			
Program Revenue			
Deployment Reimbursements, Net	\$ -	\$ (10,425)	\$ 10,425
Operating Grants and Contributions	-	39,886	(39,886)
General Revenue			
Property Tax	367,085	298,585	68,500
Specific Ownership Tax	24,323	36,121	(11,798)
Investment Income	1,563	820	743
Recoveries	12,658	18,346	(5,688)
In-Kind	-	45,200	(45,200)
Other Revenue	24,849	13,392	11,457
Total Revenue	430,478	441,925	(11,447)
Expense			
Administrative	132,945	151,004	(18,059)
Supplies, Maintenance and Utilities	146,131	429,858	(283,727)
Depreciation	50,833	47,971	2,862
Total Expense	329,909	628,833	(298,924)
Change in Net Position	\$ 100,569	\$ (186,908)	\$ 287,477

Revenue

Revenue decreased because of a combination of increased property taxes, decrease of grant, money, and a decrease in in-kind contributions.

Expense

Expenses decreased due to expenditures in 2019 for Firefighting equipment and new fire truck were not repeated in 2020.

**FLORISSANT FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

An analysis of 2020 budgeted amounts follows:

	Budgeted Amounts		Change
	Original	Final	
Revenue			
Property Tax	\$ 366,770	\$ 366,770	\$ -
Specific Ownership Tax	22,000	22,000	-
Operating Grants and Contributions	2,000	2,000	-
Deployment Reimbursements	8,000	8,000	-
Recoveries	500	500	-
Investment Income	3,700	3,700	-
Other Income	200	200	-
Transfer from Reserve	90,000	90,000	-
Total Revenue	493,170	493,170	-
Operating Expenditures			
Administrative	167,710	167,710	-
Equipment Repairs and Maintenance	11,500	11,500	-
Station Maintenance and Supplies	32,550	32,550	-
New Equipment and Supplies	84,500	84,500	-
Training and Education	12,800	12,800	-
Utilities	25,100	25,100	-
Vehicles	23,050	23,050	-
Capital Outlay	135,960	135,960	-
Total Expenditures	\$ 493,170	\$ 493,170	-

There was no modification to the original budget adopted.

**FLORISSANT FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

A comparison of the final budget (non-GAAP basis) and actual budgetary basis, with comments concerning significant variances for 2020 is as follows:

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenue				
Property Tax	\$ 366,770	\$ 366,770	\$ 367,085	\$ (315)
Specific Ownership Tax	22,000	22,000	24,323	(2,323)
Operating Grants and Contributions	2,000	2,000	-	2,000
Deployment Reimbursements	8,000	8,000	-	8,000
Recoveries	500	500	12,658	(12,158)
Investment Income	3,700	3,700	1,563	2,137
Other Income	200	200	24,849	(24,649)
Transfer from Reserve	90,000	90,000	-	90,000
Total Revenue	<u>493,170</u>	<u>493,170</u>	<u>430,478</u>	<u>62,692</u>
Operating Expenditures				
Administrative	167,710	167,710	105,790	61,920
Equipment Repairs and Maintenance	11,500	11,500	36,457	(24,957)
Station Maintenance and Supplies	32,550	32,550	10,026	22,524
New Equipment and Supplies	84,500	84,500	34,649	49,851
Training and Education	12,800	12,800	72,753	(59,953)
Utilities	25,100	25,100	27,290	(2,190)
Vehicles	23,050	23,050	35,543	(12,493)
Capital Outlay	135,960	135,960	40,800	95,160
Total Expenditures	<u>493,170</u>	<u>493,170</u>	<u>363,308</u>	<u>129,862</u>
Revenue Over (Under)				
Expenditures (Non-GAAP Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,170</u>	<u>\$ (67,170)</u>

Variance with Final Budget

The District received more deployment reimbursements, grants, and donations than budgeted. The District spent more on deployment expenses and capital outlays than budgeted.

Requests for Information

Additional information or questions may be addressed by contacting The Florissant Fire Protection District at Post Office Box 502, Florissant, CO 80816.

FINANCIAL STATEMENTS

FLORISSANT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2020

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and Cash Equivalents	\$ 486,354	\$ -	\$ 486,354
Cash with County Treasurer	4,281	-	4,281
Property Tax Receivable	370,148	-	370,148
Accounts Receivable	40,877	-	40,877
Prepaid Expense	7,942	-	7,942
Capital Assets (Net of Depreciation)	-	542,963	542,963
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 909,602</u>	<u>\$ 542,963</u>	<u>\$ 1,452,565</u>
Liabilities			
Accounts Payable and Accrued Expense	\$ 129,193	\$ -	\$ 129,193
Total Liabilities	<u>\$ 129,193</u>	<u>\$ -</u>	<u>\$ 129,193</u>
Deferred Inflows of Resources			
Unearned Tax Revenue	\$ 370,148	\$ -	\$ 370,148
Fund Balances			
Restricted for Emergencies	9,000	(9,000)	-
Nonspendable	7,942	(7,942)	-
Unassigned	393,319	(393,319)	-
Total Fund Balance	<u>410,261</u>	<u>(410,261)</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 909,602</u>	<u> </u>	<u> </u>
Net Position			
Investment in Capital Assets Net of Related Debt		542,963	542,963
Restricted for Emergencies		9,000	9,000
Unrestricted		401,261	401,261
Total Net Position	<u> </u>	<u>\$ 953,224</u>	<u>\$ 953,224</u>

See Accompanying Notes

**FLORISSANT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Fund Balance Per the Governmental Fund Balance Sheet \$ 410,261

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

Capital assets used in government activities are not current financial resources and are not reported as assets in the governmental funds. Capital assets at year end consist of:

Land	\$ 61,701	
Depreciable Assets	1,682,212	
Accumulated Depreciation	<u>(1,200,950)</u>	
Net Capital Assets		542,963

Total Net Position \$ 953,224

See Accompanying Notes

FLORISSANT FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2020

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Expenditure/expense			
Current			
Administrative	\$ 132,945	\$ -	\$ 132,945
Equipment Repairs and Maintenance	36,457	-	36,457
Station Maintenance and Supplies	10,026	-	10,026
New Equipment and Supplies	34,649	-	34,649
Training and Education	2,166	-	2,166
Utilities	27,290	-	27,290
Vehicles	35,543	-	35,543
Depreciation	-	50,833	50,833
Total Expenditure/Expense	<u>279,076</u>	<u>50,833</u>	<u>329,909</u>
Revenue			
General Revenue			
Property Tax	367,085	-	367,085
Specific Ownership Tax	24,323	-	24,323
Investment Income	1,563	-	1,563
Recoveries	12,658	-	12,658
Other Income	24,849	-	24,849
Total General Revenue	<u>430,478</u>	<u>-</u>	<u>430,478</u>
Revenue Over Expenditure	151,402	(151,402)	-
Change in Net Position	-	100,569	100,569
Fund Balance/Net Position			
Beginning of the Year	<u>258,859</u>	<u>593,796</u>	<u>852,655</u>
End of the Year	<u>\$ 410,261</u>	<u>\$ 542,963</u>	<u>\$ 953,224</u>

See Accompanying Notes

**FLORISSANT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGE IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Total Net Change in Fund Balances - Governmental Funds	\$	151,402
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay is reported in the governmental funds as an expenditure. However, in the statement of activities, the cost of acquired assets is allocated over their estimated useful lives as depreciation expense. The detail of capital outlay and depreciation expense follows:

Depreciation Expense	\$	<u>(50,833)</u>	(50,833)
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Change in Net Position	\$	<u><u>100,569</u></u>
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See Accompanying Notes

NOTES TO THE FINANCIAL STATEMENTS

**FLORISSANT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Florissant Fire Protection District (District) uses volunteer firefighters and emergency medical technicians to provide firefighting and emergency medical services to the residents of Teller County, Colorado.

Financial Reporting Entity - The District is a special district governed by an elected five-member board. The District applies the criteria set forth in GASB Statement #14, *The Financial Reporting Entity*, to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units based on the elected officials accountability to their constituents, and the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to, fiscal dependency, imposition of will, legal standing, and the primary recipient of services. The District has no component units for which either discrete or blended presentation is required.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles.

The District's annual financial report includes the accounts and funds of all District operations presented in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

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 government. The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, is offset by program revenues.

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flow.

Fund Financial Statements - The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures or expenses, as appropriate. 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. The various funds are grouped, in the financial statements in this report, into the general fund governmental fund type.

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**FLORISSANT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Accounting - Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as a net current asset. Property tax is recorded as unearned revenue when levied even though a portion of the tax may be collected in subsequent years. Property tax is recognized as revenue when the money is available in the following year. Other income is recorded when received in cash because it is generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting 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.

Budget Accounting - Budgets are prepared in accordance with the requirements of Colorado Revised Statutes and accordingly include "anticipated income and other means of financing proposed expenditures", and expenditures include, in addition to those shown in the operating statements, debt redemptions and capital expenditures. The budget is adopted on the cash basis of accounting, which is a non-GAAP basis.

Budgets - The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- A. State law for all funds requires budgets. During September, the proposed budget is submitted to the Board of Directors by the budget officer for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them.
- B. Public hearings are conducted by the Directors to obtain taxpayer comments.
- C. Prior to December 31, the budget is adopted and appropriations made by formal resolution.
- D. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund or changes in project or department budgets. Budget amounts included in the financial statements are based on the final, legally amended budget.
- E. Budget appropriations lapse at the end of each year.

Accordingly, budget comparisons are of the legally adopted budget. The level of budget control is determined by the resolution appropriating sums of monies. Encumbrances are neither recorded on the books of the District nor included in the budget. The Board of Directors has the authority to make budget amendments.

**FLORISSANT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets - Capital assets are reported in the government-wide financial statements. Capital assets are defined as assets having an estimated life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciable capital assets are depreciated using the straight-line method over estimated useful lives of 3 - 40 years.

Property Tax/Deferred Revenue - Upon certification of the amount of levy by the District to Teller County, the County levies the property tax in December of the year prior to the year of collection of the tax. The County also acts as the billing and collection agency for the District. Property tax attaches as a lien on January 1 and may be paid in full by April 30 or in equal installments by February 28 and July 31. The District records the tax as a receivable when it is measurable and an enforceable legal claim attaches to the property. The tax is recognized as revenue when the money is available in the following year.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position Classifications - The government-wide financial statements classifies net position in the following categories:

Invested in capital assets, net of related debt - this classification consists of capital assets net of accumulated depreciation and reduced by outstanding related debt that is attributed to the acquisition, construction, or improvement of capital assets.

Restricted net position - this classification consists of restrictions created by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation and constitutional provisions.

Unrestricted net position - this classification represents the remainder of net position that does not meet the definition of “invested in capital assets, net of related debt”, or “restricted net position”.

**FLORISSANT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balance Classifications – Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balances: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Non-spendable - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.

Restricted - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation.

Committed - includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the District’s Board of Directors. Commitments may be modified or changed only by the District’s Board of Directors approving a new resolution.

Assigned - includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District’s Board of Directors to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s balance.

Unassigned - this is the residual classification for the general fund.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

NOTE 1 – DEPOSITS

Deposits - The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the depository institution to create a single collateral pool for all public funds. 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.

Deposits are categorized to give an indication of the risk assumed by the District at the end of the year. Category 1) includes deposits that are insured. Category 2) includes collateralized deposits held by the pledging institution’s trust department or agent in the District’s name. Category 3) includes uncollateralized, uninsured deposits.

Custodial Credit Risk Deposits - Custodial credit risk is the risk that in the event of bank failure, the District’s deposits will not be returned to it. The District does not currently have a policy related to custodial credit risk. Throughout the year, the District’s deposits are in excess of the Federal Deposit

**FLORISSANT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Insurance Corporation (FDIC) limit but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution through the PDPA.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Cash	\$ 158,356
Money Market Funds	327,998
	<u>\$ 486,354</u>

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets				
Land	\$ 61,701	\$ -	\$ -	\$ 61,701
Buildings	645,756	-	-	645,756
Equipment	277,304	-	-	277,304
Vehicles	759,152	-	-	759,152
Total Capital Assets	<u>1,743,913</u>	<u>-</u>	<u>-</u>	<u>1,743,913</u>
Less Accumulated Depreciation				
Buildings	(244,333)	(17,076)	-	(261,409)
Equipment	(230,186)	(13,897)	-	(244,083)
Vehicles	(675,598)	(19,860)	-	(695,458)
Total Accumulated Depreciation	<u>(1,150,117)</u>	<u>(50,833)</u>	<u>-</u>	<u>(1,200,950)</u>
Capital Assets, Net	<u>\$ 593,796</u>	<u>\$ (50,833)</u>	<u>\$ -</u>	<u>\$ 542,963</u>

Depreciation expense for the year ended December 31, 2020 was \$50,833.

NOTE 4 – CAPITAL LEASE OBLIGATIONS

Assets acquired through capital leases are:

	<u>2020</u>
Buildings	\$ 451,391
Accumulated Depreciation	(154,721)
	<u>\$ 296,670</u>

**FLORISSANT FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – TAX, SPENDING, AND DEBT LIMITATIONS

In November 1992, the voters of Colorado approved the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments. In general, the TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the District.

Some provisions of TABOR are unclear and will require further judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs, or to engage in any subsequent financing activities.

TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The statement of net position carries an amount of \$10,000 restricted for emergencies for the year ended December 31, 2020.

TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The District believes it has complied with all aspects of the TABOR amendment.

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are managed through the purchase of commercial insurance.

NOTE 7 – RISKS AND UNCERTAINTIES

Coronavirus (COVID-19) Pandemic

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic, and multiple jurisdictions in the U.S. have declared a state of emergency. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on our employees, none of which can be reasonably predicted. At this point, the extent to which COVID-19 may impact the District's financial condition or results of operations is uncertain.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 11, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**FLORISSANT FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP) - GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenue				
Property Tax	\$ 366,770	\$ 366,770	\$ 367,085	\$ (315)
Specific Ownership Tax	22,000	22,000	24,323	(2,323)
Operating Grants and Contributions	2,000	2,000	-	2,000
Deployment Reimbursements	8,000	8,000	-	8,000
Recoveries	500	500	12,658	(12,158)
Investment Income	3,700	3,700	1,563	2,137
Other Income	200	200	24,849	(24,649)
Transfer from Reserve	90,000	90,000	-	90,000
Total Revenue	<u>493,170</u>	<u>493,170</u>	<u>430,478</u>	<u>62,692</u>
Operating Expenditures				
Administrative	167,710	167,710	105,790	61,920
Equipment Repairs and Maintenance	11,500	11,500	36,457	(24,957)
Station Maintenance and Supplies	32,550	32,550	10,026	22,524
New Equipment and Supplies	84,500	84,500	34,649	49,851
Training and Education	12,800	12,800	72,753	(59,953)
Utilities	25,100	25,100	27,290	(2,190)
Vehicles	23,050	23,050	35,543	(12,493)
Capital Outlay	135,960	135,960	-	135,960
Total Expenditures	<u>493,170</u>	<u>493,170</u>	<u>322,508</u>	<u>170,662</u>
Revenue Over Expenditures				
(Non-GAAP Basis)	<u>\$ -</u>	<u>\$ -</u>	107,970	<u>\$ (107,970)</u>
GAAP Adjustments				
Accounts Payable and Accrued Expense			<u>43,432</u>	
Revenue Over (Under) Expenditure				
(GAAP Basis)			151,402	
Fund Balance				
Beginning of the Year			<u>258,859</u>	
End of the Year			<u>\$ 410,261</u>	