

**Grand Fire Protection District No.1
Grand County, Colorado**

FINANCIAL STATEMENTS

With Independent Auditor's Report

December 31, 2020

Grand Fire Protection District No.1

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Grand Fire Protection District No. 1
Grand County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Grand Fire Protection District No. 1 (the District) as of and for the year ended December 31, 2020, 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 Grand Fire Protection District No. 1, as of December 31, 2020, and the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I

Fiscal Focus Partners, LLC

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 III through VIII and pension liability information on pages 31 through 33 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.

Supplementary 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 supplementary information on page 34 is presented for purposes of additional analysis and legal compliance and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Greenwood Village, Colorado
September 21, 2021

Grand Fire Protection District No. 1 MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Grand Fire Protection District No.1's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the basic financial statements and the notes to financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,090,784 (net position). Of this amount, \$1,507,494 (unrestricted net position) may be used to meet the District's ongoing obligations to its citizens and creditors.
- The District's total net position increased by \$625,956 over the prior fiscal year.
- Total governmental funds revenue increased \$369,617 from the prior year, primarily due to an increase in wildland fire assignment revenue.
- General fund expenditures decreased by \$319,531 from the prior year, primarily due to a decrease in capital expenditures.
- The general fund ending fund balance was \$2,704,813, an increase of \$291,519.

Effective January 1, 2015, the District and all other state and local governments throughout the nation that provide their employees with pension benefits, are required to apply GASB Statement No. 68 to their financial statements. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The District provides its employees with pension benefits through a multiple employer cost-sharing defined benefit pension plan administered by the Colorado Fire and Police Pension Association. It is important to note that the District does not have a responsibility to pay the amount shown as the District's net pension liability, nor receive a benefit from the net pension asset. The District's direct liability is limited to the annually required contributions established by the State Legislature. In addition, the District does not have any control over the investment policies associated with FPPA investments. These responsibilities lie solely with the FPPA board and administration. Decisions regarding the plan benefit design and the funding policies lie solely with the State Legislature. Please refer to Notes 8 and 9 within the Notes to Financial Statements section of this report starting on page 9.

Overview of the Financial Statements

Grand Fire Protection District No.1's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains 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.

Grand Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

The *Statement of Net Position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The governmental activities of the District include fire, rescue and emergency services within its boundaries. In addition, the District maintains mutual aid and automatic aid agreements with adjacent fire protection districts. Other activities include fire prevention and fire safety education, fire training, fire inspections and plan reviews.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Grand Fire Protection District No.1, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District'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 District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Grand Fire Protection District No. 1 maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds.

**Grand Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

The District adopts an annual appropriated budget for each of the funds described above. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-8 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 9-30 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information. Budget comparisons for the debt service fund can be found on page 35 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of Grand Fire Protection District No.1, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,464,828 at the close of the most recent fiscal year.

Net Position

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Current assets	4,646,004	4,271,606
Capital assets and pension asset	7,211,965	7,395,674
Total assets	<u>11,857,969</u>	<u>11,667,280</u>
Deferred outflows of resources	<u>375,364</u>	<u>514,637</u>
Current liabilities	184,595	703,948
Long-term obligations	3,444,224	3,572,795
Total liabilities	<u>3,628,819</u>	<u>4,276,743</u>
Deferred inflows of resources	<u>1,513,730</u>	<u>1,440,346</u>
Net position:		
Net investment in capital assets	4,821,120	4,522,955
Restricted	762,170	499,653
Unrestricted	<u>1,507,494</u>	<u>1,442,220</u>
Net position	<u>7,090,784</u>	<u>6,464,828</u>

The District has 68% of its net position invested in capital assets (e.g., property, plant, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, this net position is *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt

**Grand Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$1,517,494 (21%) may be used to meet the District's ongoing obligations to citizens and creditors.

Statement of Activities

	For the Years Ended December 31,	
	2020	2019
Revenues		
Program revenues		
Operating grants and contributions	\$ -	\$ 30,973
General revenues		
Property taxes	1,320,775	1,126,991
Specific ownership taxes	98,899	96,752
Fire impact fees	199,554	266,165
Interest and other	483,159	211,889
Total revenues	2,102,387	1,732,770
Expenses		
General and administrative	496,705	437,028
Pension contribution/expense	80,840	105,698
Operating and communications	319,215	184,092
Repairs, maintenance and other	135,663	158,295
South (Red Dirt) Station annual contribution	25,000	25,000
Grant expenditures	24,489	20,829
Depreciation and amortization	271,606	271,372
Bond interest expense and related debt service costs	122,913	133,925
Total expenses	1,476,431	1,336,239
Change in net position	625,956	396,531
Net position - beginning	6,464,828	6,068,297
Net position - ending	\$ 7,090,784	\$ 6,464,828

**Grand Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)**

Financial Analysis of the Government's Funds

As noted earlier, Grand Fire Protection District No.1 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the District's governmental funds reported a combined ending fund balance of \$3,114,062, an increase of \$363,626 in comparison with the prior year. The general fund balance increased \$291,519 while the debt service fund balance increased \$72,107 during 2020.

General Fund Budgetary Highlights

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The Board of Directors can only amend appropriation resolutions upon completion of notification and publication requirements.

General fund revenues were more than budgeted by \$377,735. General Fund expenditures were less than budgeted by \$484,409 primarily because the majority of amounts budgeted for capital expenditures for the District were not expended during 2020.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for governmental activities as of December 31, 2020 amounts to \$7,395,674 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, furniture and equipment.

Capital Assets, net of Depreciation

	December 31,	
	2020	2019
Land and improvements	\$ 1,149,262	\$ 1,149,262
Construction in process	122,639	122,639
Buildings and improvements	4,237,080	4,341,694
Vehicles	1,446,827	1,575,951
Equipment	241,906	206,128
Total	\$ 7,197,714	\$ 7,395,674

Grand Fire Protection District No. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

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

Debt Administration. As of December 31, 2020, the District had general obligation bonded debt outstanding of \$2,350,000.

Additional detail on the District's debt is in Note 5 of this report.

Economic Factors and Next Year's Budget

New growth is expected to be slow throughout the District during 2021. Conservative budgeting and spending will continue. The District continues to work on the construction of a North Station. The 2021 budget includes building construction for the North Station and capital expenditures related to the purchase of additional apparatus and equipment. General fund revenues budgeted for 2021 will not be sufficient to fund budgeted expenditures. Thus, \$826,978 is budgeted to be drawn from the general fund balance in 2021. Bond fund revenues will be sufficient to support debt service requirements in 2021.

Additional revenue sources will be sought in 2021, including, but not limited to; 1) code enforcement fees, 2) regional and national wildland fire deployments of apparatus and personnel, 3) response reimbursement, and 4) state and federal grant funding.

Requests for Information

This financial report is designed to provide a general overview of Grand Fire Protection District No.1's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Brad White, Fire Chief
Grand Fire Protection District No. 1
P.O. Box 338
Granby, Colorado 80446
(970) 887-3380
bwhite@grandfire.org

BASIC FINANCIAL STATEMENTS

Grand Fire Protection District No.1

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 2,485,273
Cash and investments - restricted	758,221
Accounts receivable	28,610
Accounts receivable - treasurer	3,949
Prepaid expenses	15,260
Property taxes receivable	1,354,691
Net pension asset - FPPA statewide defined benefit plan	14,251
Capital assets, not being depreciated	1,271,901
Capital assets, being depreciated, net	5,925,813
Total assets	<u>11,857,969</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts - FPPA volunteer pension fund	181,215
Pension related amounts - FPPA statewide defined benefit plan	107,791
Cost of refunding	86,358
Total deferred outflows of resources	<u>375,364</u>
LIABILITIES	
Accounts payable	15,173
Interest payable - bonds	7,344
Funds held in agency-South Station	162,078
Net pension liability - FPPA volunteer pension fund	1,050,040
Compensated absences	17,590
Long-term debt	
Due within one year	504,549
Due in more than one year	1,872,045
Total liabilities	<u>3,628,819</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts - FPPA volunteer pension fund	125,180
Pension related amounts - FPPA statewide defined benefit plan	33,859
Deferred property taxes	1,354,691
Total deferred inflows of resources	<u>1,513,730</u>
NET POSITION	
Net investment in capital assets	4,821,120
Restricted for:	
Emergencies	44,000
Fire impact expenditures	308,921
Debt service	409,249
Unrestricted	1,507,494
Total net position	<u>\$ 7,090,784</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1
STATEMENT OF ACTIVITIES
For the year ended December, 31, 2020

Functions/Programs:	Program Revenues				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Human Resources	\$ (400,239)	\$ -	\$ -	\$ -	\$ (400,239)
Administration	(96,466)	-	-	-	(96,466)
Pension expense	(80,840)	-	-	-	(80,840)
Operations	(294,941)	-	-	-	(294,941)
Communications	(24,274)	-	-	-	(24,274)
Building repair	(69,635)	-	-	-	(69,635)
Equipment repair	(66,028)	-	-	-	(66,028)
South Station	(25,000)	-	-	-	(25,000)
Grants and contributions	(24,489)	-	-	-	(24,489)
Depreciation expense (unallocated)	(271,606)	-	-	-	(271,606)
Interest on long-term debt and related costs	(122,913)	-	-	-	(122,913)
Total governmental activities	\$ (1,476,431)	\$ -	\$ -	\$ -	(1,476,431)
General Revenues:					
					1,320,775
					98,899
					199,554
					72,463
					410,696
				Total general revenues	2,102,387
				Change in net position	625,956
				Net position - beginning	6,464,828
				Net position - ending	\$ 7,090,784

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 2,485,273	\$ -	\$ 2,485,273
Cash and investments - restricted	352,921	405,300	758,221
Accounts receivable	28,610	-	28,610
Accounts receivable - treasurer	-	3,949	3,949
Prepaid expenses	15,260	-	15,260
Property taxes receivable	730,409	624,282	1,354,691
Total assets	<u>3,612,473</u>	<u>1,033,531</u>	<u>4,646,004</u>
LIABILITIES			
Accounts payable	15,173	-	15,173
Funds held in agency - South Station	162,078	-	162,078
Total liabilities	<u>177,251</u>	<u>-</u>	<u>177,251</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	730,409	624,282	1,354,691
Total deferred inflows of resources	<u>730,409</u>	<u>624,282</u>	<u>1,354,691</u>
FUND BALANCES			
Nonspendable:			
Prepays	15,260	-	15,260
Restricted for:			
Debt Service	-	409,249	409,249
Emergency reserves	44,000	-	44,000
Fire impact expenditures	308,921	-	308,921
Assigned for:			
Funds held in Agency	162,078	-	162,078
Subsequent year expenditures	826,978	-	826,978
Unassigned	1,347,576	-	1,347,576
Total fund balances	<u>2,704,813</u>	<u>409,249</u>	<u>3,114,062</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,612,473</u>	<u>\$ 1,033,531</u>	

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:

Capital assets, net	7,197,714
Net pension asset - FPPA statewide defined benefit plan	14,251

Deferred outflows and inflows of resources that represent acquisition or consumption of net position that applies to future periods and, therefore, and not reported in the funds.

Deferred outflows - pension plan	289,006
Deferred inflows - pension plan	(159,039)
Deferred loss on refunding, net	86,358

Long-term liabilities, including bonds payable and related accrued interest, are not due and payable in the current period and therefore are not reported in the funds:

Compensated absences payable	(17,590)
Bonds payable, net	(2,376,594)
Net pension liability - volunteer pension plan	(1,050,040)
Accrued interest payable	(7,344)

Net position of governmental activities	<u>\$ 7,090,784</u>
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The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds

For the year ended December, 31, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
General property taxes	\$ 712,120	\$ 608,655	\$ 1,320,775
Specific ownership taxes	52,802	46,097	98,899
Fire impact fees	199,554	-	199,554
Interest income	70,975	1,488	72,463
Other	410,696	-	410,696
Total revenues	1,446,147	656,240	2,102,387
EXPENDITURES			
Human Resources	382,649	-	382,649
Administration	96,466	-	96,466
Pension contribution	97,500	-	97,500
Operations	294,941	-	294,941
Grants	24,489	-	24,489
Communications	24,274	-	24,274
Facility Expenses	69,635	-	69,635
Equipment Repair and Maintenance	66,028	-	66,028
South Station	25,000	-	25,000
Capital expenditures	73,646	-	73,646
Debt Service			
Principal	-	485,000	485,000
Interest and other	-	99,133	99,133
Total expenditures	1,154,628	584,133	1,738,761
Excess of revenues over (under) expenditures	291,519	72,107	363,626
FUND BALANCES - Beginning of year	2,413,294	337,142	2,750,436
FUND BALANCES - End of year	\$ 2,704,813	\$ 409,249	\$ 3,114,062

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December, 31, 2020

Net change in fund balance - total governmental funds	\$	363,626
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures, net		73,646
Depreciation expense		(271,606)
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Bond principal payments		485,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.		
Amortization of bond premium		11,125
Amortization of cost of refunding		(36,127)
Pension expense		16,660
Compensated absences - change in liability		(17,590)
Interest expense - change in accrued interest		1,222
		1,222
Change in net position of governmental activities	\$	625,956

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
General Fund

For the year ended December, 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
General property taxes	\$ 712,736	\$ 712,120	\$ (616)
Specific ownership taxes	30,000	52,802	22,802
Interest income	30,000	70,975	40,975
Fire Impact	75,000	199,554	124,554
Grant income	15,000	-	(15,000)
Other	205,676	410,696	205,020
Total revenues	1,068,412	1,446,147	377,735
EXPENDITURES			
Human Resources			
Administration salaries	283,000	268,826	14,174
Payroll taxes	20,000	16,979	3,021
Payroll benefits	92,000	91,276	724
Payroll expenses	300	243	57
Firefight health and wellness	5,000	3,119	1,881
Recruitment and incentives	3,000	2,206	794
Total general	403,300	382,649	20,651
Administration			
Legal, accounting and audit	18,000	8,278	9,722
County Treasurer fees	35,637	35,607	30
Office and miscellaneous	7,000	14,593	(7,593)
Dues and subscriptions	6,000	5,816	184
Insurance	50,000	17,639	32,361
Outside services and agreements	7,000	5,756	1,244
Professional development	8,000	1,748	6,252
Elections	5,000	129	4,871
Directors fees	6,600	6,900	(300)
Total administration	143,237	96,466	46,771
Contribution to South Station	25,000	25,000	-
Pension Contribution	90,000	97,500	(7,500)

(continued)

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
General Fund
(continued)
For the year ended December, 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Operations			
Gas and oil	13,000	6,554	6,446
Supplies and PPE	37,000	32,518	4,482
Training	20,000	11,254	8,746
Prevention and risk reduction	9,000	3,643	5,357
Resident program	5,000	399	4,601
Uniforms	7,000	6,425	575
Wildland deployment	75,500	210,431	(134,931)
Firefighter incentives	24,000	23,717	283
Grant expenditures	15,000	24,489	(9,489)
Total fire fighting	205,500	319,430	(113,930)
Communication			
Telephone	10,000	11,279	(1,279)
Website and social media	3,000	1,815	1,185
Dispatch	13,000	11,180	1,820
Radios/pagers	10,000	-	10,000
Total communication	36,000	24,274	11,726
Facility Expenses			
Improvements	5,000	1,170	3,830
Outside service	15,000	19,186	(4,186)
Supplies	8,000	5,377	2,623
Office equipment	8,000	2,122	5,878
Utilities	45,000	41,780	3,220
Total facility expense	81,000	69,635	11,365
Equipment Repair and Maintenance			
Outside service	35,000	52,827	(17,827)
Parts and supplies	15,000	13,201	1,799
Total equipment repair and maintenance	50,000	66,028	(16,028)

(continued)

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
General Fund
(continued)
For the year ended December, 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Capital Expenditures			
Equipment	50,000	7,421	42,579
Capital improvements	100,000	52,820	47,180
North Station construction	100,000	-	100,000
Building and property	20,000	13,405	6,595
Apparatus	200,000	-	200,000
Disaster reserve fund	10,000	-	10,000
Fire impact fees	75,000	-	75,000
Total capital expenditures	555,000	73,646	481,354
Contingency	50,000	-	50,000
Total expenditures	1,639,037	1,154,628	484,409
EXCESS OF REVENUE OVER EXPENDITURES (UNDER) EXPENDITURES	(570,625)	291,519	862,144
FUND BALANCES - Beginning of year	2,683,131	2,413,294	(269,837)
FUND BALANCES - End of year	\$ 2,112,506	\$ 2,704,813	\$ 592,307

The accompanying Notes to Financial Statements are an integral part of these statements.

Grand Fire Protection District No.1

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

Note 1 – Reporting entity

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized in 1951, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District provides fire protection and responds to various emergency situations in a 150 square mile area within the Granby, Colorado region.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Note 2 – Summary of significant accounting policies

The more significant accounting policies of the District are described as follows:

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect 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 segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, internally dedicated revenues, and other items not properly included among program revenues are reported instead as general revenues.

Grand Fire Protection District No.1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2020

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

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures, other than interest on long-term obligations, generally are recorded when a liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

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

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest, and are being accumulated for principal and interest maturing in future years.

Grand Fire Protection District No.1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2020

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

Pooled cash and investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Property taxes

Property taxes are levied based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November and December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measureable. The deferred inflows are recorded as revenue in the year they are available or collected.

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities of the government-wide financial statements at cost, net of accumulated depreciation. Capital assets are defined by the District as those assets with a cost of \$1,000 or greater and an estimated life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Buildings	30-50 years
Vehicles	10-20 years
Furniture and fixtures	5 years
Equipment	10 years

Compensated absences

The District has a policy whereby employees are compensated for unused paid time off. Unused accumulated paid hours will be paid based on an employee's regular rate of pay at time of termination. The earned, unpaid balance as of December 31, 2020 is approximately \$17,590.

Long-term debt

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources in the current period.

Fund Balances

In the fund financial statements the following classifications describe the relative strength of the spending constraints.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific

Grand Fire Protection District No.1

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2020

purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fire Protection Postemployment Benefit Plan

The Governmental Accounting Standards Board (GASB) released Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, that is effective for the District for the year ending December 31, 2018. This statement details the reporting requirements for employers regarding other post-employment benefit (OPEB) plans.

FPPA administers the Statewide Death & Disability Plan discussed in Note 9, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the District, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any Net OPEB liability (asset) is \$-0-.

Grand Fire Protection District No.1
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Note 3 – Cash and investments

Cash and investments are reflected on the December 31, 2020 financial statements as follows:

	Governmental
Cash and investments	\$ 2,485,273
Cash and investments - restricted	758,221
Total cash and investments	\$ 3,243,494

█ Cash and investments as of December 31, 2020 consisting of the following:

	Governmental
Deposits with financial institutions	\$ 2,095,921
Investments	1,147,573
Total cash and investments	\$ 3,243,494

Deposits with financial institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2020, the federal insurance limit was \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of to the aggregate uninsured deposits.

The State Commissioners for banks and financial services are 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, 2020, the District's cash deposits had bank balances of \$2,120,887 and carrying balances of \$2,095,921.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has adopted a deposit policy, which follows state statutes, for custodial credit risk. As of December 31, 2020, all of the District's bank balances and carrying balances were fully insured or collateralized.

Grand Fire Protection District No.1
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Investments

The District's investment policy follows state statutes regarding investments. Colorado revised statutes limit investment maturities to five years or less unless formally approved by the District. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

The District primarily limits its investments to local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$ 1,147,573

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Cash and investments - restricted

At December 31, 2020, \$308,921 of cash and investments in the Governmental Funds were restricted for fire impact expenditures (see Note 11). \$405,300 of Governmental Funds cash and investments were restricted for future payment of bond principal, interest and related costs.

Article X, Section 20 of the Constitution of the State of Colorado requires the District to establish emergency reserves (see Note 13). At December 31, 2020, \$44,000 of Governmental Funds cash and investments were restricted in compliance with this requirement.

Note 4 – Capital assets

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

Grand Fire Protection District No.1
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

	Balance at December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Capital assets, not being depreciated				
Land and improvements	\$ 1,149,262	\$ -	\$ -	\$ 1,149,262
Construction in progress	122,639	-	-	122,639
	<u>1,271,901</u>	<u>-</u>	<u>-</u>	<u>1,271,901</u>
Capital assets being depreciated				
Buildings and improvements	5,805,424	7,580	-	5,813,004
Vehicles	3,601,735	-	-	3,601,735
Furniture and fixtures	46,236	52,820	-	99,056
Equipment	464,429	13,246	-	477,675
Total capital assets being depreciated	<u>9,917,824</u>	<u>73,646</u>	<u>-</u>	<u>9,991,470</u>
Less accumulated depreciation for				
Buildings and improvements	1,463,730	112,194	-	1,575,924
Vehicles	2,025,784	129,124	-	2,154,908
Furniture and fixtures	44,640	797	-	45,437
Equipment	259,897	29,491	-	289,388
Total accumulated depreciation	<u>3,794,051</u>	<u>271,606</u>	<u>-</u>	<u>4,065,657</u>
Total capital assets being depreciated, net	<u>6,123,773</u>	<u>(197,960)</u>	<u>-</u>	<u>5,925,813</u>
Capital assets, net	<u>\$ 7,395,674</u>	<u>\$ (197,960)</u>	<u>\$ -</u>	<u>\$ 7,197,714</u>

Depreciation expense of \$271,606 for 2020 was included in the expenses of the primary government on the statement of activities.

Note 5 – Long-term obligations

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020:

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020	Due Within One Year
General obligation bonds payable					
Series 2012	\$ 2,835,000	\$ -	\$ 485,000	\$ 2,350,000	\$ 495,000
Total bonds payable	<u>2,835,000</u>	<u>-</u>	<u>485,000</u>	<u>2,350,000</u>	<u>495,000</u>
Premium	37,719	-	11,125	26,594	9,549
Total long-term obligations	<u>\$ 2,872,719</u>	<u>\$ -</u>	<u>\$ 496,125</u>	<u>\$ 2,376,594</u>	<u>\$ 504,549</u>

A description of long-term obligations outstanding as of December 31, 2020 is as follows:

\$5,260,000 of General Obligation Bonds, Series 2012 dated August 24, 2012

The bonds were issued in the amount of \$5,260,000 due through May 15, 2024, with interest rates of 2.0% to 3.0%. The bonds were issued primarily to refund the Series 2004 Bonds and to pay costs of issuance. Principal payments are due annually on November 15 and interest is payable semi-annually on November 15 and May 15. The 2012 Series bonds are subject to redemption prior to maturity. The 2012 Series Bonds currently have a rating by Fitch of AA-.

The bonds are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the principal of and interest on the Bonds when due.

The District issued the 2012 bonds to achieve a net present value benefit of \$457,283 over the term of the bonds.

The District's long-term obligations will mature as follows:

Year Ended December 31	Principal	Interest	Total
2020	\$495,000	\$ 58,750	\$ 553,750
2021	500,000	46,375	546,375
2022	520,000	33,875	553,875
2023	535,000	20,875	555,875
2024	300,000	3,750	303,750
	<u>\$ 2,350,000</u>	<u>\$ 163,625</u>	<u>\$ 2,513,625</u>

Debt authorization

At December 31, 2020, the District had no authorized but unissued debt.

Grand Fire Protection District No.1
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Note 6 – Net position

The District reports net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had a net investment in capital assets as follows:

Capital assets, net	\$ 7,197,714
Current portion of outstanding long-term obligations	(504,549)
Noncurrent portion of outstanding long-term obligations	<u>(1,872,045)</u>
Net investment in capital assets	<u>\$ 4,821,120</u>

Restricted assets include net position that is restricted for use either externally imposed by creditors, grantors, contributors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2020, the District had restricted net position as follows:

Emergencies (Note 13)	\$ 44,000
Fire impact expenditures (Note 11)	308,921
Debt service (Note 5)	<u>409,249</u>
Total restricted net position	<u>\$ 762,170</u>

The District had unrestricted net position of \$1,507,494 and total net position of \$7,090,784 as of December 31, 2020.

Note 7 – Related party transactions

During 2020, the board paid vendors that have firefighters/board members as employees with transactions totaling \$24,881. The board feels these transactions are priced competitively and are accurately characterized as “arm’s length” transactions.

Grand Fire Protection District No.1
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Note 8 – Firefighters pension plan

Plan Descriptions and Provisions

The District, on behalf of its volunteer firefighters, contributes to a single-employer defined benefit pension plan (the Plan). The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions for such plans. The Plan is included as a Pension Trust fund of the District and the Pension Trust does not issue separate statements.

Volunteers Covered by Benefit Terms

As of the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries		29
Inactive, Nonretired Members		2
Active Members		11
Total		42

Benefits provided

The Plan provides retirement, survivor, death and funeral benefits. Retirement benefit for a member is \$700.00 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$35.00 per month for every year of service. Survivor's death benefits is a \$350.00 monthly benefit payment. Funeral benefit to the family members is a one-time payment of \$1,400.

Funding policy.

The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. The Actuarial study as of January 1, 2019, indicated that the current level of contributions to the fund are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

Contributions

For the year ended December 31, 2020, the District contributed \$97,500 to the plan. The State of Colorado contributed an additional \$31,557.

Net Pension Liability

The total pension liability is based on an actuarial valuation performed as of January 1, 2019 and a measurement date of December 31, 2019. This measurement date is within two years of the plan sponsor's fiscal year-end of December 31, 2020 and may be used for December 31, 2020 reporting purposes.

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

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

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 rates were based on the following:

- 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 were projected and based on Scale BB.

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

The assumptions shown above pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. 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%

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.

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

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.

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.71% (based on the weekly rate closet 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%.

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). Being that the plan's fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 7.00% was used as the discount rate.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 2,467,889	\$ 1,307,685	\$ 1,160,204
Service Cost	6,823	-	6,823
Interest	165,891	-	165,891
Changes in benefit terms	-	-	-
Difference Between Expected and Actual Experience	-	-	-
Changes in assumptions	-	-	-
Contributions - Employer	-	82,500	(82,500)
State of Colorado Supplemental Discretionary Payment	-	31,557	(31,557)
Net Investment Income	-	180,256	(180,256)
Benefit Payments, Including Refunds of Employee Contribution	(206,218)	(206,218)	-
Administrative Expenses	-	(11,435)	11,435
Net Changes	(33,504)	76,660	(110,164)
Balance at December 31, 2020	\$ 2,434,385	\$ 1,384,345	\$ 1,050,040

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Net Pension Liability	\$1,293,629	\$1,050,040	\$844,742

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

For the year ended December 31, 2020, the district recognized pension expense of \$85,215 for the Volunteer Pension Plan. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 65,760	\$ 16,059
Changes of Assumptions	17,955	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		109,121
Contributions Subsequent to the Measurement Date	97,500	-
Total	<u>\$ 181,215</u>	<u>\$ 125,180</u>

\$97,500 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease in the pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

<u>Year Ended December 30</u>	<u>Deferred Amounts</u>
2021	\$ (8,578)
2022	(16,039)
2023	1,607
2024	(18,455)
Total	<u>\$ (41,465)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Note 9 – State Fire and Police Pension Plan (FPPA)

Plan Description and Provisions

The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid firefighters of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits

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. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

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,

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December 31, 2020

2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 with at least five years of credited service or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of base salary for a total contribution rate of 19.0 percent in 2020. 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 pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. Contributions to the SWDB plan from the District were \$16,824 for the year ended December 31, 2020.

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

At December 31, 2020, the District reported an asset of \$14,251 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan

Grand Fire Protection District No.1
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

relative to the contributions of all participating entities. At December 31, 2019, the District's proportion was 0.02520 percent, which was a decrease of 0.00328 percent from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension expense of (\$4,383). At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 48,227	\$ 279
Changes of Assumptions or other Inputs	27,059	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	22,402
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share Share of Contributions	15,681	11,178
Contributions Subsequent to the Measurement Date	16,824	-
Total	\$ 107,791	\$ 33,859

\$16,824 in total reported as deferred outflows of resources related to pension resulting from District contributions subsequent to measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	\$ 4,702
2022	2,762
2023	10,050
2024	597
2025	10,748
Thereafter	28,249

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2020	January 1, 2019
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%	7.0%
Projected Salary Increases*	4.25 - 11.25%	4.25 - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, 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 preretirement 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.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are summarized in the following table:

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**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	38.00 %	7.00 %
Equity Long/Short	8.00	6.00
Illiquid Alternatives	25.00	9.20
Fixed Income	15.00	5.20
Absolute Return	8.00	5.50
Managed Futures	4.00	5.00
Cash	2.00	2.52
Total	100.00	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA 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.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 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 (Asset)	\$ 86,405	\$ (14,251)	\$ (97,731)

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 <http://www.fppaco.org>.

Grand Fire Protection District No.1
NOTES TO FINANCIAL STATEMENTS
(continued)

December 31, 2020

Changes Between the Measurement Date of the Net Pension Asset and December 31, 2020

House Bill 20-1044 was signed into law on April 1, 2020. Included in the bill is a provision to increase the benefits of the members of the Statewide Defined Benefit Plan through a Rule of 80 provision effective January 1, 2021. This provision provides for a normal retirement as early as age 50 if the member's age combined with years of service totals at least 80. The impact of this change was not included in the Total Pension Liability or the Collective Pension Expense as of the December 31, 2019 measurement period. This will be reflected in the December 31, 2020 measurement period. The impact of the benefit adjustment is approximately \$53 million to the SWBD Plan.

Note 10 – Deferred compensation plan

The District established a deferred compensation plan pursuant to Internal Revenue Code Section 457, which is being administered by the FPPA. The District has no administration or trustee responsibilities for this plan. Neither the assets nor corresponding liabilities of this plan are reflected in these financial statements. During 2020, the District contributed \$20,237 and the District's employees contributed \$20,237 to the Plan.

Note 11 – Joint construction and facility use agreement

Grand Fire Protection District No. 1 and East Grand Fire Protection District No. 4 entered into a Joint Construction and Facility Use Agreement on June 27, 2006. The Districts agreed to share equally, the construction costs and future operating and maintenance costs of a regional response facility (known as the "South Station" or "Red Dirt Station") in Grand County. The Districts have been utilizing this facility since then, providing living quarters to active firefighters and responding to emergencies in both Districts, improving response times and increasing manpower on scene.

Land valued at \$150,000 was donated by the YMCA of the Rockies for the South Station site. The Districts contributed \$270,000 each toward construction. The facility is being operated now by a joint management committee made up of two members from each District's board. The Districts will rotate responsibility for management of the facility. The completed construction cost of \$1,075,603 is divided equally between the assets of both districts.

Note 12 – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees or volunteers; and natural disasters. The District carries commercial coverage of these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

Grand Fire Protection District No.1

**NOTES TO FINANCIAL STATEMENTS
(continued)**

December 31, 2020

Note 13 – Tax, spending and debt limitation

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 6, 2001, registered electors of the District passed an issue allowing the District, in the year 2002 and each subsequent year thereafter, to collect, retain, and expend the full proceeds of the District's fees, taxes, non-federal grants, and other revenues and to spend such revenue for debt service, District operations, capital projects, and any other lawful District purpose, notwithstanding any State of Colorado restrictions on revenues or spending including the restrictions of Article X, Section 20, of the Colorado Constitution, the revenue limitations in Section 29-1-301 of the Colorado Revised Statutes or any other law.

On May 4, 2004 the District voters approved a mill levy override to provide funds for District operations, allowing the District to levy up to 0.850 mills for such purposes.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

REQUIRED SUPPLEMENTRY INFORMATION

Grand Fire Protection District No. 1
Schedule of Changes in Net Pension Liability and Related Ratios
FPPA Volunteer Plan

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service Cost	\$ 6,823	\$ 11,880	\$ 11,880	\$ 26,299	\$ 26,299	\$ 27,950
Interest	165,891	178,016	178,280	174,694	174,921	176,988
Changes in Benefit Terms	-	-	-	(5,195)	-	(66,786)
Differences Between Expected and Actual Experience	-	(80,293)	-	(15,604)	-	40,896
Changes of Assumptions	-	89,775	-	72,370	-	-
Benefit Payments, Including Refunds of Employee Contributions	(206,218)	(194,894)	(192,500)	(202,650)	(205,800)	(205,800)
Net Change in Total Pension Liability	(33,504)	4,484	(2,340)	49,914	(4,580)	(26,752)
Total Pension Liability - Beginning of Year	2,467,889	2,463,405	2,465,745	2,415,831	2,420,411	2,447,163
Total Pension Liability - End of Year	2,434,385	2,467,889	2,463,405	2,465,745	2,415,831	2,420,411
Plan Fiduciary Net Position						
Contributions - Employer	82,500	90,000	95,000	108,333	95,040	110,004
Contributions - Employee	-	-	-	-	-	-
Net Investment Income	180,256	850	181,731	65,983	24,181	86,885
Benefit Payments, Including Refunds of Employee Contributions	(206,218)	(194,894)	(192,500)	(202,650)	(205,800)	(205,800)
Administrative Expenses	(11,435)	(9,465)	(9,994)	(2,246)	(4,799)	(2,378)
State of Colorado supplemental discretionary payment	31,557	31,557	31,557	31,557	31,557	31,557
Net Change in Plan Fiduciary Net Position	76,660	(81,952)	105,794	977	(59,821)	20,268
Plan Fiduciary Net Position - Beginning of Year	1,307,685	1,389,637	1,283,843	1,282,866	1,342,687	1,322,419
Plan Fiduciary Net Position - End of Year	1,384,345	1,307,685	1,389,637	1,283,843	1,282,866	1,342,687
Net Pension Liability - End of Year	\$ 1,050,040	\$ 1,160,204	\$ 1,073,768	\$ 1,181,902	\$ 1,132,965	\$ 1,077,724
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.87%	52.99%	56.41%	52.07%	53.10%	55.47%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
District's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

**Grand Fire Protection District No. 1
FPPA Volunteer Plan
Schedule of District Contributions**

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 121,386	\$ 121,386	\$ 130,724	\$ 130,724	\$ 130,724	\$ 141,536	\$ 141,536
Contributions in Relation of the Actuarially Determined Contribution	114,057	121,386	121,557	126,557	139,890	126,597	141,561
Contribution Deficiency (Excess)	\$ 7,329	\$ -	\$ 9,167	\$ 4,167	\$ (9,166)	\$ 14,939	\$ (25)
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Actuarially determined contribution rates are calculated as of January 1 of odd numbered years and used for two fiscal years

Grand Fire Protection District No. 1
Schedule of the District's Proportionate Share of the Net Pension Liability (Asset)
Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Measurement Date	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's Proportion of the Net Pension Liability (Asset)	0.025197320%	0.028472483%	0.031644835%	0.034958697%	0.034204191%	0.026536241%	0.011174406%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,251)	\$ 35,997	\$ (45,526)	\$ 12,632	\$ (603)	\$ (29,948)	\$ (9,992)
District's Covered Payroll	\$ 186,884	\$ 190,968	\$ 184,500	\$ 178,917	\$ 165,814	\$ 119,350	\$ 119,350
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(7.6%)	18.8%	(24.7%)	7.1%	(0.4%)	(25.1%)	(8.4%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

* The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the Plan. Covered payroll is presented based on the fiscal year. Information earlier than 2014 was not available.

Schedule of District Contributions
Last Seven Fiscal Years

<u>Fiscal Year</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 16,824	\$ 14,951	\$ 15,277	\$ 14,832	\$ 14,313	\$ 13,265	\$ 9,548
Contributions in Relation to the Contractually Required Contribution	16,824	14,951	15,277	14,832	14,313	13,265	9,548
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Entity)'s Covered Payroll	\$ 210,302	\$ 186,884	\$ 190,968	\$ 184,500	\$ 178,917	\$ 165,814	\$ 119,350
Contributions as a Percentage of Covered Payroll	8%	8%	8%	8%	8%	8%	8%

SUPPLEMENTRY INFORMATION

Grand Fire Protection District No.1
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
Debt Service Fund

For the year ended December, 31, 2020

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES			
General property taxes	\$ 609,167	\$ 608,655	\$ (512)
Specific ownership taxes	-	46,097	46,097
Interest income	-	1,488	1,488
Total revenues	<u>609,167</u>	<u>656,240</u>	<u>47,073</u>
EXPENDITURES			
Debt service			
Principal	485,000	485,000	-
Interest	68,450	68,450	-
County Treasurer Fees	36,550	30,433	6,117
Other	45,176	250	44,926
Total expenditures	<u>635,176</u>	<u>584,133</u>	<u>51,043</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(26,009)</u>	<u>72,107</u>	<u>98,116</u>
FUND BALANCES - Beginning of year	<u>43,208</u>	<u>337,142</u>	<u>293,934</u>
FUND BALANCES - End of year	<u>\$ 17,199</u>	<u>\$ 409,249</u>	<u>\$ 392,050</u>