

**ESTES VALLEY FIRE  
PROTECTION DISTRICT**

**Financial Statements**

**December 31, 2016**



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## Dazzio & Associates, PC

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Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Estes Valley Fire Protection District  
Larimer County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the Estes Valley Fire Protection District as of and for the year ended December 31, 2016, 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 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.

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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 Estes Valley Fire Protection District, as of December 31, 2016, 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.

## **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 IV – IX and the pension schedules on pages 44 – 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Estes Valley Fire Protection District's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Reserve Fund and the Schedule of Changes in Fiduciary Net Position – Budget and Actual for the Volunteer Pension Fund (the Supplementary Information) and the Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected (the Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Dassio & Associates, P.C.*

June 22, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

As management of Estes Valley Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2016.

Based on the November 3, 2009, election results, the District was established by and in accordance with the Larimer County Court "Declaration of Organization" and "Decree of Formation" dated November 17, 2009. Effective January 1, 2010, the District assumed all responsibility for providing fire protection services, fire suppression and rescue services to the Town of Estes Park and the surrounding area of unincorporated Larimer County in accordance with the "Intergovernmental Agreement for Continuing Operations Between the Town of Estes Park and the Estes Valley Fire Protection District" dated December 8, 2009.

**Financial Highlights**

- Assets exceeded liabilities and deferred inflows of resources by \$2,961,359 at the close of the fiscal year. Of this amount, \$1,128,757 is unrestricted and available to meet ongoing and future obligations of the District. Additionally, a 3.0% reserve, \$41,500 for emergencies required by Colorado Statute, is restricted in the general fund.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,546,050 which decreased \$344,445 from the prior year.
- Total net position increased by \$310,581.
- Total governmental fund type cash and investments decreased by \$252,487 as compared to the prior year.
- Property tax revenue increased by \$54,326 as compared to the prior year.
- Sales tax revenue increased by \$50,496 as compared to the prior year.
- General fund expenditures and transfers out increased by \$387,158 as compared to the prior year.
- At the end of the current fiscal year, assigned and unassigned fund balances for the general fund totaled \$1,209,625, or 83% of total general fund expenditures and transfers out.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

***Government-wide financial statements.*** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, liabilities and deferred outflows and inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements identify functions of the District that are principally to be supported by ad valorem taxes and shared sales taxes (governmental activities). The governmental activities of the District include providing fire protection services.

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. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District 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 balance for each of the funds – the general fund and the capital reserve fund – both of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund and capital reserve fund. Budgetary comparison statements have been provided for these funds in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 3 – 6 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds provide the same type of information as the government-wide financial statements.

The basic fiduciary fund financial statements can be found on pages 8 – 9 of this report.

***Notes to financial statements.*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 10 – 43 of this report.

***Required supplementary information.*** The required supplementary information to address pension data and statistics required by GASB 68 can be found on pages 44 – 53.

***Supplementary information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information. This supplemental information is located after the basic financial statements on pages 54-55 of this report.

***Other Information.*** Other information includes the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected.

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$2,961,359 at the close of the most recent fiscal year.

**Summary of Net Position**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current and Other Assets	\$ 2,279,681	\$ 2,513,098
Capital Assets, Net	1,791,102	1,193,650
Net Pension Assets	811	60,853
Total Assets	<u>4,071,594</u>	<u>3,767,601</u>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows of Resources Related to Pensions	<u>327,872</u>	<u>152,259</u>
<b>Liabilities</b>		
Current Liabilities	165,044	54,308
Noncurrent Liabilities	92,678	113,336
Net Pension Liability	<u>582,660</u>	<u>508,985</u>
Total Liabilities	<u>840,382</u>	<u>676,629</u>
<b>Deferred Inflows of Resources</b>		
Property Tax Revenues and Other Inflows	593,587	590,295
Deferred Inflows of Resources Related to Pensions	<u>4,138</u>	<u>2,158</u>
Total Deferred Inflows of Resources	<u>597,725</u>	<u>592,453</u>
<b>Net Position</b>		
Investment in Capital Assets	1,791,102	1,193,650
Restricted for Emergencies	41,500	38,300
Unrestricted	<u>1,128,757</u>	<u>1,418,828</u>
Total Net Position	<u>\$ 2,961,359</u>	<u>\$ 2,650,778</u>

The increase in current and other assets is primarily due to the increase in Capital Assets acquired in the current year.

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

**Summary of Changes in Net Position**

	<u>2016</u>	<u>2015</u>
Revenues		
Program Revenues		
Charges for Services	\$ 12,169	\$ 8,144
Operating Grants and Donations	844,119	682,932
Capital Grants and Contributions	-	223,818
General Revenues		
Property Taxes	585,765	531,439
Specific Ownership Tax	47,396	47,075
Net Investment Income	3,012	1,586
Other	476	1,849
Total Revenues	<u>1,492,937</u>	<u>1,496,843</u>
Expenses		
Fire Protection and Emergency Services	<u>1,182,356</u>	<u>940,320</u>
Total Expenses	<u>1,182,356</u>	<u>940,320</u>
Change in Net Position	310,581	556,523
Net Position - Beginning of Year	<u>2,650,778</u>	<u>2,094,255</u>
Net Position - End of Year	<u><u>2,961,359</u></u>	<u><u>2,650,778</u></u>

The District's revenue in 2016 decreased \$3,906 from the prior year, a decrease of less than 1%.

**Financial Analysis of the Governmental Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,546,050. \$1,209,625 constitutes assigned and unassigned fund balances, which are available for spending at the government's discretion within the parameters established for each fund.

**ESTES VALLEY FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2016**

The general fund is the chief operating fund of the District. At the end of the current fiscal year, assigned and unassigned fund balances of the general fund totaled \$1,209,625 out of a total fund balance of \$1,546,050.

**Budgetary Highlights**

The District's total expenditures and other financing uses for 2016 in the general fund did not exceed appropriations. Actual expenditures and transfers out were less than the budget by \$93,686. This is primarily attributable to Job Performance Expense and Overhead Costs coming in less than budget.

The expenditures in the capital reserve fund were on budget.

**Capital Assets**

The District had \$1,791,102 in capital assets (net of accumulated depreciation) as of December 31, 2016. These capital assets include vehicles, furniture, educational statues and sculptures and equipment. During the year the District invested \$743,165 in capital asset additions.

The major capital assets obtained during the current fiscal year included:

- Construction in Progress on a Burn Building totaling \$ 199,517
- E-One Engine \$ 487,313
- Command Vehicle \$ 49,315
- Connect Bridge \$ 7,020

**Next Year's Budgets and Rates**

The District has not budgeted for any significant changes in the General Fund for 2017. The District anticipates completion of the Burn Building and new training site in 2017.

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Office of Estes Valley Fire Protection District, 550 W. Eisenhower, Loveland, CO 80537.

## **BASIC FINANCIAL STATEMENTS**

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF NET POSITION**

**December 31, 2016**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Cash	\$ 1,261,752
Cash - Restricted	295,897
Receivable from County Treasurer	3,928
Intergovernmental Receivable	80,915
Wildland Receivable	3,074
Prepaid Expense	40,528
Property Taxes Receivable	593,587
Capital Assets Not Being Depreciated	199,517
Capital Assets, Net	1,591,585
Net Pension Asset - FPPA Pension Plan	811
<b>Total Assets</b>	<u>4,071,594</u>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows Related to Pensions	<u>327,872</u>
<b>Liabilities</b>	
Accounts Payable	104,541
Accrued Payroll Liabilities	18,455
Retainage Payable	17,048
Noncurrent Liabilities:	
Due Within One Year	25,000
Due In More Than One Year	92,678
Net Pension Liability - Volunteer Pension Fund	500,469
Net Pension Liability - PERA Pension Plan	82,191
<b>Total Liabilities</b>	<u>840,382</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	593,587
Deferred Inflows Related to Pensions	4,138
<b>Total Deferred Inflows of Resources</b>	<u>597,725</u>
<b>Net Position</b>	
Investment In Capital Assets	1,791,102
Restricted	
Emergencies	41,500
Unrestricted	1,128,757
<b>Total Net Position</b>	<u><u>\$ 2,961,359</u></u>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2016**

<u>Function/Program Activities</u>	Program Revenues				<b>Net (Expense) Revenue and Changes in Net Position</b>
<b>Governmental Activities</b>	<b>Expenses</b>	<b>Permits, Fees, Fines, and Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Fire Protection and Emergency Services	\$ 1,182,356	\$ 12,169	\$ 844,119	\$ -	\$ (326,068)
<b>Total Governmental Activities</b>	<b>\$ 1,182,356</b>	<b>\$ 12,169</b>	<b>\$ 844,119</b>	<b>\$ -</b>	<b>(326,068)</b>
General Revenues:					
					585,765
					47,396
					3,012
					476
					636,649
					310,581
					2,650,778
					\$ 2,961,359

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**December 31, 2016**

	<u>General</u>	<u>Capital Reserve</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 1,261,752	\$ -	\$ 1,261,752
Cash - Restricted	295,897	-	295,897
Receivable from County Treasurer	3,928	-	3,928
Intergovernmental Receivable	80,915	-	80,915
Wildland Receivable	3,074	-	3,074
Prepaid Expense	40,528	-	40,528
Property Taxes Receivable	593,587	-	593,587
<b>Total Assets</b>	<u>\$ 2,279,681</u>	<u>\$ -</u>	<u>\$ 2,279,681</u>
<b>Liabilities</b>			
Accounts Payable	\$ 104,541	\$ -	\$ 104,541
Retainage Payable	17,048	-	17,048
Accrued Payroll Liabilities	18,455	-	18,455
<b>Total Liabilities</b>	<u>140,044</u>	<u>-</u>	<u>140,044</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	593,587	-	593,587
<b>Fund Balances</b>			
Nonspendable			
Prepaid Expenses	40,528	-	40,528
Restricted			
Emergencies (TABOR)	41,500	-	41,500
Committed			
LOSAP	129,025	-	129,025
Contractual	125,372	-	125,372
Unassigned	1,209,625	-	1,209,625
<b>Total Fund Balances</b>	<u>1,546,050</u>	<u>-</u>	<u>1,546,050</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,279,681</u>	<u>\$ -</u>	<u>\$ 2,279,681</u>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

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

**December 31, 2016**

Total Fund Balances - Governmental Funds		\$ 1,546,050
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Capital Assets	\$ 2,635,784	
Accumulated Depreciation	<u>(844,682)</u>	1,791,102

Pension assets and liabilities and related deferred inflows and outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Balances at December 31, 2016 are:

Net Pension Asset	811	
Net Pension Liability	(582,660)	
Deferred outflows of resources related to pensions	181,090	
Deferred inflows of resources related to pensions	(4,138)	
Contributions Subsequent to the Measurement Date	<u>146,782</u>	(258,115)

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Balances at December 31, 2016 are:

Compensated Absences	(11,673)	
LOSAP	<u>(106,005)</u>	<u>(117,678)</u>

Net Position - Governmental Activities		<u><u>\$ 2,961,359</u></u>
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The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**For the Year Ended December 31, 2016**

	<u>General</u>	<u>Capital Reserve</u>	<u>Total</u>
<b>Revenues</b>			
Sales Tax - Town Of Estes Park	\$ 731,853	\$ -	\$ 731,853
Property Taxes	585,765	-	585,765
Specific Ownership Tax	47,396	-	47,396
Wildland Fire Reimbursements	3,284	-	3,284
Flood Reimbursements	29,578	-	29,578
Contributions and Donations	82,688	-	82,688
Plan Reviews and Inspection Income	8,885	-	8,885
Net Investment Income	3,012	-	3,012
Miscellaneous Income	476	-	476
<b>Total Revenues</b>	<u>1,492,937</u>	<u>-</u>	<u>1,492,937</u>
<b>Expenditures</b>			
<b>Public Safety</b>			
Professional Services/Salaries	339,073	-	339,073
Employee Benefits	169,323	-	169,323
Insurance Premiums	17,419	-	17,419
Professional Services/Fees	129,882	-	129,882
Publication Fees	176	-	176
Repair and Maintenance	121,189	-	121,189
Materials and Supplies	103,513	-	103,513
Dive Team	2,732	-	2,732
Flood Expense	33,167	-	33,167
Job Performance Expenses	60,448	-	60,448
Utilities	18,245	-	18,245
Fuels Mitigation	9,309	-	9,309
Losap Awards	32,100	-	32,100
Volunteer Fire Department Expense	15,000	-	15,000
Pension Expense	70,000	-	70,000
Capital Outlay	179,068	536,738	715,806
<b>Total Expenditures</b>	<u>1,300,644</u>	<u>536,738</u>	<u>1,837,382</u>
<b>Excess Revenues Over (Under) Expenditures</b>	192,293	(536,738)	(344,445)
<b>Other Financing Sources (Uses)</b>			
Transfers	(150,670)	150,670	-
<b>Net Change in Fund Balances</b>	41,623	(386,068)	(344,445)
<b>Fund Balances - Beginning</b>	1,504,427	386,068	1,890,495
<b>Fund Balances - Ending</b>	<u>\$ 1,546,050</u>	<u>\$ -</u>	<u>\$ 1,546,050</u>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**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, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ (344,445)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital outlay	\$ 743,165	
Depreciation expense	<u>(145,713)</u>	597,452

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 the governmental funds.

Pension expense - Change in:		
Net Pension Asset	(60,042)	
Deferred Outflows Related to Pension	175,613	
Net pension liability	(73,675)	
Deferred Inflows Related to Pensions	<u>(1,980)</u>	39,916

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 governmental funds.

Compensated absences	11,350	
LOSAP	<u>6,308</u>	<u>17,658</u>

Change in Net Position - Governmental Activities \$ 310,581

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
GENERAL FUND**

**For the Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Sales Tax - Town Of Estes Park	\$ 648,900	\$ 731,853	\$ 82,953
Property Taxes	590,295	585,765	(4,530)
Specific Ownership Tax	41,327	47,396	6,069
Wildland Fire Reimbursements	5,000	3,284	(1,716)
Flood Reimbursements	-	29,578	29,578
Contributions and Donations	1,000	82,688	81,688
Plan Reviews and Inspection Income	6,500	8,885	2,385
Net Investment Income	2,900	3,012	112
Miscellaneous Income	1,300	476	(824)
<b>Total Revenues</b>	<b>1,297,222</b>	<b>1,492,937</b>	<b>195,715</b>
<b>Expenditures</b>			
<b>Public Safety</b>			
Professional Services/Salaries	355,963	339,073	16,890
Employee Benefits	200,459	169,323	31,136
Insurance Premiums	15,910	17,419	(1,509)
Professional Services/Fees	171,680	129,882	41,798
Publication Fees	600	176	424
Repair and Maintenance	126,336	121,189	5,147
Materials and Supplies	26,160	103,513	(77,353)
Dive Team	-	2,732	(2,732)
Flood Expense	-	33,167	(33,167)
Job Performance Expenses	178,696	60,448	118,248
Utilities	21,221	18,245	2,976
Fuels Mitigation	12,000	9,309	2,691
Firefighter Recruitment	4,000	-	4,000
Losap Awards	22,000	32,100	(10,100)
Volunteer Fire Department Expense	30,000	15,000	15,000
Pension Expense	80,000	70,000	10,000
District Overhead Contingencies	49,975	-	49,975
Capital Outlay	-	179,068	(179,068)
<b>Total Expenditures</b>	<b>1,295,000</b>	<b>1,300,644</b>	<b>(5,644)</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>2,222</b>	<b>192,293</b>	<b>190,071</b>
<b>Other Financing (Uses)</b>			
Transfers Out	(250,000)	(150,670)	99,330
<b>Net Change in Fund Balance</b>	<b>(247,778)</b>	<b>41,623</b>	<b>289,401</b>
<b>Fund Balance - Beginning</b>	<b>1,135,593</b>	<b>1,504,427</b>	<b>368,834</b>
<b>Fund Balance - Ending</b>	<b>\$ 887,815</b>	<b>\$ 1,546,050</b>	<b>\$ 658,235</b>

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION  
VOLUNTEER PENSION FUND**

**December 31, 2016**

<b>Assets</b>		
Cash and Investments	\$	1,589,137
<b>Total Assets</b>		<u>1,589,137</u>
<b>Liabilities</b>		
Due to Other Fund		-
<b>Total Liabilities</b>		<u>-</u>
<b>Net Position</b>		
Held in Trust for Pension Benefits		1,589,137
<b>Total Net Position</b>	\$	<u><u>1,589,137</u></u>

The notes to the financial statements are an integral part of this statement.

ESTES VALLEY FIRE PROTECTION DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
VOLUNTEER PENSION FUND

For the Year Ended December 31, 2016

**Additions**

Contributions:

Estes Valley FPD Contribution	\$ 70,000
State Participation Contribution	48,605
Total Contributions	<u>118,605</u>

Investment Income:

Interest and Dividends	34,264
Net Appreciation (Depreciation) in fair value of Investments	71,496
Less Investment Expense	(14,957)
Total Net Investment Income	<u>90,803</u>

**Total Additions** 209,408

**Deductions**

Retiree Benefit Payments	135,192
Actuarial Study	1,620
Miscellaneous	2,140
Total Deductions	<u>138,952</u>

**Change in Plan Net Position** 70,456

**Plan Net Position - Beginning** 1,518,681

**Plan Net Position - Ending** \$ 1,589,137

The notes to the financial statements are an integral part of this statement.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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**Note 1 – Definition of Reporting Entity**

The Estes Valley Fire Protection District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for Larimer County on November 17, 2009, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District provides fire protection services, fire suppression, and rescue services in the Town of Estes Park (Town) and surrounding areas of unincorporated Larimer County.

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, including a volunteer organization, Estes Park Volunteer Fire Department, which provides services for the District, but is not under the control of the District's Board of Directors. The District is not a component unit of any other primary governmental entity, including the Town of Estes Park.

**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 include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes, intergovernmental revenue and fees and charges.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows, and liabilities and deferred inflows of the District being reported as net position.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenue* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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, as is the fiduciary fund financial statements. 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 revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and shown as an operating expense. Expenditures for capital assets are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes, and payment for fire services. All other revenue items are measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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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 *Capital Reserve Fund* is a capital projects fund established by the Board of Directors to account for reserves transferred from the General Fund for specific purchases of major capital assets.

Additionally, the District reports the following fiduciary fund type using the accrual basis of accounting:

The *Volunteer Pension Fund* is a pension trust fund and is used to account for transactions relating to assets held by the District in the capacity of trustee for its volunteer firefighters' pension plan.

**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 may modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**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 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 and investments. Investments are carried at fair value.

Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

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**Capital Assets**

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets defined by the District as assets include improvements to buildings and equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. 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 the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Vehicles	5-20 years
Educational statues and sculptures	7 years
Furniture and fixtures	7 -20 years
General and office equipment	20 years

**Property Taxes**

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set 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 Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. Property taxes are recorded as revenue in the year it is available or collected (the year it is levied for).

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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**Compensated Absences**

The District has a policy that allows employees to accumulate paid time off and sick pay up to certain maximum hours as stated in the District's Personnel Policy Manual. Vacation above the maximum allowable carry over is forfeited. Sick leave above the maximum allowable carryover is converted to vacation on a 2-for-1 basis. Conversion of any excess sick time to vacation is done prior to the calculation of compensated absences. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

**Long Term Obligations**

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the percentage of current principal payments to total debt issue. Debt issuance costs, except any portion related to prepaid insurance costs, are expensed when incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category which consists of pension related items.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Accordingly, the items, property tax revenue and pension

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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related items, are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Pensions**

**FPPA.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

**PERA.** The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF 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.

**Net Position and Fund Equity**

Net Position

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

Investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

*Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. 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 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 criteria described above.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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

**Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

**Note 3 – Cash and Investments**

Cash and investments as of December 31, 2016, consist of the following:

Statement of Net Position	
Cash and Investments	\$ 1,261,752
Cash and Investments - Restricted - Held for Emergency Reserves, LOSAP and Contractual commitments	295,897
Total Cash and Investments	<u>\$ 1,557,649</u>
Petty Cash	\$ 349
Deposits with Financial Institutions	1,557,300
Total Cash and Investments	<u>\$ 1,557,649</u>
Statement of Fiduciary Position	
Cash and Investments	<u>\$ 1,589,137</u>

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. 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 equal to 102% of the aggregate uninsured

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are uninsured but collateralized. 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, 2016, the District's deposits had a bank balance of \$1,557,548 and a carrying balance of \$1,557,300.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and 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 investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors, such actions are generally associated with a debt service reserve or sinking fund requirements.

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 US 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, 2016, the District had no investments.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

Pension Plan cash and investments are discussed separately under Note 8.

**Note 4 – Capital Assets**

An analysis of the changes in capital assets for the year ended December 31, 2016 follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Construction in Process	\$ -	\$ 199,517	\$ -	\$ 199,517
Capital Assets Being Depreciated				
Vehicles	1,393,670	536,628	-	\$ 1,930,298
General Equipment	425,798	7,020	(17,793)	415,025
Educational Statues and Sculptures	29,204	-	-	29,204
Office Equipment	26,154	-	-	26,154
Total Capital Assets Being Depreciated	<u>1,874,826</u>	<u>543,648</u>	<u>(17,793)</u>	<u>2,400,681</u>
Less Accumulated Depreciation for				
Vehicles	499,340	101,138	-	600,478
General Equipment	148,458	30,084	(17,793)	160,749
Educational Statues and Sculptures	25,044	1,161	-	26,205
Office Equipment	8,334	13,330	-	21,664
Total Accumulated Depreciation	<u>681,176</u>	<u>145,713</u>	<u>(17,793)</u>	<u>809,096</u>
Total Capital Assets Being Depreciated, Net	<u>1,193,650</u>	<u>397,935</u>	<u>-</u>	<u>1,591,585</u>
Total Capital Assets, Net	<u>\$ 1,193,650</u>	<u>\$ 597,452</u>	<u>\$ -</u>	<u>\$ 1,791,102</u>

All assets previously held by the Town were transferred to the District at net book value.

All depreciation expense was charged to the fire protection and emergency services program. The Town has granted the use of the Dannels Fire Station to the District as part of the Special Use Permit between the Town and the United States Department of the Interior. In exchange for providing fire protection services, no fees or rent are charged to the District for the use of the Dannels Fire Station.

ESTES VALLEY FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**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, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
LOSAP	\$117,355	\$ 20,750	\$ 32,100	\$106,005	\$ 25,000
Compensated Absences	17,981	17,547	23,855	11,673	-
<b>Total Governmental Activities</b>	<u>\$135,336</u>	<u>\$ 38,297</u>	<u>\$ 55,955</u>	<u>\$117,678</u>	<u>\$ 25,000</u>

**Compensated Absences**

Accrued compensated absences of the governmental activities are expected to be liquidated with revenues of the General Fund.

**Length of Service Award Program**

Accrued awards earned under the Length of Service Awards Program (LOSAP) are expected to be liquidated with revenues of the General Fund.

**Note 6 – Net Position**

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

Invested in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of obligations that are attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2016, the District had invested in capital assets, calculated as follows:

Invested in capital assets \$ 1,791,102

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2016, as follows:

Restricted net position:

TABOR Emergencies (see Note 12)      \$    41,500

The unrestricted component of net position as of December 31, 2016, totaled \$1,128,757.

**Note 7 – Interfund Transfers**

During the year ended December 31, 2016, the District transferred \$150,670 from the General Fund to the Capital Reserve Fund to provide funding for expenditures accounted for in that fund.

**Note 8 – Volunteers’ Fire Pension Fund**

**Plan Descriptions and Provisions**

The District administers a single employer pension plan (the Plan) for the benefit of its volunteers as authorized by State statute. The Plan is defined as a defined benefit, single-employer, noncontributory plan and provides retirement benefits for members and beneficiaries according to the Plan provisions as enacted and governed by the Pension Fund Board of Trustees. The Plan’s assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan.

The Plan is governed by a Board of Directors which consists of the five District Board members and two individuals from the volunteer organization who are voted on by the volunteer organization members. The provisions of the Plan give the Board the right and authority to establish and amend the benefit provisions of the Plan.

Volunteer firefighters who attain both the age of fifty and complete twenty years of active service shall be eligible for a monthly pension, currently \$400. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Based on the Board’s discretion, surviving spouses may be eligible for benefits up to an amount of 100%. The

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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Plan does not publish a separate stand-alone report, but is included in these financial statements as a Pension Trust Fund.

The Plan's Board of Directors may levy a tax of not more than one-half mill on the taxable property in the District. The State of Colorado makes contributions as established by the legislature and based on the District contributions. Currently, the State matches 90% of District contributions.

**Employees Covered by Benefit Terms**

As of January 1, 2015 (the latest actuarial valuation performed), the following employees were covered by the benefit terms:

Retirees and Beneficiaries Currently Receiving Benefits	31
Inactive Employees Entitled to but not yet Receiving Benefits	6
Active Employees	36

**Actuarial Assumptions**

The actuarial assumptions that determined the total pension liability as of December 31, 2015 were based on the following:

Valuation date	January 1, 2015	January 1, 2015
Measurement date	December 31, 2015	December 31, 2014
Inflation	2.50%	2.50%
Salary increases including inflation	2.50%	2.50%
Mortality	RP - 2014 Healthy Annuitant and Employee Mortality	RP - 2014 Healthy Annuitant and Employee Mortality
	Tables	Tables
Actuarial cost method	Entry Age Normal -	Entry Age Normal -

There have been no significant changes between the valuation date and the fiscal year end.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

**Discount rate**

Measurement date	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Discount rate	5.50%	5.50%
Long-term-expected rate of return, net of of investment expense	5.50%	5.50%
Bond Buyer General Obligation 20- Bond Municipal Bond Index	3.57%	3.65%

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments in that the District has entered into a Trust Agreement with the WIN Advisor Group, Inc. to oversee the pension fund investments. Therefore, the pension investments are not limited to those described in Note 3 applicable to local governments. A majority of the Plan's investments are invested in mutual funds, commercial paper, and exchange trade funds. The investment funds and exchange trade funds are unrated as each fund is comprised of many different types of investments.

Cash and investments as of December 31, 2016, consist of the following:

Deposits with Financial Institutions	\$ 80,804
Investments	<u>1,508,333</u>
Total Cash and Investments	<u>\$ 1,589,137</u>

	<u>Maturity</u>	<u>Fair Value</u>
Mutual funds	No stated maturity	\$ 620,675
Municipal Bonds	2024	102,279
Certificates of deposit	2017-2023	568,565
U.S. Treasury	2018	118,369
U.S. Treasury	2021	<u>98,445</u>
		<u>\$ 1,508,333</u>

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The calculation of realized gains (losses) is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

*Rate of Return*

For the plan year ended December 31, 2015, the Plan's annual money-weighted rate of return on plan investments, net of investment expense, was (-2.11) %. The money-weight rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Investment risk factors*

There are many factors that can affect the value of investments. Some, such as custodial risk, concentration risk, and foreign currency risk, may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings, performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates. The Plan has established investment policies to provide the basis for the management of a prudent investment program appropriate to the particular needs of the Plan.

*Credit risk*

Credit risk is the risk that an issuer or other party to an investment will not fulfill its obligation to the Plan. Credit risk exposure is managed in accordance with investment guidelines as stated in the formal investment policy adopted by the Board. Investment decisions should be evaluated within the context of the entire portfolio, rather than on an individual investment basis, and as part of an overall investment strategy having risk and return objectives reasonably suited to the Plan's purpose.

*Custodial risk*

The Plan has no custodial credit risk. All securities are registered in the name of the Pension Trust as the Trustee for the Plan and held by third-party safekeeping agents. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balances as of December 31, 2014</b>	\$ 2,013,169	\$ 1,573,351	\$ 439,818
Changes for the year			
Service Cost	40,090	-	40,090
Interest on Total Pension Liability	109,045	-	109,045
Effect of Plan Changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(143,152)	(143,152)	-
Employer contributions	-	128,605	(128,605)
Member contributions	-	-	-
Net investment income	-	(32,207)	32,207
Administrative expenses	-	(7,914)	7,914
<b>Balances as of December 31, 2015</b>	<u>\$ 2,019,152</u>	<u>\$ 1,518,683</u>	<u>\$ 500,469</u>

At December 31, 2015, the fiduciary net position as a percentage of total pension liability was 75.21%.

*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 5.50%, 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 (4.50%) or one percentage point higher (6.50%) than the current rate.

	Current		
	1% Decrease 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Total Pension Liability	\$ 2,264,039	\$ 2,019,152	\$ 1,816,047
Fiduciary Net Position	1,518,683	1,518,683	1,518,683
Net Pension Liability	<u>\$ 745,356</u>	<u>\$ 500,469</u>	<u>\$ 297,364</u>

ESTES VALLEY FIRE PROTECTION DISTRICT

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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2016, the District recognized pension expense of \$37,977. At December 31, 2016, the District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 94,506	\$ -
Contributions subsequent to the measurement date	<u>118,605</u>	<u>-</u>
Total	<u>\$ 213,111</u>	<u>\$ -</u>

\$118,605 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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:

**Year ended December 31,**

2017	\$ 23,626
2018	23,626
2019	23,626
2020	<u>23,628</u>
	<u>\$94,506</u>

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**Note 9 – Employee Retirement Plans**

**Fire and Police Statewide Defined Benefit Plan (FPPA)**

***Defined Benefit Pension Plan***

**General Information about the Pension Plan**

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 Revised Statutes Title 31, Article 31 grants 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.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007, for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the 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.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

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In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result, their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2016, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.70 percent.

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

Members of the SWDB plan and their employers are contributing at the rate of 8.5 percent and 8.0 percent, respectively, of base salary for a total contribution rate of 16.5 percent in 2015. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.50 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined

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contribution rate of 20.5 percent of base salary in 2015. It is a local decision on who pays the additional 4 percent contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.25 and 4 percent, respectively, of base salary for a total contribution rate of 8.25 percent in 2015. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the District were \$22,623 for the year ended December 31, 2015.

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

At December 31, 2016, the District reported an asset of \$811 for its proportionate share of the SWDB collective net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating Districts, actuarially determined. At December 31, 2015, the District's proportion was 0.0459829131 percent, which was a decrease of (0.0079365566) percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the District recognized pension expense of \$13,463.

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At December 31, 2016, 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	\$ 6,556	\$ (957)
Changes of assumptions or other inputs	12,732	-
Net difference between projected and actual earnings on pension plan investments	41,256	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	9,601	-
Contributions subsequent to the measurement date	22,623	N/A
Total	\$ 92,768	\$ (957)

\$22,623 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability 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:

<b>Year ended December 31,</b>	
2017	\$ 13,604
2018	13,604
2019	13,604
2020	12,582
2021	3,035
Thereafter	12,759
	\$ 69,188

**ESTES VALLEY FIRE PROTECTION DISTRICT**

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**Actuarial assumptions**

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

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5 Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.50%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table with Blue Collar Adjustment projected with Scale BB, 55 percent multiplier 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 Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. 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 through 64, a blend of the previous tables is used.

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 2015 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, 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 by the target asset allocation

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percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0*
Total	100.0%	

\*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

**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.

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**Sensitivity of the District's proportionate share of the net pension liability 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 7.50 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 (6.50 percent) or 1-percentage- point higher (8.50 percent) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.50%</b>	<b>Discount Rate</b>	<b>8.50%</b>
		<b>7.50%</b>	
Proportionate share of the			
net pension liability	<u>\$ 113,555</u>	<u>\$ (811)</u>	<u>\$ (95,673)</u>

*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 SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at <http://www.fppaco.org>.

**Deferred Compensation Plan**

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by the FPPA. Participation in the plan is optional for all District employees. The plan allows the employees to defer a portion of their salary until future years. The District's contributions to the FPPA administered 457 plan for the years ended December 31, 2016, 2015, and 2014 were \$4,590, \$9,609, and \$13,385 respectively.

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**Public Employees' Retirement Association of Colorado (PERA)**

***Defined Benefit Pension Plan***

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund (LGDTF) – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**Description of Benefits**

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

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

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Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

**Contributions**

Eligible employees and the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24- 51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

<b>Contributions</b>	<b>Rate <sup>1</sup></b>
Employer contribution rate	10.00%
Amount of Employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24- 51-208(1)(f)	(1.02%)
Amount Apportioned to the LGDTF	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
<b>Total Employer Contribution Rate to the LGDTF</b>	<b>12.68%</b>

<sup>1</sup> Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

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Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$5,554 for the year ended December 31, 2016.

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

At December 31, 2016, the District reported a liability of \$82,191 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the District proportion was 0.0074611716% percent, which was a decrease of 0.0002557010% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the District recognized pension expense of \$6,652. At December 31, 2016, 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	\$ 617	\$ (3)
Changes of assumptions or other inputs	-	(1,505)
Net difference between projected and actual earnings on pension plan investments	15,822	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(1,673)
Contributions subsequent to the measurement date	5,554	N/A
Total	<u>\$ 21,993</u>	<u>\$ (3,181)</u>

\$5,554 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the

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net pension liability 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:

**Year ended December 31,**

2017	\$ 2,022
2018	3,778
2019	4,182
2020	<u>3,276</u>
	<u>\$ 13,258</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.80%
Real wage growth	1.10%
Wage Inflation	3.90%
Salary increases, including wage inflations	3.90% - 10.85%
Long-term Investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50%
Post-retirement benefit increases: PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad-hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation follow:

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

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The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2008, through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation.

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As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50

**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 employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current 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. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<b>1% Decrease 6.50%</b>	<b>Current Discount Rate 7.50%</b>	<b>1% Increase 8.50%</b>
Proportionate share of the net pension liability	<u>\$ 126,007</u>	<u>\$ 82,191</u>	<u>\$ 45,850</u>

**Pension plan fiduciary net position**

Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

***Other Post-Employment Benefits***

**Health Care Trust Fund**

*Plan Description* – The District contributes to the Health Care Trust Fund (“HCTF”), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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For the years ending December 31, 2015, 2014, and 2013, the District contributions to the HCTF were \$447, \$432, and \$427, respectively, equal to their required contributions for each year.

**Note 10 – Intergovernmental Agreements**

The District has entered into intergovernmental agreements with the Town as a result of the District's organization and the continuation of fire protection services for the Town. Specifically, the Town has agreed to remit to the District 7% of sales tax revenue it receives. These taxes are remitted to the District monthly. During 2016, 2015, and 2014, the District received \$731,853, \$681,357, and \$615,550, respectively, in sales taxes from the Town.

The Town provides dispatching and communication services to the District for an appropriate annual amount to be agreed upon by the parties during September of each calendar year for the subsequent year. Further, the Town agrees to allow the District to occupy and use the Dannels Fire Station and the Estes Park Fire Training Area. The District shall comply with all terms and conditions of the Special Use Permit between the United States Department of the Interior and the Town dated April 29, 1996, with the exception of certain landscaping responsibilities to be maintained by the District. During 2016, the District paid the Town \$18,781 for dispatching services.

During 2016, the Town continued to provide essential support services such as human resources, certain accounting functions, information technology support, and fleet maintenance at an agreed upon amount which is set annually. The total amount paid to the Town for these services in 2016 was \$39,995

**Note 11 – Risk Management**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; or natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2016. The Pool is an organization created by intergovernmental agreement to provide public officials' liability and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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The District pays annual premiums to the Pool for public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The District continues to carry commercial insurance for all other risks of loss. The District did not have any claim settlements in excess of coverage in any of the past three fiscal years.

**Note 12 – Tax, Spending and Debt Limitations**

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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions 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 exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 3, 2009, a majority of the District's electors authorized the District to collect, retain and spend all revenues and other funds from any revenue source, provided that the District's 1.95 mill levy tax rate shall not be increased without further voter approval and the revenues from all such sources be spent as voter approved revenue changes and as an exception to the limits which would otherwise apply, including without limitation to TABOR.

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.

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 the

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

**Note 13 – Related Parties**

Certain members of the Board of Directors own local companies with which the District conducts business. The total amount paid for these services during the year ended December 31, 2016, totaled \$1,872.

**Note 14 – Subsequent Event**

On March 22, 2017, the District entered into a lease agreement in the amount of \$400,000 to finance the acquisition of a training burn building and to pay for the costs of issuance about the lease. The lease is due in 16 quarterly payments beginning on June 1, 2017 through March 1, 2021, with interest at 2.88%.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
VOLUNTEER PENSION FUND  
LAST 10 YEARS \***

<b>Measurement period ending December 31,</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>		
Service Cost	\$ 40,090	\$ 39,112
Interest on Total Pension Liability	109,045	108,438
Effect of Plan Changes	-	-
Effect of economic/demographic gains or losses	-	-
Effect of assumptions changes or inputs	-	-
Benefit payments	(143,152)	(131,939)
Net Change in Total Pension Liability	5,983	15,611
Total Pension Liability - Beginning	2,013,169	1,997,558
Total Pension Liability - Ending (a)	<u>\$ 2,019,152</u>	<u>\$ 2,013,169</u>
<b>Plan Fiduciary Net Position</b>		
Employer Contributions	\$ 128,605	\$ 102,705
Net investment income	(32,207)	8,168
Benefit payments	(143,152)	(131,939)
Administrative expense	(7,914)	(3,051)
Net Change in Plan Fiduciary Net Position	(54,668)	(24,117)
Plan Fiduciary Net Position - Beginning	1,573,351	1,597,468
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,518,683</u>	<u>\$ 1,573,351</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	<u>\$ 500,469</u>	<u>\$ 439,818</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	75.21%	78.15%
<b>Covered Employee Payroll</b>	N/A	N/A
<b>Contributions as a Percentage of Covered Employee Payroll</b>	N/A	N/A

Information above is presented as of the measurement date.

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF NET PENSION LIABILITY  
VOLUNTEER PENSION FUND  
LAST 10 YEARS \***

	<u>2015</u>
Net Pension Liability	
Total Pension Liability	\$ 2,019,152
Fiduciary Net Position	1,518,683
Net Pension Liability	<u>\$ 500,469</u>
<b>Fiduciary net position as a % of total pension liability</b>	75.21%
<b>Covered Employee Payroll</b>	N/A
<b>Net pension liability as a % of covered payroll</b>	N/A

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

**Discount Rate:**

Discount Rate	5.50%
Long-term-expected rate of return, net of of investment expense	5.50%
Municipal Bond Rate	3.57%

**Other Key Actuarial Assumptions:**

Actuarial valuation date	January 1, 2015
Measurement date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar - Closed
Remaining Amortization Period	22 years
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increases	N/A
Mortality	RP-2014 Healthy Annuitant and Employee Mortality Tables

Information above is presented as of the measurement date.

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

\* Information is not currently available for prior years; additional years will be displayed as they become available.

<b>2014</b>		<b>2013</b>	
\$	2,013,169	\$	1,997,558
	1,573,351		1,597,468
<u>\$</u>	<u>439,818</u>	<u>\$</u>	<u>400,090</u>

78.15%	79.97%
N/A	N/A
N/A	N/A

5.50%	5.50%
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5.50%	5.50%
3.65%	4.73%

January 1, 2015	January 1, 2015
December 31, 2014	December 31, 2013
Entry Age Normal	Entry Age Normal
Level Dollar - Closed	Level Dollar - Closed
22 years	22 years
Market Value of Assets	Market Value of Assets
2.50%	2.50%
N/A	N/A
RP-2014 Healthy Annuitant and Employee Mortality Tables	RP-2014 Healthy Annuitant and Employee Mortality Tables

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
VOLUNTEER PENSION FUND  
LAST 10 YEARS**

<b>Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2007	\$ 70,001	\$ 113,773	\$ (43,772)	N/A	N/A
2008	\$ 70,001	\$ 129,605	\$ (59,604)	N/A	N/A
2009	\$ 113,656	\$ 133,298	\$ (19,642)	N/A	N/A
2010	\$ 113,656	\$ 146,133	\$ (32,477)	N/A	N/A
2011	\$ 78,565	\$ 130,298	\$ (51,733)	N/A	N/A
2012	\$ 78,565	\$ 128,605	\$ (50,040)	N/A	N/A
2013	\$ 71,135	\$ 128,605	\$ (57,470)	N/A	N/A
2014	\$ 71,135	\$ 102,705	\$ (31,570)	N/A	N/A
2015	\$ 81,151	\$ 128,605	\$ (47,454)	N/A	N/A
2016	\$ 81,151	\$ 118,605	\$ (37,454)	N/A	N/A

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF INVESTMENT RETURNS  
VOLUNTEER PENSION FUND  
LAST 10 YEARS \***

<b>Year Ending December 31,</b>	<b>Net Money- Weighted Rate of Return</b>
2006	N/A
2007	N/A
2008	N/A
2009	N/A
2010	N/A
2011	N/A
2012	N/A
2013	N/A
2014	0.53%
2015	-2.11%

\* Information is not currently available for prior years; additional years will be displayed as they become available.

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

**FPPA PENSION PLAN - STATEWIDE DEFINED BENEFIT PLAN FUND**

**LAST 10 YEARS \***

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.0459829131%	0.0539194697%	0.0553693995%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ (811)	\$ (60,853)	\$ (49,511)
District Covered Employee Payroll	\$ 223,653	\$ 242,475	\$ 240,488
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-0.363%	-25.097%	-20.588%
Calculation of Collective Net Pension Liability:			
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	<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 Liability	100.10%	106.83%	105.83%

Information above is presented as of the measurement date.

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
FPPA PENSION PLAN - STATEWIDE DEFINED BENEFIT PLAN FUND  
LAST 10 YEARS \***

<b>Year Ending December 31,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employees Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2013	\$ 19,239	\$ 19,239	\$ -	\$240,488	8.00%
2014	\$ 19,398	\$ 19,398	\$ -	\$242,475	8.00%
2015	\$ 17,892	\$ 17,892	\$ -	\$223,653	8.00%
2016	\$ 22,623	\$ 22,623	\$ -	\$282,784	8.00%

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND**

**LAST 10 YEARS \***

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.0074611716%	0.0077168726%	0.0081999535%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 82,191	\$ 69,167	\$ 67,479
District Covered Employee Payroll	\$ 42,439	\$ 42,285	\$ 43,748
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	193.669%	163.573%	154.245%
Calculation of Collective Net Pension Liability (\$ in thousands):			
Total Pension Liability	\$ 4,762,090	\$ 4,647,777	\$ 4,517,239
Plan Fiduciary Net Position	3,660,509	3,751,468	3,694,318
Net Pension Liability	<u>\$ 1,101,581</u>	<u>\$ 896,309</u>	<u>\$ 822,921</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.87%	80.72%	81.78%

Information above is presented as of the measurement date.

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA PENSION PLAN - LOCAL GOVERNMENT DIVISION TRUST FUND  
LAST 10 YEARS \***

<b>Year Ending December 31,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employees Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2013	\$ 5,547	\$ 5,547	\$ -	\$ 43,748	12.68%
2014	\$ 5,362	\$ 5,362	\$ -	\$ 42,285	12.68%
2015	\$ 5,381	\$ 5,381	\$ -	\$ 42,439	12.68%
2016	\$ 5,554	\$ 5,554	\$ -	\$ 43,798	12.68%

\* Information is not currently available for prior years; additional years will be displayed as they become available.

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2016**

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**FPPA Pension Plan**

Changes in plan provisions.

The plan provisions have not changed since the prior valuation.

The member contribution rate will increase in 2015 as a result of the member election.

Benefit Adjustments.

Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors' discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Changes of assumptions.

Beginning in the January 1, 2014, actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

**PERA Pension Plan**

The following programming changes were made:

- Valuation of the full survivor benefit without any reduction for possible remarriage
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

The following methodology changes were made:

- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

**SUPPLEMENTARY INFORMATION**

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
CAPITAL RESERVE FUND**

**For the Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
<b>Total Revenues</b>	-	-	-
<b>Expenditures</b>			
Command Vehicle	\$ 50,000	\$ 49,315	\$ 685
Fire Engine	550,000	487,313	62,687
Capital Outlay	-	110	(110)
<b>Total Expenditures</b>	600,000	536,738	63,262
<b>Excess Revenues Over (Under) Expenditures</b>	(600,000)	(536,738)	63,262
<b>Other Financing Uses</b>			
Transfers In	250,000	150,670	(99,330)
<b>Net Change in Fund Balance</b>	(350,000)	(386,068)	(36,068)
<b>Fund Balance - Beginning</b>	578,852	386,068	(192,784)
<b>Fund Balance - Ending</b>	\$ 228,852	\$ -	\$ (228,852)

See the Accompanying Independent Auditor's Report

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
BUDGET AND ACTUAL  
VOLUNTEER PENSION FUND**

**For the Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Additions</b>			
Interest and Dividends	\$ 25,000	\$ 34,264	\$ 9,264
Net Appreciation (Depreciation) in Fair Value of Investments	-	71,496	71,496
Estes Valley FPD Contribution	80,000	70,000	(10,000)
State Participation Contribution	48,605	48,605	-
<b>Total Additions</b>	<b>153,605</b>	<b>224,365</b>	<b>70,760</b>
<b>Deductions</b>			
Retiree Benefit Payments	150,000	135,192	14,808
Audit Fees	2,500	-	2,500
Actuarial Study	-	1,620	(1,620)
Investment Fees	16,000	14,957	1,043
Miscellaneous	5,000	2,140	2,860
Retiree Death Benefit Payments	800	-	800
Contingency	52,175	-	52,175
<b>Total Deductions</b>	<b>226,475</b>	<b>153,909</b>	<b>72,566</b>
<b>Change in Plan Net Position</b>	<b>(72,870)</b>	<b>70,456</b>	<b>143,326</b>
<b>Plan Net Position - Beginning</b>	<b>1,539,666</b>	<b>1,518,681</b>	<b>(20,985)</b>
<b>Plan Net Position - Ending</b>	<b>\$ 1,466,796</b>	<b>\$ 1,589,137</b>	<b>\$ 122,341</b>

See the Accompanying Independent Auditor's Report

## **OTHER INFORMATION**

**ESTES VALLEY FIRE PROTECTION DISTRICT**

**SCHEDULE OF ASSESSED VALUATION, MILL LEVY AND  
PROPERTY TAXES COLLECTED**

Levy Year	Collection Year	Assessed Valuation	Mill Levy			Total Levy	Current Collection	Collection Rate
			General	Debt	Total			
2011	2012	\$ 297,268,990	1.950	0.000	1.950	\$ 579,675	\$ 575,944	99.36%
2012	2013	296,738,190	1.950	0.000	1.950	578,639	577,955	99.88%
2013	2014	282,549,790	1.950	0.000	1.950	550,972	547,294	99.33%
2014	2015	274,499,120	1.950	0.000	1.950	535,273	531,439	99.28%
2015	2016	302,715,411	1.950	0.000	1.950	590,295	585,765	99.23%
Estimated for year ending December 31, 2017		\$ 304,403,755	1.950	0.000	1.950	\$ 593,587		

**Note:**  
Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

**Source:** Larimer County Assessor and Treasurer

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