

**BOULDER MOUNTAIN FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2016**



RECEIVED

By the Office of the State Auditor at 12:55 pm, Jul 14, 2017

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Boulder Mountain Fire Protection District

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Boulder Mountain Fire Protection District as of and for the year ended December 31, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 of 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 Boulder Mountain Fire Protection District, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedule for the General Fund, Schedule of Contributions Multiyear and the Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear, Schedule of the District's Proportionate Share of the Net Pension Liability FPPA – SWDB and the Schedule of Contributions Multiyear – FPPA SWDB on pages 3 through 6 and 26 through 30 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.

A handwritten signature in black ink that reads "Gurn + Associates LLP". The signature is written in a cursive, flowing style.

July 12, 2017
Brighton, Colorado

Management's Discussion and Analysis

Boulder Mountain Fire Protection District

Management's Discussion and Analysis

Introduction:

Management's Discussion and Analysis is intended to provide the reader and user of our financial statements with a narrative overview of the District's financial activities. Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements and notes to the financial statements, beginning on page 7.

Overview of the Financial Statements of the District:

The audited financial statements of the District are:

- Statement of Net Position
- Statement of Activities
- Balance Sheet – Governmental Fund
- Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund
- Notes to the Financial Statements

The financial statements of the District are presented as a special purpose government engaged in government type activities. These financial statements distinguish between the functions of the District that will be principally supported by taxes. The functions of the District include the provision of fire protection services and the preventive mitigation of fire dangers.

The **Statement of Net Position** is prepared using the full accrual basis of accounting, provides information about what is owned (assets) by the District, what is owed (liabilities) by the District, and what is the District's equity in its assets (Net Position). Over time, the comparison of changes in Net Position may provide a useful method of evaluating whether the financial position of the District is improving, deteriorating, or maintaining a status quo.

The **Statement of Activities** provides information about the components – Program Expenses, Program Revenue, General Revenue – of the District's annual operating activities and how those activities affected Net Position.

The **Balance Sheet – Governmental Funds** presents the financial position of the District's funds using the traditional government modified accrual method of accounting, which does not reflect capital assets and debt obligations.

The **Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds** presents the activities of the District's funds using the modified accrual method of accounting which includes expenditures for capital assets and debt service obligations. This method approximates the reporting on a cash basis and closely follows the budgetary method.

The two reconciliations, which accompany these governmental funds statements, provide explanations of the specific differences in these statements as compared to the Statement of Net Position and the Statement of Activities.

The **Notes to Financial Statements** provide additional, required disclosures about the District, its accounting policies and practices, its financial position and operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

Condensed Comparative Financial Information:
Statement of Net Position

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current Assets			
Cash and cash equivalents	\$ 693,102	\$ 503,417	\$ 521,201
Other current assets	730,373	647,228	587,734
	<u>1,423,475</u>	<u>1,150,645</u>	<u>1,108,935</u>
Non Current Assets			
Capital assets – net	1,398,180	1,411,011	1,252,318
Total Assets	<u>2,821,655</u>	<u>2,561,656</u>	<u>2,361,253</u>
Deferred Outflows of Resources	141,164	30,352	31,000
Current Liabilities	38,627	53,511	20,236
Long Term Liabilities	190,729	187,986	225,418
Total Liabilities	<u>229,356</u>	<u>241,497</u>	<u>245,654</u>
Deferred Inflows of Resources	<u>632,594</u>	<u>609,428</u>	<u>532,200</u>
Net Position			
Net investment in capital assets	1,318,792	1,312,279	1,252,318
Restricted	30,542	30,969	30,969
Unrestricted	751,535	397,835	331,112
Total Net Position	<u>\$ 2,100,869</u>	<u>\$ 1,741,083</u>	<u>\$ 1,614,399</u>

Statement of Activities

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Program Expenses			
Firefighting and rescue	604,568	522,963	531,261
Mitigation	410,190	325,728	314,957
Total Program Expenses	<u>1,014,758</u>	<u>848,691</u>	<u>846,218</u>
Program Revenues			
Charges for services	482,484	325,112	189,803
Grants & contributions	147,381	76,457	160,394
Total Program Revenue	<u>629,865</u>	<u>401,569</u>	<u>350,197</u>
Net Program Expense	<u>384,893</u>	<u>447,122</u>	<u>496,021</u>
General Revenues	<u>660,584</u>	<u>573,806</u>	<u>579,617</u>
Change in Net Position	275,691	126,684	83,596
Net Position, Beginning of Year	1,825,178	1,698,494	1,614,898
Net Position, End of Year	<u>\$ 2,100,869</u>	<u>\$ 1,825,178</u>	<u>\$ 1,698,494</u>

This foregoing information is a summary of the financial information contained in the District's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements beginning on page 7.

Discussion of Financial Position and Operating Activities

The District's Net Position as of December 31, 2016 was \$2,100,869. This is an increase of \$275,691 from 2015. Capital expenditures are not expensed in this statement.

Unrestricted cash, cash equivalents, and investments of the District at December 31, 2016, totaled \$693,102, which represents approximately 49% of the District's current assets and approximately 25% of the District's total assets.

Capital Assets, net of accumulated depreciation, of the District at December 31, 2016, totaled \$1,397,524, which represents approximately 50% of the District's total assets. The increase from 2015 largely reflects the purchase of SCBA units.

General revenues increased in 2016 to \$660,584 from \$573,806 due to the increase in property taxes. See page 8 of the accompanying Financial Statements for details of these revenues and expenses.

Fund Discussion

The Governmental Fund – General Fund balance increased from \$470,701 in 2015 to \$732,097 in 2016. The fund balance includes \$30,542 for emergencies in accordance with TABOR requirements. The assets and liabilities are comprised primarily of cash and property tax revenues to be realized in 2016.

Total Governmental Fund – General Fund expenditures exceeded revenues by \$261,396 see page 10 of the accompanying financial statements for the details of the revenues and expenditures.

General Fund Budgetary Discussion

Actual revenues for 2016 were \$252,501 more than the final budget. Actual expenditures for 2016 were \$64,775 less than the final budgeted expenditures primarily because of lower than expected capital outlay. See page 26 of the accompanying financial statements for more detail. The budget was not amended for the year, as such all numbers are compared to the final budgeted amounts.

Capital Assets and Long-term Obligations

Capital Assets. The District's primary capital assets are buildings and fire suppression equipment. Capital asset additions in 2016 consisted primarily of the purchase of a new engine. There were no disposals during the year. See Note 3 of the Notes to the Financial Statements on page 17.

Long-term Debt. The only changes in long term debt consisted of scheduled repayment of the capital lease.

Economic Factors and Next Year's Budget. Tax revenue for 2017 should be slightly higher than 2016, attributable to full year impact of the County's increased assessed property valuations . The District is facing necessary electrical upgrades to Station Two and a new cistern, deferred from 2016. Significant station modifications or construction will be required to meet new apparatus configurations.

Requests for Information. This financial report is designed to provide a general overview of Boulder Mountain Fire Protection District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District at 1905 Linden Drive, Boulder, CO 80304.

Basic Financial Statements

Boulder Mountain Fire Protection District
Statement of Net Position
December 31, 2016

Assets

Current Assets

Cash and cash equivalents	\$ 693,102
Accounts receivable	75,915
Prepaid expenses	22,217
Property taxes receivable	630,534
Other assets	1,707
Total Current Assets	<u>1,423,475</u>

Noncurrent Assets

Net pension asset - SWDB	656
Capital assets	
Nondepreciable	12,500
Depreciable	2,590,713
Less: Accumulated depreciation	<u>(1,205,689)</u>
Net Capital Assets	<u>1,397,524</u>
Total Noncurrent Assets	<u>1,398,180</u>
Total Assets	<u>2,821,655</u>

Deferred Outflows of Resources

FPPA Volunteer Pension	68,004
FPPA SWDB Pension	73,160
Total Deferred Outflows of Resources	<u>141,164</u>

Liabilities

Current Liabilities

Accounts payable	10,239
Accrued wages	4,348
Other accrued liabilities	24,040
Accrued compensated absences	-
Total Liabilities	<u>38,627</u>

Long Term Liabilities

Lease payable	78,732
Net pension liability - Volunteer	111,997
Total Long Term Liabilities	<u>190,729</u>
Total Liabilities	<u>229,356</u>

Deferred Inflows of Resources

Deferred property taxes	630,534
FPPA Volunteer Pension	1,285
FPPA SWDB Pension	775
Total Deferred Inflows of Resources	<u>632,594</u>

Net Position

Net investments in capital assets	1,318,792
Restricted for emergencies	30,542
Unrestricted	751,535
Total Net Position	<u>\$ 2,100,869</u>

**Boulder Mountain Fire Protection District
Statement of Activities
For the Year Ended December 31, 2016**

Governmental Activities	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Governmental Activities
Chiefs expenses	\$ 117,691	\$ -	\$ -	\$ (117,691)
Volunteer retention and support	29,576	-	-	(29,576)
Administration	43,108	-	-	(43,108)
Auxiliary	40,870	-	46,539	5,669
Firefighting and rescue operations	220,960	-	90,282	(130,678)
Public safety and education	943	-	-	(943)
Buildings and grounds	77,201	-	-	(77,201)
Mitigation services	410,190	359,166	10,560	(40,464)
Wildfire dispatch services	74,219	123,318	-	49,099
Total Governmental Activities	\$ 1,014,758	\$ 482,484	\$ 147,381	(384,893)
General Revenues				
				615,231
				29,621
				880
				(9,028)
				23,880
Total Revenues				660,584
Change in Net Position				275,691
Net Position - Beginning of Year (Restated)				1,825,178
Net Position - End of Year				\$ 2,100,869

Fund Financial Statements

**Boulder Mountain Fire Protection District
Balance Sheet
December 31, 2016**

Assets

Current Assets

Cash and cash equivalents	\$ 693,102
Accounts receivable	75,915
Property taxes receivable	630,534
Other assets	1,707
	1,707

Total Assets	\$ 1,401,258
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Liabilities

Current Liabilities

Accounts payable	\$ 10,239
Accrued wages	4,348
Other accrued liabilities	24,040
	38,627

Total Liabilities	38,627
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Deferred Inflows of Resources

Deferred property tax revenue	630,534
	630,534

Total Deferred Inflows of Resources	630,534
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Equity

Fund Balance	
Restricted	30,542
Assigned	60,127
Unassigned	641,428
	641,428

Total Fund Balance	732,097
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Total Liabilities, Fund Balance and Deferred Inflows	\$ 1,401,258
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Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Amounts reported for governmental funds in the Statement of Net Position are different because:

Total fund balance	732,097
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Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	1,397,524
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Prepaid insurance is recorded as an asset on the Statement of Net Position but is not reflected on the governmental fund Balance Sheet.	22,217
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Long term debt is not current financial resources and therefore is not reflected in the governmental fund Balance Sheet.	(78,732)
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Net pension liability, asset, and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	27,763
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Accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the fund financial statements	-
	-

Total Net Position	\$ 2,100,869
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Boulder Mountain Fire Protection District
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

Revenues	
Property taxes	\$ 615,231
Specific ownership taxes	29,621
Earnings on investments	880
Dispatch revenue	123,318
Contributions - including auxiliary	136,821
Mitigation income	359,166
Grants	10,560
Other	23,880
Total Revenue	<u>1,299,477</u>
Expenditures	
Chiefs expenses	112,164
Volunteer retention and support	45,628
Administration	44,305
Auxiliary	40,870
Firefighting and rescue operations	112,750
Public safety and education	943
Buildings and grounds	71,749
Mitigation services	382,334
Wildfire dispatch services	74,219
County treasurer fees	9,028
Capital outlay	124,091
Capital lease payments	20,000
Total Expenditures	<u>1,038,081</u>
Revenue Over (Under) Expenditures	<u>261,396</u>
Net Change in Fund Balance	261,396
Fund Balance, beginning of year	<u>470,701</u>
Fund Balance, end of year	<u>\$ 732,097</u>
Total Change in Fund Balance Governmental Fund	\$ 261,396
Depreciation expense reported in the Statement of Activities does not require the use of current financial resources therefore is excluded from the fund statements.	(137,578)
The payment of long-term debt utilizes current financial resources to governmental funds however it has no effect on Net Position.	20,000
The Statement of Activities includes the change in prepaid insurance which does not require the use of current financial resources therefore is excluded from the fund statements.	1,197
Accrued vacation does not require the use of current financial resources and therefore is not reported in the fund financial statements.	1,587
Changes arising from the change in Net pension liability and the related deferred inflows and outflows of resources are not current financial resources and are therefore not reported in the fund financial statements.	4,998
Capital outlay to purchase or build capital assets is reported in governmental funds as an expenditure. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives.	124,091
Change in Net Position of Governmental Activities	<u>\$ 275,691</u>

Boulder Mountain Fire Protection District
Notes to Financial Statements
December 31, 2016

Note 1 Summary of Significant Accounting Policies

Financial Reporting Entity

In conformance with Governmental Accounting and Financial Reporting Standards, Boulder Mountain Fire Protection District, Boulder, Colorado, (the "District"), is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District within the geographical area organized as the Boulder Mountain Fire Protection District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent.

In accordance with governmental accounting standards, the District has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. No other entities have been included in the District's financial statements.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government and exclude the activity of funds that are fiduciary in nature.

The Statement of Net Position presents the financial position of the governmental activities at the end of the year. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self financing or draws from the general revenue of the District.

Fund Financial Statements

During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds.

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting

The accounts of the District are organized on the basis of funds which are considered a separate accounting entity. Funds used by the District are described below.

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.

Measurement Focus and Basis of Accounting

Government-wide Financial Statement

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the District are included in the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources and uses of current financial resources. This approach differs from the manner in which the activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures, which is typically within sixty days of realization. The transactions are classified as operating revenues.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. Revenue from property tax is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. These transactions are classified as non-operating revenues.

Property Taxes

The County Treasurer collects and remits property taxes to the District monthly. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied for the current year prior to December 31 and are payable in full on April 30 of the subsequent year, or in two installments on February 28 and June 15. Property taxes are recorded as receivables and deferred revenue when levied. As taxes are collected, the receivable and deferral are reduced and income is recognized.

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

Cash and cash equivalents- The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with maturities of 90 days or less at the date of their acquisition.

Investments – investments are recorded at fair value, which approximates cost.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No allowance for doubtful accounts has been established since the District has the right to place a lien on the property to collect the balance due.

Assets and Liabilities

Capital assets –Capital assets are stated at cost or estimated cost. The capitalization threshold for fixed assets is \$5,000. Depreciation over the estimated useful lives of the assets is computed using the straight-line method. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Estimated useful lives are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings	50 years
Vehicles	8-25 years
Equipment	10-20 years
Mitigation equipment	5-10 years

These assets are reported in the government-wide Statement of Net Position but are not reported in the fund financial statements.

Accrued Liabilities and long-Term Obligation

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term debt obligations are not recognized as a liability on the governmental fund financial statements but instead are recorded when paid.

Compensated absences represent the accumulated unpaid vacation time accrued by the employees. Upon termination of employment each employee will be compensated for their unused vacation time at their current rate of pay. There is no payment for sick time upon termination of employment. In the government fund unpaid vacation is not expected to be paid from current resources and therefore is not accrued. Unpaid vacation is reported as a liability on the government-wide financial statements.

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

Deferred Outflows / Inflows of Resources

The District implemented the provisions of GASB No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position (GASB 63) and the provisions of GASB No. 65 Items Previously Reported as Assets and Liabilities (GASB 65). As a result in addition to assets, liabilities and net position, the statement of net position will sometimes report a separate section for deferred outflows of resources and deferred inflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period (deferred outflow) or the acquisition of net position that applies to future periods (deferred inflows).

Net Position

Equity is classified as net position and displayed in three components:

- a. Net investments in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.
- c. Unrestricted Net Position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” These net position are available for future operations or distributions.

Fund Balance

Nonspendable- consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in tact. The nonspendable fund balance was \$0 as of December 31, 2016.

Restricted - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the District to establish Emergency reserves (see Note 5). A reservation of \$30,542 of the General Fund balance has been made in compliance with this requirement.

Committed- General Fund - Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors formally removes or changes the specified uses. The District had a committed fund balance of \$0 as of December 31, 2016.

Assigned – Includes all amounts that are constrained by the District’s intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Directors. As of

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

December 31, 2016 the assigned fund balance was \$60,127 for the purpose of installing cisterns within the District.

Unassigned- consists of the residual classification for the General Fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

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.

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year end.

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

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The District Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the District Board or revised by the District Board.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

As of December 31, 2016, the District's cash deposits had a carrying balance of \$690,643 with corresponding bank balance of \$695,442 of which \$398,865 is federally insured. The District had deposits in the amount of \$296,577 which are in excess of FDIC coverage. These deposits are collateralized under the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 2 Cash and Investments(Continued)

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 equal to 102% of the uninsured deposits.

The Colorado Divisions of Banking 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.

Investments

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

- Obligations of the United States and certain United States government agency securities.
- Certain international agency securities.
- General obligation and revenue bonds of United States local government entities
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.

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's deposit policy is in accordance with State statute. As of December 31, 2016, none of the District's bank deposits were exposed to custodial credit risk.

Interest Rate Risk

Colorado statutes require that no investment may have a maturity in excess of five years from the date of purchase, unless an available active market exists. The District's investment portfolio does not contain investments that exceed that limitation of five years.

The Board has adopted an investment policy that conforms to State statutes. A summary of cash and investments at December 31, 2016, is as follows:

Cash deposits	\$	690,643
Cash at County Treasurer		2,459

Total cash and cash equivalents	\$	693,102

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 3 Capital Assets

	Balance at 12/31/2015	Additions	Deletions	Balance at 12/31/2016
Nondepreciable				
Land	\$ 12,500	\$ -	\$ -	\$ 12,500
Construction in progress	284,836		284,836	-
Total Nondepreciable	<u>297,336</u>	<u>-</u>	<u>284,836</u>	<u>12,500</u>
Depreciable				
Buildings and improvements	127,695	-	-	127,695
Vehicles	1,756,731	284,836	-	2,041,567
Equipment	235,799	124,091	-	359,890
Mitigation Equipment	61,561	-	-	61,561
Total Depreciable	<u>2,181,786</u>	<u>408,927</u>	<u>-</u>	<u>2,590,713</u>
TOTAL	<u>2,479,122</u>	<u>408,927</u>	<u>284,836</u>	<u>2,603,213</u>
Less Accumulated Depreciation				
Buildings and improvements	(43,532)	(5,452)	-	(48,984)
Vehicles	(845,433)	(70,855)	-	(916,288)
Equipment	(125,688)	(38,942)	-	(164,630)
Mitigation Equipment	(53,458)	(22,329)	-	(75,787)
Total Accumulated Depreciation	<u>(1,068,111)</u>	<u>(137,578)</u>	<u>-</u>	<u>(1,205,689)</u>
Net Capital Assets	<u>\$ 1,411,011</u>	<u>\$ 271,349</u>	<u>\$ 284,836</u>	<u>\$ 1,397,524</u>

Depreciation expense has been allocated to the various activities as follows:

Building and grounds	\$ 5,452
Firefighting and rescue operations	109,797
Mitigation services	22,329
Total depreciation charged to expense	<u>\$ 137,578</u>

Note 4 Long Term Debt

In 2014 the District entered into a capital lease in the amount of \$118,732. The proceeds were used to purchase a 2012 brush truck. The lease was entered into with a related party and carries a 0% interest rate. The lease is payable in the amount of 50% of dispatch revenues generated by the truck with a minimum payment of \$20,000. Due to the repayment schedule of the lease a schedule of future lease payments is not able to be determined. The District made \$20,000 in capital lease payments for the year ended December 31, 2016 which resulted in an ending balance of \$78,732. The truck had a carrying balance of \$101,417 at year end.

Note 5 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, The Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR.

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

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 5 Tax, Spending, and Debt Limitation (Continued)

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, which 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. This District had an emergency reserve of \$ 30,542 as of December 31, 2016.

Note 6 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District maintains commercial insurance to mitigate their risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 7 Pension Plans

Volunteer Fireman's Pension Plan

The District has established an agent multiple-employer defined benefit pension plan for volunteer firefighters (the "Plan") as authorized by the State of Colorado statute. The Plan is administered by the FPPA. Any firefighter who has both attained the age of 50 and completed 20 years of active service shall be eligible for monthly pension. A lesser pension is available after 10 years of active service. A firefighter, who is disabled in the line of duty and whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the pension Board of Directors. The annual financial report of FPPA may be obtained by contacting FPPA at 5290 DTC Parkway, Suite 100, Greenwood Village, CO 80111-2721.

The Plan receives contributions from the District in an amount not to exceed one-half of mill property tax revenue. As established by the legislature, the State of Colorado contributes 90% of the District's contribution. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. For the year ended December 31, 2016, the District contributed \$25,000. The State contributed \$27,900, which was equal or greater than the required contributions to the Plan.

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

At December 31, 2016, the Department reported a liability of \$111,997 for its net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. For the year ended December 31, 2016, the Department recognized pension income of \$16,052. At December 31, 2016, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 7 Pension Plans (Continued)

	Deferred Outflows Resources	of	Deferred Inflows of Resources
Differences between actual and expected experience	\$0		\$1,285
Changes in assumptions	0		0
Net difference between actual and projected earnings on pension plan investments	43,004		0
Department contributions subsequent to the measurement date	25,000		0
Total	\$68,004		\$1,285

\$25,000 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Deferred outflows / inflows of resources to be amortized are as follows:

Year Ending	Net Deferred Outflows / (Inflows) of Resources
2017	8,361
2018	9,263
2019	9,671
2020	8,601
2021	-
Thereafter	-
Total	35,896

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	N/A
Cost of Living Adjustment	0.0 percent
Inflation	3.0 percent

On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period ending December 31, 2015. As a result of the 2015 actuarial experience study, the main actuarial factor changes were:

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 7 Pension Plans (Continued)

- Reduced the inflation assumption from 3.5 percent to 3.0 percent.
- Reduced the normal investment return assumption from 8.0 percent to 7.5 percent.
- Revised the post-retirement mortality tables to reflect increased longevity.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37%	6.5%
Equity Long/Short	10%	4.7%
Illiquid Alternatives	20%	8.0%
Fixed Income	16%	1.5%
Absolute Return	11%	4.1%
Managed Futures	4%	3.0%
Cash	2%	0.0%
Total	100%	

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2015, are summarized in the above table.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the 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 Department's proportionate share of the net pension liability to changes in the discount rate. The following presents the Department's net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Department's net pension liability/(Asset) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 7 Pension Plans (Continued)

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Department's net pension liability/(asset)	\$212,788	\$111,997	\$26,640

* The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.57 percent. The single discount rate for the plans was 7.50 percent.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

State of Colorado Fire and Police Pension Association – Defined Contribution Plan

The plan covers 33 retirees and beneficiaries and 40 active members. There were no contributions from plan members in any of the last three years.

Statewide Defined Benefit Pension Plan

Plan Description- 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 net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SDBP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Plan covers substantially all full-time employees of participating fire or police department in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan was established in 1980 pursuant to Colorado Revised Statutes. Employers once had the option to elect to withdraw from the Plan, but a change in state statutes permitted no further withdrawals after January 1, 1988.

Members included are active employees who are full-time salaried employees of a participating municipality, fire protection district, fire authority, or count improvement district normally serving at least 1,600 hours in a calendar year and whose duties are directly involved with the provision of police or fire protection. Also included are employees of any employer that covers member under the federal Social Security Act or any count that chooses to affiliate with the Fire & Police Pension Association and that covers salaried employees whose duties are directly involved with the provision of law enforcement or fire protection as certified by the county under the Social Security Act.

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 7 Pension Plans (Continued)

The Plan assets are included in the Fire & Police Members' Investment Fund and the Fire & Police Members' Self-Directed Investment Fund. 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. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111 or by calling FPPA at 770-3772 in the Denver Metro area, or 1-800-332-FPPA(3772) from outside the metro area.

Funding Policy -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 this Plan are set by state statute. Employer contribution rates can be amended by state statute or by election of the membership. Members of the Plan and their employers are contributing at the rate of 8.5% of base salary for a total contribution rate of 16.5% through 2015. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contributions rates will increase .5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5% of base salary through 2015. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member contribution increase .5% annual beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%. The District's contributions to the Statewide Defined Benefit Plan for the years ending December 31, 2016, 2015 and 2014 were \$14,439, \$13,619 and \$16,786, respectively, equal to their required contributions for each year. The contribution requirements of the Death and Disability coverage for the District are 2.6%. The contribution for the Statewide Death and Disability Plan as of December 31, 2016, 2015 and 2014 was \$4,376, \$4,692 and \$5,151, respectively.

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions- At December 31, 2016, the District reported a net pension liability(asset) of (\$656) for its proportionate share of the net pension liability(asset). The net pension liability (asset) was measured as of December 31, 2015, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2016. The District's proportion of the net pension liability (asset) was based on a projection of the District's long-term share of contributions to the pension plan relative to the projection contributions of all participating entities, actuarially determined. At December 31, 2015, the District's proportion was 0.0625% which was a decrease of 0.001163% from its proportion measured as of December 31, 2014. For the year ended December 31, 2016, the District recognized pension expense of \$11,054. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 7 Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 5,309	\$ 775
Changes in assumptions	10,309	0
Net difference between actual and projected earnings on pension plan investments	33,404	0
Net impact in change in proportionate share	10,519	775
Contributions subsequent to the measurement date	13,619	0
Total	\$ 73,160	\$ 775

\$13,619 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Pension Expense</u>
2017	\$ 11,210
2018	11,210
2019	11,210
2020	11,210
2021	11,210
Thereafter	15,427
Total	<u>\$ 71,477</u>

Actuarial assumptions. The total pension asset in the January 1, 2016 actuarial valuation was determined using the following actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	4.0 percent-14.0 percent
Investment Rate of Return	7.5 percent, net of pension plan investment expense, including inflation.

Mortality rates were based on the RP-2014 Mortality Table For Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table For Blue Collar Adjustment, projected with Scale BB is used in the projection of post-retirement benefits for members under 55

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 7 Pension Plans (Continued)

For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with scale BB are used. For post-retirement members ages 55-64, a blend of the previous tables is used.

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire and Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions.

At its July 2015 meeting, the Board of Directors review and approved recommended changes to the actuarial assumption. The recommendations were made by FPPA actuaries, based upon analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. 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 for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Lont-Term Expected Real Rate of Return.
Global Equity	37%	6.5%
Equity Long / Short	10%	4.7%
Illiquid Alternatives	20%	8.0%
Fixed Income	16%	1.5%
Absolute Return	11%	4.1%
Managed Futures	4%	3.0%
Cash	2%	0.0%
Total	<u>100%</u>	

**Boulder Mountain Fire Protection District
Notes to Financial Statements (Continued)
December 31, 2016**

Note 7 Pension Plans (Continued)

Discount rate- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contribution from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected 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 7.5 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 (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate:

Discount Rate:	6.50%	7.50%	8.50%
Proportionate share of the net pension liability	\$ 91,943	\$ (656)	\$(77,464)

Note 8 Prior Period Adjustment

For the year ended December 31, 2016 restated net position due to the inclusion of a pension plan not previously included with the implementation of GASB No. 68. The implementation of the accounting standard required the beginning net position to be restated. The restatement resulted in an increase of net position in the amount of \$84,095. There was no effect on Statement of Revenues, Expenses and Changes in Net Position for the year ended.

Required Supplementary Information

Boulder Mountain Fire Protection District
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with final budget Positive (negative)</u>
Revenues			
Property taxes	\$ 606,000	\$ 615,231	\$ 9,231
Specific ownership taxes	13,500	29,621	16,121
Earnings on investments	-	880	880
Wildfire dispatch services - income	52,260	123,318	71,058
Contributions	25,000	136,821	111,821
Mitigation income	350,216	359,166	8,950
Grants	-	10,560	10,560
Other	-	23,880	23,880
Total Revenue	<u>1,046,976</u>	<u>1,299,477</u>	<u>252,501</u>
Expenditures			
Operations:			
Chiefs expenses	114,805	112,164	2,641
Volunteer retention and support	74,895	45,628	29,267
Administration	32,350	44,305	(11,955)
Auxiliary	-	40,870	(40,870)
Firefighting and rescue operations	94,654	112,750	(18,096)
Public safety and education	3,500	943	2,557
Buildings and grounds	38,490	71,749	(33,259)
Mitigation services	352,162	382,334	(30,172)
Wildfire dispatch services	50,000	74,219	(24,219)
County treasurer fees	10,000	9,028	972
Capital outlay	312,000	124,091	187,909
Capital lease payments	20,000	20,000	-
Total Expenditures	<u>1,102,856</u>	<u>1,038,081</u>	<u>64,775</u>
Net Change in Fund Balance	<u>\$ (55,880)</u>	<u>261,396</u>	<u>\$ 317,276</u>
Fund Balance, beginning of year		<u>470,701</u>	
Fund Balance, end of year		<u>\$ 732,097</u>	

**Boulder Mountain Fire Protection District
Schedule of Contributions Multiyear
Last 10 Fiscal Years ****

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered (f)
2014	\$ 32,539	\$ 48,100	\$ (15,561)	N/A	N/A
2015	\$ 32,539	\$ 52,900	\$ (20,361)	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 Years*
Asset Valuation Method	5-Year smoothed market
Inflation	3.00%
Salary Increases	N/A
Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP -2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled:RP-2000 Disabled Mortality Table All tables projected with Scale AA

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

** Information for the prior 8 years was not available to report

**Boulder Mountain Fire Protection District
Required Supplementary Information
Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios Multiyear
Last 10 Fiscal Years**

Measurement date December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$ 18,645	\$ 18,932								
Interest	69,567	67,563								
Changes of benefit terms	-	-								
Differences between expected and actual experience	-	(3,571)								
Changes of assumptions	-	-								
Benefit payments, including refunds of employee contributions	(56,568)	(55,560)								
Net Change in Total Pension Liability	31,644	27,364								
Total Pension Liability -Beginning	946,183	918,819								
Total Pension Liability - Ending	977,827	946,183								
Plan Fiduciary Net Position										
Contributions - Employer	25,000	31,000								
Net investment income	15,297	53,885								
Benefit payments, including refunds of employee contributions	(56,568)	(55,560)								
Administrative expense	(2,728)	(1,629)								
State of Colorado supplemental discretionary payments	27,900	17,100								
Net Change in Plan Fiduciary Net Positions	8,901	44,796								
Plan Fiduciary Net Position - Beginning	856,929	812,133								
Plan Fiduciary Net Position - Ending	865,830	856,929								
Net Pension liability - Ending	111,997	89,254								
Plan fiduciary net position as a percentage of the total pension liability	88.55%	90.57%								
Covered employee payroll	N/A	N/A								
Net pension liability as a percentage of covered employees payroll.	N/A	N/A								

* Information for the prior 8 years was not available to report

Boulder Mountain Fire Protection District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability - FPPA SWDB
Last 10 Fiscal Years *

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability / asset	0.0372313846%	0.0046658640%	0.0047033923%
District's proportional share of the net pension liability (asset)	\$ (656)	\$ (52,656)	\$ (53,080)
District's covered payroll	340,356	303,093	332,679
Total pension liability	1,846,961,999	1,652,901,084	1,533,631,141
Plan fiduciary net position	<u>1,848,724,853</u>	<u>1,765,758,630</u>	<u>1,623,049,809</u>
Net pension liability (asset)	<u>\$ (1,762,854)</u>	<u>\$ (112,857,546)</u>	<u>\$ (89,418,668)</u>
Plan fiduciary net position as a percentage of the total pension	100%	107%	106%

* Information for the prior 7 years was not available to report

**Boulder Mountain Fire Protection District
Schedule of Contributions Multiyear - FPPA SWDB
Last 10 Fiscal Years**

FY Ending December 31, (a)	Actuarially Determined Contribution (b)	Actual Contribution * (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution as a % of Covered Payroll (f)
2016	\$ 13,619	\$ 13,619	\$ -	379,627	3.59%
2015	14,439	14,439	-	340,356	4.24%
2014	16,786	16,786	-	303,093	5.54%
2013	16,343	16,343	-	332,679	4.91%
2012			-		
2011			-		
2010			-		
2009			-		
2008			-		
2007			-		

* Includes both employer and State of Colorado Supplemental Discretionary Payment

Notes to the Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2013, determines the contribution amounts for 2014 and 2015.

This schedule is intended to show 10 years of data. The remaining years will be shown as data becomes available.