

LOWER VALLEY FIRE PROTECTION DISTRICT

Financial Statements and
Report of Independent Auditors
For the Year Ended December 31, 2016



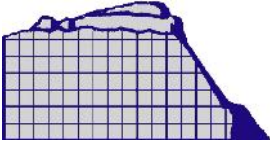
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LOWER VALLEY FIRE PROTECTION DISTRICT

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Paul D. Miller CPA, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lower Valley Fire Protection District
Fruita, CO

I have audited the accompanying financial statements of the governmental activities of the Lower Valley Fire Protection District, State of Colorado (the 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Lower Valley Fire Protection District, State of Colorado, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5, required pension schedules on pages 24-27, and budgetary comparison information on pages 28 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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.

Paul D. Miller, CPA, LLC

Grand Junction, Colorado

June 12, 2017

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

The discussion and analysis is designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities. Please read it in conjunction with the District's financial statements that follow the Management's Discussion and Analysis.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a Government-type activity. The following statements and schedules are included:

-) Statement of Net Position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations). (See page 5)
-) Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures. (See page 6)
-) Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2016 (See pages 14)

STATEMENT OF NET POSITION

The following table shows the condensed statement of Net Position for the past two years.

Years ended December 31,	2016	2015
Current assets	\$ 2,188,405	\$ 2,040,296
Net Pension Assets:		
Statewide Plan	1,564	437,788
Volunteer Plan	494,338	108,418
Deferred Outflows of Resources	265,553	149,437
Capital assets (net of depreciation)	4,140,897	4,185,204
Total assets	7,090,757	6,921,143
Current liabilities	60,473	41,480
Long-term liabilities	41,055	43,463
Total liabilities	101,528	84,943
Deferred Inflows of Resources		
Property Taxes	1,154,185	1,019,512
Statewide Pension Plan	1,846	2,232
Volunteer Pensing Plan	7,348	13,495
	1,163,379	1,035,239
Net Position		
Invested in capital assets	4,140,897	4,185,204
Restricted for Tabor emergency	48,030	48,030
Restricted for Pensions	752,261	679,916
Nonspendable	62,384	50,811
Unrestricted	822,278	837,000
Total Net Position	\$ 5,825,850	\$ 5,800,961

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

The Net Position of the District increased \$24,889 from \$5,800,961 in 2015 to \$5,825,850 in 2016. The District's total assets increased from \$6,921,143 in 2015 to \$7,090,757 in 2016 for a difference of \$169,614. The District's total liabilities increased in 2016 by \$16,585.

REVIEW OF REVENUES

Years ended December 31,	<u>2016</u>	<u>2015</u>
Operating revenue		
Charges for services	\$ 976,330	\$ 889,339
Total	<u>976,330</u>	<u>889,339</u>
Non-operating revenue		
Specific ownership tax	142,759	147,383
General property tax	1,119,066	957,070
Interest income	2,492	414
Other revenue	91,496	157,403
Grants	<u>114,151</u>	<u>133,281</u>
Total	<u>1,469,964</u>	<u>1,395,551</u>
Total revenue	<u>\$2,446,294</u>	<u>\$ 2,284,890</u>

The District's total revenues increased in 2016 by \$161,404 from 2015. The increase in revenue was due mainly to an increase in property taxes the District received.

REVIEW OF EXPENDITURES

Years ended December 31,	<u>2016</u>	<u>2015</u>
Operating expenditures		
Fire & ambulance operations	\$ 2,255,552	\$2,022,972
Depreciation	238,199	224,081
Pension Activity	(72,346)	-
Capital outlay	<u>(193,891)</u>	<u>(706,385)</u>
Total Expenditures	<u>\$ 2,227,514</u>	<u>\$1,540,668</u>

The District's total expenditures increased in 2016 by \$686,846, which was largely because of an increase in in personnel and benefits and bad debts.

The major capital assets purchased, which are included in the \$4,140,897 total for 2016, were as follows:

Ambulance equipment \$41,016
 Parking Lot \$151,020
 Office furniture \$1,855

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

ECONOMIC AND OTHER FACTORS

Lower Valley Fire Protection District was set up as an independent District and began operations in 1980. The District began receiving property tax revenues during 1980.

The economy of the District's area has grown continually over the past several years. However, there has been a drop in the area economy during the past two years. There has been a considerable drop in activities in the area due to the drop in oil and gas production.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Fire Chief, Lower Valley Fire Protection District, P.O. Box 520, Fruita, Colorado 81521, or 970-858-3133.

Lower Valley Fire Protection District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2016

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 779,328	\$ -	\$ 779,328
Accounts receivable rescue (less allowance of \$630,174)	127,777	-	127,777
Property taxes receivable	1,154,185	-	1,154,185
Grant receivable	53,072	-	53,072
Due from other Governments	11,659	-	11,659
Prepaid Expenses	62,384	-	62,384
Net Pension Asset FPPA SWDB	-	1,564	1,564
Net Pension Asset FPPA Volunteer	-	494,338	494,338
DEFERRED OUTFLOW OF RESOURCES			
Pension FPPA SWDB	-	154,828	154,828
Pension FPPA Volunteer	-	110,725	110,725
CAPITAL ASSETS			
Land	-	16,543	16,543
Building and improvements	-	3,347,463	3,347,463
Vehicles	-	1,921,165	1,921,165
Equipment	-	728,454	728,454
Office equipment	-	63,774	63,774
Less Accumulated depreciation	-	(1,936,502)	(1,936,502)
TOTAL ASSETS	<u>\$ 2,188,405</u>	<u>\$ 4,902,352</u>	<u>\$ 7,090,757</u>
LIABILITIES			
Accounts payable	\$ 24,421	-	24,421
Other current liabilities	2,627	-	2,627
Accrued payroll	33,425	-	33,425
Compensated absences	41,055	-	41,055
TOTAL LIABILITIES	<u>101,528</u>	<u>-</u>	<u>101,528</u>
DEFERRED INFLOW OF RESOURCES			
Property taxes	1,154,185	-	1,154,185
Pension FPPA Volunteer	-	7,348	7,348
Pension FPPA SWDB	-	1,846	1,846
TOTAL INFLOW OF RESOURCES	<u>1,154,185</u>	<u>9,194</u>	<u>1,163,379</u>
FUND BALANCE			
Emergency reserve - TABOR	48,030	(48,030)	-
Nonspendable	62,384	(62,384)	-
Unassigned	822,278	(822,278)	-
TOTAL FUND BALANCE	<u>932,692</u>	<u>(932,692)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,188,405</u>		
NET POSITION			
Invested in capital assets, net of related debt	\$ -	4,140,897	4,140,897
Restricted for:			
TABOR emergency	-	48,030	48,030
Pensions	-	752,261	752,261
Nonspendable	-	62,384	62,384
Unassigned	-	822,278	822,278
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 5,825,850</u>	<u>\$ 5,825,850</u>

Adjustments to reconcile the governmental fund balance sheet to the statement of net assets are as follows:

Fund balance per general fund balance sheet	\$ 932,692
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	4,140,897
GASB 68 Pension Adjustment	752,261
Net Position	<u>\$ 5,825,850</u>

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

Lower Valley Fire Protection District
Statement of Revenue, Expenditures, and Change in Net Position-Governmental
and Statement of Activities
For the Year Ended December 31, 2016

	General Fund	Adjustments (See Page 4)	Statement of Activities
EXPENDITURES/EXPENSES			
Fire & ambulance-operation	\$ 2,255,552	\$ -	\$ 2,255,552
Capital outlay	193,891	(193,891)	-
Pension Activity	-	(72,346)	(72,346)
Depreciation	-	238,199	238,199
Total expenditures/expenses	<u>2,449,443</u>	<u>(28,038)</u>	<u>2,421,405</u>
PROGRAM REVENUES			
Charges for services	976,330	-	976,330
Net program (expenses) revenue	<u>(1,473,113)</u>	<u>28,038</u>	<u>(1,445,075)</u>
GENERAL REVENUES			
Property taxes	1,119,066	-	1,119,066
Specific ownership	142,759	-	142,759
Grant revenue	114,151	-	114,151
Interest income	2,492	-	2,492
Miscellaneous income	91,496	-	91,496
Total general revenues	<u>1,469,964</u>	<u>-</u>	<u>1,469,964</u>
Excess of Revenue over (Under) expenditures	(3,149)	28,038	
Change in net position			24,889
NET POSITION			
Beginning of the year	935,841	4,865,120	5,800,961
End of the year	<u>\$ 932,692</u>	<u>\$ 4,893,158</u>	<u>\$ 5,825,850</u>

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

Lower Valley Fire Protection District
Statement of Revenue, Expenditures, and Change in Net Position-Governmental
and Statement of Activities
For the Year Ended December 31, 2016

Amounts reported for the governmental activities in the statement of activities (page 6) are different because:

Excess of expenditures over revenues - general funds (page 6)	\$ (3,149)
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	193,891
Depreciation	(238,199)
	(44,308)

GASB 68 Activity	72,346
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Change in net position of governmental activities (page 6)	\$ 24,889
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The notes to the financial statement are an integral part of this statement.

LOWER VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2016

The town of Fruita, Colorado, organized a Fire Protection Unit in 1972. This unit was split from the town in 1980 and became its own separate district known as the Lower Valley Fire Protection District. The purpose of the district is the prevention of fire and the protection of life and property in the event of fire, accident, disaster, and to provide emergency medical services.

Financial Reporting Entity

The Lower Valley Fire Protection District is a special district as defined by Colorado statutes and is governed by an elected board of directors. The Board of Directors has oversight responsibility and control over all activities within its boundaries. The board is not included in any other governmental "reporting entity" as defined by GASB pronouncement, since board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activities has been removed from these statements.

Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and user charges for support. Likewise, the *primary government is reported separately from certain legally separate component units* for which the primary government is financially accountable. The District has no business-type activities or component units.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has only one governmental fund, the *General Fund*

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 are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 eligibility requirements imposed by the provider have been met.

LOWER VALLEY FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2016

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

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. The District considers revenues to be available if they are collectible within 120 days except for property taxes, which are considered available, if they are collectible within 60 days after year-end. Property taxes, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

The government reports the following major governmental fund:

The General Fund is the District's operating fund. It accounts for all financial resources of the government. Additionally, the District reports the following fund type:

Fiduciary funds account for resources held for other parties outside the government. The District has one fiduciary fund the Pension Trust Fund that accounts for the activities of the assets held in the Fire and Police Member's Benefit Fund, an agent multi-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA).

As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the District's Fiduciary Fund and various other functions of the government as these are considered external to the government.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Budgets and Budgetary Accounting

In accordance with the State Budget Law, the District's Board of Directors holds public hearings, in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The district's Board of Directors can modify the budget by line item within the total appropriation without notification. The 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.

The budget is prepared on the same basis as that of the fund financial statements.

The detail of the budget calendar is outlined below:

- October 15 – Deadline for Budget Officer to submit: proposed budget to the government board. The Governing body must publish "Notice of Budget" upon receiving proposed budget.
- December 15 – Deadline for certification of mil levy to the Board of County commissioners.
- December 22 – Deadline for the Board of County Commissioners to levy taxes and to certify the levies to the Assessor.
- December 31 - Statutory deadline for local governing body to adopt budget. A certified copy of the adopted budget must be sent to the Division of Local Government within 30 days of adoption.
- On or before
December 31 - The District shall enact an ordinance appropriating the budget for the ensuing year.

LOWER VALLEY FIRE PROTECTION DISTRICT
Summary of Significant Accounting Policies
December 31, 2016

Property Taxes Receivable

Property taxes are levied on December 22 of each year and attach as an enforceable lien on the property as of January 1. They are payable in full April 30, or in two equal installments due February 28 and July 31. The County bills and collects property taxes for the district. Property taxes collected by the County are remitted to the District in the subsequent month. Property taxes are reported as receivable and deferred revenue when levied and as revenue when collected in the following year.

Risk of Loss

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and volunteers; and natural disasters. The District maintains commercial insurance coverage for general liability, workers compensation, property, vehicles damage and liability, umbrella, management liability and public official bond. The District did not have any claim settlements in excess of coverage for each of the last three years.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 5 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing \$1,000 or more. The District has no infrastructure assets.

Compensated Absences

A total of 12 to 21 days' vacation and 6 days for 40 hour employees to 16.8 days for 56 hour employees of sick leave per year may be accumulated by each employee; however, employees are not paid for the accumulated sick leave upon retirement or other termination. Each employee may accumulate a maximum of 208 hours of vacation. The District accrues a liability for the compensated absences, which meet the following criteria:

1. The District's obligation relating to employees' rights to receive compensation for future absences is attributable to employee's service already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the District has accrued a liability for the vacation pay, which has been earned but not taken by District employees.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

LOWER VALLEY FIRE PROTECTION DISTRICT
Summary of Significant Accounting Policies
December 31, 2016

Fund Balance

The District has approved the following Fund Balance policies:

Committed fund balances are approved by the District's Board via a majority vote. The District does not use the assigned fund balance designation.

The District considers restricted amounts to have been spent for purposes for which both restricted and unrestricted fund balance is available

The District considers committed amounts to have been spent for purposes which any unrestricted fund balance classifications could have been used.

Net Position

Net position represents the difference between assets and liabilities. The balance invested in capital assets net of related debt consists of capital assets net of accumulated depreciation and related debt. Amounts are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

Pensions.

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.

The Entity also participates in the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS), administered by FPPA, which represents the assets of numerous separate plans that have been pooled for investment purposes. The net pension liabilities or assets, 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 pensions 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.

Subsequent Events

Management has reviewed subsequent events through the date of the audit report.

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 1- Pension Plan –Non-Fighter

The Lower Valley Fire Protection District provides a retirement plan for all of its full time non-Fighter employees through the Colorado Officials and Employees Retirement association Retirement Plan. The plan is a defined contribution money purchase plan. Employees participate in the plan immediately after employment. The employees and the District each contribute 6% of gross wages and the employee may voluntarily contribute from 6% to 10% of gross wages. In addition, in order to provide for past service benefits, participants may make lump sum contributions from time to time. Each employee is immediately vested 100% in his or her interest in the District's contribution. The total non-Fighter payroll for the District for 2016 was \$199,322 and the District's contributions were based on a payroll of \$199,322. Both the District and the covered employees made the required contributions and voluntary contributions in the amount \$11,959 (6%) for the District and 11,959 (6%) for the employees.

Note 2 – Defined Benefit Pension Plan – Volunteer Pension

General Information about the Pension Plan

Plan Description

The Entity contributes to the Volunteer Fire Department Pension Fund (VFDP), an agent multiple-employer Public Employee Retirement System (PERS) administered by the Fire & Police Pension Association (FPPA). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>. For the measurement period ending December 31, 2015, the VFDP included membership of 15 retirees and beneficiaries, 8 inactive, non-retired members, and 21 active members for a total of 44 members.

Benefits Provided.

Normal Retirement

A member is eligible for a normal retirement pension once the member has completed twenty years of credited service and has attained the age of 50. The monthly regular retirement benefit is \$550. A supplemental monthly pension payment to a volunteer who has attained the age of 50 years and who has been in active service in excess of 20 years can receive an extended service amount up to 5% of the monthly pension amount per additional year of service. The amount cannot exceed a maximum of ten additional years.

Vested Retirement

A member with 10 or more but less than 20 years of service is eligible to receive a benefit of \$27 per month times the number of vesting years.

Disability Retirement Benefit

A member is eligible for long-term disability for injuries in the line of duty. Long-term disability is a lifetime amount after one year of service of \$400 per month.

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 2 – Defined Benefit Pension Plan – Volunteer Pension-continued

General Information about the Pension Plan-continued

Survivor Benefits

Survivor benefits are available at one-half of the amount of the normal retirement pension, or \$275 per month. This amount is available to a survivor following death after normal retirement, following death in the line of duty as a volunteer firefighter before retirement eligible, and \$200 following death after disability retirement. An additional amount of \$14 per month is available following death after normal retirement with extended service amount per year of service and following death after vested retirement with 10 to 20 years of service per year of service. Survivors may include spouse, child under 18 years of age, or dependent parent. This annuity shall cease if the surviving spouse or dependent parent remarries and dissolution of a subsequent marriage does not reinstate the annuity. Whenever the pension board increases the retirement pension payable to volunteer firefighters, that increase will also be applied to the pension benefits of survivors of firefighters killed in the line of duty.

Funeral Benefits

A one-time funeral benefit is paid of \$310 in the event of a death of a member.

Contributions.

The Entity contributes from proceeds of a property tax mill levy. The Plan is construed and enforced in accordance with Colorado Revised Statute Title 31, Article 30. Per CRS 31-30-1112, State contributions to any municipality or district must equal ninety percent of all amounts contributed by the municipality or district under section 31-30-1110 in the previous year, but, notwithstanding any other provision of this part 11, the state contribution shall not exceed one-half mill on the previous net valuation for assessment of the municipality or district assuming one hundred percent collection. For 2016, the Entity contributed \$0 and the state's matching contribution was \$29,406.

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Entity reported a net pension liability/ (asset) of \$(494,338). The net pension liability/ (asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of January 1, 2016. The total pension liability as of December 31, 2015 is based upon the January 1, 2016 actuarial valuation.

For the year ended December 31, 2016, the Entity recognized pension expense of \$(27,334). At December 31, 2016, the Entity 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	\$ -	\$ 7,348
Net difference between projected and actual earnings on pension plan investments	81,319	-
Contributions subsequent to the measurement date	29,406	-
Total	\$ 110,725	\$ 7,348

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 2 – Defined Benefit Pension Plan – Volunteer Pension-continued

General Information about the Pension Plan-continued

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued

\$29,406 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 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	\$14,903
2018	\$19,849
2019	\$21,051
2020	\$18,168
2021	\$ -
Thereafter	\$ -

Actuarial Assumptions.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2013 determines the contribution amounts for 2014 and 2016. The valuation used the following actuarial assumptions and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed market
Inflation	3.0%
Investment Rate of Return	7.5%
Projected Salary Increases	N/A
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA

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

At least every five years the Fire & Police Pension Association’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 2 – Defined Benefit Pension Plan – Volunteer Pension-continued

General Information about the Pension Plan-continued

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued

Actuarial Assumptions-continued

The assumption shown above pertains to the actuarial valuation as of January 1, 2013 and the associated Actuarially Determined Contribution for the year ending December 31, 2015. Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations.

The primary changes, which can be observed in the January 1, 2017 valuation, as compared to the assumptions shown above are as follows:

- Inflation: 2.5%
- Mortality: **Pre-retirement:** RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience.
Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-204 Mortality Tables for Blue Collar Health Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scales BB.
Disables: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.00%	6.50%
Equity Long/Short	10.00%	4.70%
Liquid Alternatives	20.00%	8.00%
Fixed Income	16.00%	1.50%
Absolute Return	11.00%	4.10%
Managed Futures	4.00%	3.00%
Cash	2.00%	0.00%
Total	100.00%	

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 2 – Defined Benefit Pension Plan – Volunteer Pension-continued

General Information about the Pension Plan-continued

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions-continued

Discount Rate-continued

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/ (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability/(asset)	\$(366,406)	\$(494,338)	\$(600,834)

Note 3 – Fire & Police Statewide Defined Benefit Plan

General Information about the Fire & Police Statewide Defined Benefit Plan

Plan description.

The Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>

Benefits provided.

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has obtained 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.

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.

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 3 – Fire & Police Statewide Defined Benefit Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

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 this 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 by election of the membership.

Members of this Plan and their employers are contributing at the rate of 8.5 percent and 8 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 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5 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.

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's financial statements are recognized in the period in which the contributions are due

Employer contributions received and processed within the year ended December 31, 2015 are used as the basis for reporting within the Schedule of Employer contributions. As reported in FPPA's December 31, 2015 CAFR, employer contributions to the SWDB plan were \$38,807,864 compared to total employer contribution of \$38,781,797 on the Schedule of Employer Contributions.

Contributions to the Plan from the Department were \$38,026 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 Department reported an asset of \$1,564 for its proportionate share of the net pension liability/ (asset). The net pension liability (asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/ (asset) was determined by an actuarial valuation as of that date. **The Department's proportion of the net pension liability/ (asset) was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined.** At December 31, 2016, the Department's proportion was 0.089 percent, which was an increase/ (decrease) of (.007) percent from its proportion measured as of December 31, 2015.

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 3 – Fire & Police Statewide Defined Benefit Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

For the year ended December 31, 2016, the Department recognized pension expense of \$26,200. At December 31, 2016, the Department 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
Differences between actual and expected experience	\$ -	\$ 1,846
Changes in assumptions	-	-
Net difference between actual and projected earnings on pension plan investments	79,591	-
Changes in proportion and differences between Department contributions and proportionate share of contributions	α 37,031	-
Department contributions subsequent to the measurement date	38,206	
Total	\$ 154,828	\$ 1,846

\$38,026 reported as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 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,	
2016	\$ 24,216
2017	24,216
2018	24,216
2019	22,243
2020	3,825
Thereafter	16,240

Actuarial assumptions.

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

Investment rate of return	7.5 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

LOWER VALLEY FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

Note 3 – Fire & Police Statewide Defined Benefit Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

Actuarial assumptions-continued

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar 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 are used.

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

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 investments expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
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%	

Discount rate

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.5%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.5%.

LOWER VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2016

Note 3 – Fire & Police Statewide Defined Benefit Plan-continued

General Information about the Fire & Police Statewide Defined Benefit Plan-continued

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

Discount rate-continued

Regarding the sensitivity of the net pension liability/ (asset) to change in the Single Discount Rate, the following presents the plan's net pension liability using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Department's proportionate share of the net pension liability/(asset)	\$219,067	\$(1,564)	\$(184,569)

Note 4 – Change In Fixed Assets

Governmental Activities:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Land	\$ 16,543	\$ -	\$ -	\$ 16,543
Buildings & improvements	3,196,443	151,020	-	3,347,463
Vehicles	1,921,165	-	-	1,921,165
Equipment	687,438	41,016	-	728,454
Office furniture & equipment	61,919	1,855	-	63,774
Total	<u>5,883,508</u>	<u>193,891</u>	<u>-</u>	<u>6,077,399</u>
Less accumulated depreciation	<u>(1,698,303)</u>	<u>(238,199)</u>		<u>(1,936,502)</u>
Governmental activities capital assets, Net	<u>\$ 4,185,205</u>	<u>\$ (44,308)</u>	<u>\$ -</u>	<u>\$ 4,140,897</u>

Depreciation expense for 2016 was \$238,199.

Note 5 - Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to the depository insurance pursuant to definitions listed in GASB Standards. At December 31, 2016, the District's cash deposits had a bank balance of \$349,788 of which \$250,000 was covered by federal depository insurance, \$99,588 was collateralized, and \$200 was uninsured.

LOWER VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2016

Note 5 - Deposits and Investments-continued

At December 31, 2016, the deposits of the governmental activities consisted of the following:

Cash on hand	\$	200
Cash in bank accounts		<u>349,588</u>
Total		<u>\$ 349,788</u>

Investments

Colorado statutes specify in which instruments the units of local government may invest, this includes:

-) Repurchase agreements;
-) Obligations of the United States or obligations unconditionally guaranteed by the United States;
-) Obligations of the State of Colorado and most general obligations of units of local government;
-) Federally insured mortgages and student loans;
-) Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments.

The District's investment policy follows Colorado statutes.

At year-end, the District had invested \$429,540 in Colorado Government Liquid Assets Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investment owned by COLOTRUST. This pool is not required to and is not registered with the SEC. COLOTRUST funds are rated AAA by Standard and Poor's, Fitch's and Moody's rating services.

Note 6 - Tax, Spending, and Debt Limitation

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On May 2, 2000, the voters approved authorization for Lower Valley Fire Protection District to collect all sources of revenue and support without regard to any limitations contained within the amendment to the State Constitution, Article X, Section 20.

Note 7 – Use of Restrict Funds and Unrestricted Funds

It is the District's policy to apply restricted assets first then unrestricted when restricted funds can be applied to that item.

LOWER VALLEY FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2016

Note 8 – Long-Term Debt

Long-term liability activity for the year ended December 31, 2016 was as follows:

	<u>January 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2016</u>
Compensated Absences	<u>\$ 43,463</u>	<u>\$ -</u>	<u>\$ 2,408</u>	<u>\$ 41,055</u>

REQUIRED SUPPLEMENTAL INFORMATION

LOWER VALLEY FIRE PROTECTION DISTRICT

Required Supplemental Information

December 31, 2016

Schedule of the Department's Proportionate Share of the Net Pension Liability/ (Asset)
Fire & Police Statewide Defined Benefit Plan as of December 31,

	2016	2015
Department's proportion of the net pension liability/(asset)	.088%	.0960%
Department's proportionate share of the net pension liability/(asset)	\$(1,564)	\$(108,329)
Department's covered-employee payroll	\$475,325	\$430,125
Department's proportionate share of the net pension liability/(asset) as a percentage of is covered-employee payroll	.329%	25.18%
Plan fiduciary net position as a percentage of the total pension liability	100.10%	106.8%

Schedule of Department Contributions
Fire & Police Statewide Defined Benefit Plan
As of December 31,

	2016	2015
Contractually required contribution	\$38,026	\$34,410
Contributions in relation to the contractually required contribution	\$38,026	\$34,410
Contribution deficiency (excess)	\$-	\$-
Department's covered-employee payroll	\$475,325	\$430,125
Contributions as a percentage of covered-employee payroll	8.00%	8.00%

LOWER VALLEY FIRE PROTECTION DISTRICT

Required Supplemental Information

December 31, 2016

Notes to Required Supplementary Information - Fire & Police Statewide Defined Benefit Plan

Changes in plan provisions.

The plan provisions have not changed since the prior valuation. The member contribution rate will increase in 2016 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, 2104 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.

LOWER VALLEY FIRE PROTECTION DISTRICT
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIO INFORMATION
Last 10 Fiscal Years (to be built prospectively)

Measurement period ending December 31,	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service Cost	\$ 19,419	\$ 15,901
Interest on the Total Pension Liability	81,415	67,336
Benefit Changes	0	201,699
Difference between Expected and Actual Experience	0	(19,642)
Assumption Changes	-	-
Benefit Payments	(76,650)	(81,840)
Net Change in Total Pension Liability	<u>24,184</u>	<u>183,454</u>
 Total Pension Liability - Beginning	 <u>1,113,636</u>	 <u>930,182</u>
Total Pension Liability -Ending (a)	<u><u>\$ 1,137,820</u></u>	<u><u>\$ 1,113,636</u></u>
 Plan Fiduciary Net Position		
Employer Contribution	\$ 105,151	\$ 105,270
Pension Plan Net Investment Income	27,470	93,057
Benefit Payments	(76,650)	(81,840)
Pension Plan Administrative Expense	(4,643)	(2,559)
State of Colorado Supplemental Discretionary Payment	29,406	29,406
Net Change in Plan Fiduciary Net Position	<u>80,734</u>	<u>143,334</u>
Plan Fiduciary Net Position - Beginning	<u>1,551,424</u>	<u>1,408,090</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 1,632,158</u></u>	<u><u>\$ 1,551,424</u></u>
Net pension Liability/(Asset) - Ending (a)-(b)	<u><u>\$ (494,338)</u></u>	<u><u>\$ (437,788)</u></u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 <u>143.45%</u>	 <u>139.31%</u>
 Covered Employee Payroll	 N/A	 N/A
 Net Pension Liability as a Percentage of Covered Employee Payroll	 N/A	 N/A

LOWER VALLEY FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS MULTIYEAR

December 31, 2016

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
a	b	c	d=b-c	e	f
2014	\$ -	\$ 134,676	\$ (134,676)	N/A	N/A
2015	\$ -	\$ 134,557	\$ (134,557)	N/A	N/A

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

Lower Valley Fire Protection District
Statement of Revenues, Expenditures
Actual and Budget
For the Year Ended December 31, 2016

General Fund

	General Fund		Variance Favorable (Unfavorable)
	Budget Original & Final	Actual	
Revenue:			
General property taxes	\$ 1,057,379	\$ 1,119,066	\$ 61,687
Specific ownership tax	190,490	142,759	(47,731)
Ambulance	871,124	976,330	105,206
Fire & ambulance service contracts	28,080	-	(28,080)
Grant Revenue	175,000	114,151	(60,849)
Interest income	575	2,492	1,917
Miscellaneous	311,473	91,496	(219,977)
Total Revenues	2,634,121	2,446,294	(187,827)
Expenditures:			
Administrative:			
Salaries	942,483	906,175	36,308
Payroll benefits	381,809	336,882	44,927
Insurance	113,571	84,774	28,797
Office expense	64,972	20,275	44,697
Professional	8,804	6,863	1,941
Dues and fees	6,500	2,553	3,947
Travel and allowances	25,817	18,800	7,017
Treasurers fees	33,598	22,381	11,217
Education/training	40,820	19,001	21,819
Bad debt expense	534,414	560,845	(26,431)
Fire Prevention	3,500	2,982	518
Equipment Repairs and Maintenance			
Vehicles	43,454	18,729	24,725
Equipment	11,832	1,716	10,116
Fuel and oil	15,207	10,704	4,503
Communication:			
911 expense	51,626	60,430	(8,804)
Repairs land maintenance	1,228	700	528
Supplies			
EMS supplies	48,298	41,050	7,248
Fire supplies	23,600	52,918	(29,318)
Building and Grounds:			
Supplies and expense	132,219	87,774	44,445
Total Expenditures	2,483,752	2,255,552	228,200
Capital Outlay Major			
Total	3,130,576	2,449,443	681,133
Revenue Over (Under) Expenditures	\$ (496,455)	\$ (3,149)	\$ 493,306
ADJUSTMENTS TO BUDGET BASIS:			
Beginning Net Position		935,841	
Ending Net Position		\$ 932,692	