



RED, WHITE & BLUE FIRE PROTECTION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Year Ended December 31, 2016



*Together, building a safer community through
prevention, preparedness, and response.*



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**RED, WHITE & BLUE FIRE PROTECTION DISTRICT
BRECKENRIDGE, COLORADO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2016

Prepared by Laura Johnson, CPA, MBA
Finance Officer

**RED, WHITE AND BLUE FIRE PROTECTION DISTRICT
BRECKENRIDGE, COLORADO**

**COMPREHENSIVE ANNUAL FIANNCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

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RED, WHITE & BLUE

FIRE PROTECTION DISTRICT
COURAGE, COMMITMENT, CARING

May 30 2017

To the Citizens and Board of Directors of the Red, White & Blue Fire Protection District:

State law requires that all special districts with revenue in excess of \$750,000 publish within six months of the close of their fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Financial Statements with Independent Auditor's Report of the Red, White & Blue Fire Protection District (District) for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Pursuant to that requirement, the enclosure consists of management's representations concerning the finances of the District for the fiscal year ended December 31, 2016, and the results of an independent audit of the financial statements by Anton Collins Mitchell LLP, a firm of licensed certified public accountants.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The management of the District is responsible for the contents of the Comprehensive Annual Financial Report (CAFR) and acknowledges the contribution of the Finance Officer who was integral in the preparation of the CAFR.

Profile of the Government

The District was formed in 1976 as a statutory fire protection district. The quasi-governmental special district model was utilized to secure long term funding via a property tax mill levy in the provision of multi-faceted emergency response services. The District incorporates approximately 138 square miles of

316 N. Main Street • Post Office Box 710 • Breckenridge, CO 80424
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Summit County, Colorado, including Breckenridge Ski Resort, one of the most popular skiing and snowboarding destinations in North America. The Towns of Breckenridge and Blue River along with unincorporated Summit County consist of a year round population of approximately 13,000 residents that swells to nearly 65,000 citizens and guests during the winter.

Initially, the District provided emergency response services with a combination of volunteer and career personnel responding from three, strategically located fire stations. Today, the District serves and protects life and property with a staff of 58 full-time personnel. Of the nearly 2,000 emergency responses annually, 56% of them are related to trauma or medical emergency incidents. The District has enhanced emergency medical services through an ambulance services mutual aid agreement with Summit County Ambulance Service. This collaborative integration of resources provides for a quicker, more efficient response of advanced life support personnel, equipment and patient transport capability. The District utilizes the 9-1-1 dispatching services of the regional Summit County Communications Center. This additional multi-agency collaboration is governed by a representative policy board of the public safety users and is funded via an annually calculated assessment. The District, as a primary user, is responsible for an equal share of the direct overhead expenses, as well as a portion of expenses based on an audit of incidents from the previous year. The District also equips, trains and responds to wildland fires, hazardous materials-related emergencies and a variety of technical rescue and public assistance requests for service. Community risk management is addressed via a multilateral approach involving engineering, education, enforcement, planning, preparedness and response. All divisions and personnel understand and actively serve in their roles toward mitigating and managing community risks.

The District is governed by a publicly elected, five-member Board of Directors serving for four-year staggered terms. The Board is responsible for, among other things, overall policy development and decisions, adopting an annual budget, managing long range planning and hiring the Fire Chief. The Fire Chief is responsible for carrying out the policies of the Board of Directors and for overseeing the day-to-day operations.

The annual budget serves as the foundation for the District's financial planning and management. The Senior Staff of all divisions of the District are required to participate in specific development and management of the annual budget. The Fire Chief and Finance Officer use appropriation requests along with the revenue projections to develop a proposed budget. The budget is then presented to the District's Board of Directors before October 15th of each year. The Board of Directors is required to hold public hearings on the proposed budget and to adopt a final budget. The necessary and appropriate property tax mill levy must be certified to the County Commissioners by December 15th of each year. The Board of Directors must approve any revision that alters the total appropriation of the General Fund through a supplemental resolution and budget amendment.

Local Economic Condition and Outlook

The District has enjoyed a stable economic environment in relation to the assessed valuation of properties protected. The District had enjoyed an average 6% yearly economic growth for years prior to the economic downturn of several years ago when property values plummeted. Property values began to increase in 2012. That trend continued through 2016 especially with the declining inventory of properties on the market. Both residential and commercial construction began to improve in 2013. That rising trend halted in 2014 with many properties rolling off the "vacant land" schedule and onto the "new construction" property tax schedule, which is at a lower rate. In 2015 and 2016, the District saw increased assessments once again. The District closely monitors economic conditions, and forecasts any potential repercussions as the impact on property values historically lags several years beyond benchmark economic indicators.

The National economy continues its slow but rebounding growth and declining unemployment rates. As these indicators have direct impact on the District's fiscal position, we continue with a very conservative approach to budgeting with our focus on the local economic conditions. This approach helps to ensure a stable and sustainable financial position.

Long-term financial planning

In order to meet future objectives and potential challenges, the District developed and adopted a five year Strategic Plan (2017-2021) that identifies organizational philosophies, strategic initiatives and organization goals. The Strategic Plan was developed through a collaborative effort of both internal and external stakeholders and is a guiding factor for the future needs of the District. In addition to the Strategic Plan, various long-range capital needs assessments have been completed and replacement schedules are identified for fleet, facilities and technology. The Plan and accompanying schedules are reviewed and updated as required each year during budget preparation.

The District has developed a long-range capital plan for fleet replacement. Front line apparatus (heavy fleet fire engines and ladder trucks) are generally planned for replacement on a ten year staggered schedule. A variety of factors are evaluated including exceptional usage, maintenance costs, functions demands, etc. that may extend or retract the schedule.

Relevant financial policies

Red, White & Blue Fire Protection District's current fiscal policy in regards to the General Fund Reserve is that the balance should be maintained at the next six months of General Fund Expenditures (2017 Budgeted Operating Expenditures and 2017 Budgeted Capital Expenditures).

The Board of Director's goal for fiscal policy with regards to the General Fund Reserve is to reach 25-30% of total anticipated Operating Expenditures (excluding Capital Expenditures) for the next 4 year budget cycles in addition to a Capital Reserve Fund equal to the 5 Year Capital Expenditure Plan. The Board seeks to pay cash for Capital Expenditures rather than incurring future debt.

As of December 31, 2016, the General Fund Reserve, including designated emergency and unassigned dollars totaled approximately \$4.7 million, which is approximately 6 months of the 2017 Budgeted General Fund Expenditures (including both 2017 Budgeted Operating Expenditures and 2017 Budgeted Capital Expenditures).

During the 2012 budget process, the Board established a Capital Reserve Fund of \$2.0 million unassigned dollars from the General Fund Reserve; it currently has a balance of approximately \$1.0 million. Additionally, when required, funds from the General Reserve Fund (\$4.7 million balance at year end 2016) are transferred to Capital Reserve Fund for the purpose of covering the 5 Year Capital Expenditure Plan.

The Board considers the existing General Fund Reserve of \$4.7 million to be adequate to meet the targeted goal of maintaining reserve equal to the next 6 months of General Fund Expenditures.

The Board has determined that the current \$4.7 million is not adequate to cover the targeted goal of 25-30% of total anticipated Operating Expenditures (excluding Capital Expenditures) for the next 4 year budget cycles in addition to a Capital Reserve Fund equal to the 5 Year Capital Expenditure Plan. The Board would like to have a General Fund Reserve of 25-30% of next 4 year Operating Expenditures due to the risk of property tax revenues falling in response to change of property values or government regulations. The Board desires not to be forced to cut back services provided or to be constrained in our ability to operate effectively and safely due to property tax revenue fluctuations. Additionally, The Board feels that the Capital Reserve Fund should be increased, as it does not fund the next 5 Year Capital Expenditure Plan.

Cash management policies and practice

Cash is invested mainly in state regulated investment pools and laddered Certificates of Deposit; and the investments are recorded at fair value. Colotrust and Colorado Statewide Investment Program (CSIP)

manage most of the cash invested in state and federally protected regulated investment pools. Short-term cash flows for general operations require that funds be relatively liquid. These balances and the emergency reserve fund are held in money market checking accounts. With increasing reserve balances, the need for alternative investments in compliance with State statute and District's Investment Policy are continually reviewed.

Risk management

The District self-insures for short-term disability insurance for the District's employees. Full insurance coverage is maintained on the District's property with reasonable deductibles on vehicles and buildings. A minimum emergency reserve fund balance of 3% of the current budgeted operating expenditures is maintained to cover any disastrous loss. The District also maintains a sufficient general liability policy with the Special District Association (SDA) pool. As these insurance premium rates have escalated, the District has implemented higher deductibles in recent years on workers' compensation insurance. In the past two years, the District has focused more heavily on safety in order to minimize risks associated with personal and workplace injuries.

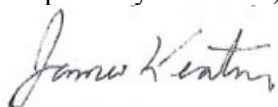
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Red, White & Blue Fire Protection District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. This was the fifth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District has worked towards becoming an Accredited Agency through the Commission on Fire Accreditation International (CFAI) since late 2009 and has been accredited in each of the two 5 year accreditation cycles since 2009. CFAI is dedicated to assisting the fire and emergency service agencies throughout the world in achieving excellence through self-assessment and accreditation in order to provide continuous quality improvement and the enhancement of service delivery to their communities. The District completed its self-assessment, standards of cover and strategic plan and had a successful peer team review in November 2011, and the Commission awarded the District with the status of Accredited Agency in March 2012. The District again completed its self-assessment, standards of cover and strategic plan and had a successful peer team review in December 2016, and the Commission awarded the District with the status of Accredited Agency in March 2017; this was the second 5-year cycle award. This again is a five-year award with a mandatory annual compliance report. The District continues to participate in this continual improvement process through self-assessment each year.

Respectfully submitted,



James Keating
Fire Chief



Laura Johnson
Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

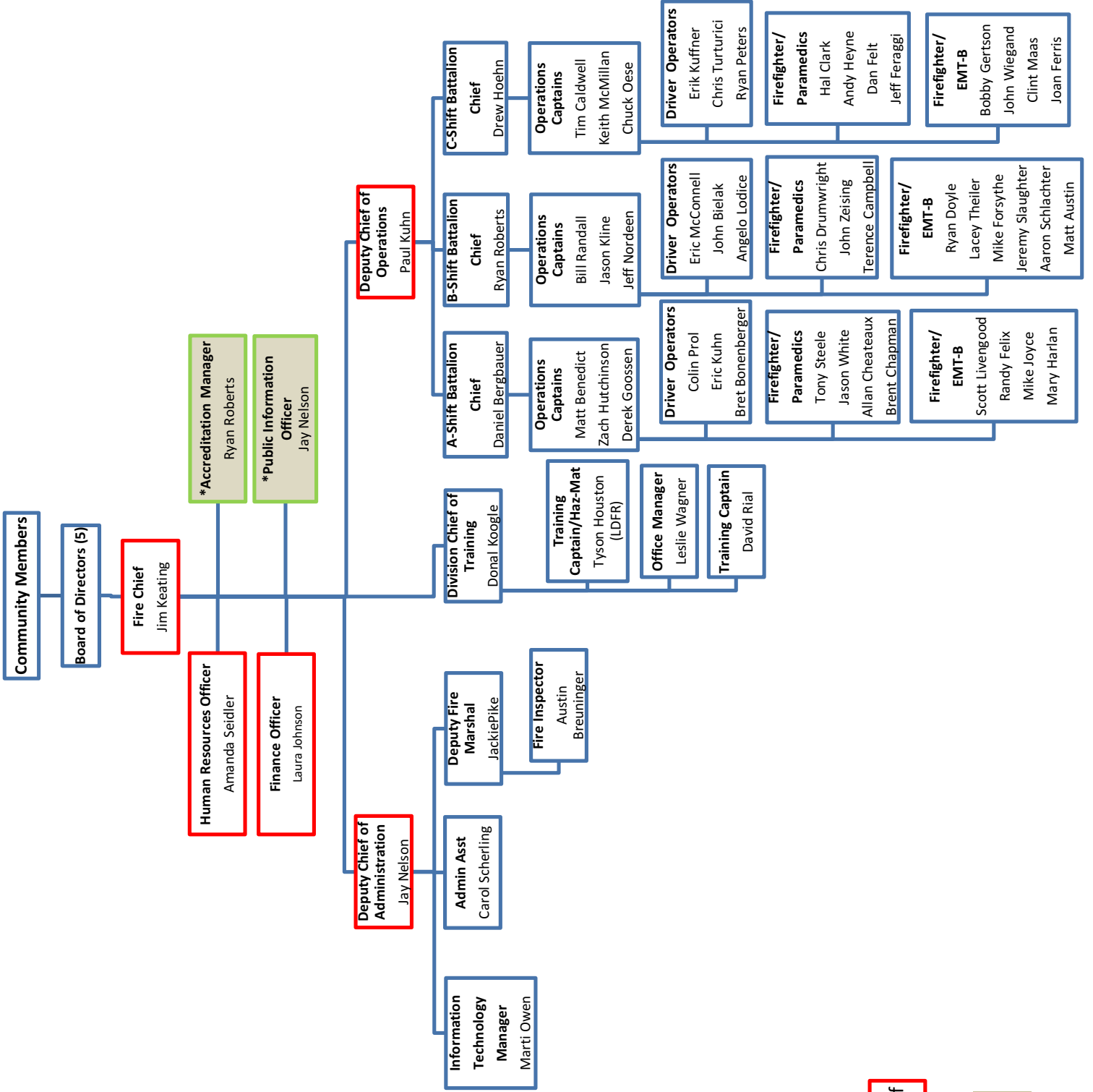
Presented to

**Red, White & Blue Fire
Protection District, Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



Executive Staff

Function, Not Position

**RED, WHITE & BLUE FIRE PROTECTION DISTRICT
BRECKENRIDGE, COLORADO**

**ELECTED OFFICIALS
BOARD OF DIRECTORS**

Arch Gothard, President
Teresa A. Perkins, Vice President
Ken Wiegand, Secretary-Treasurer
Jim Brook
Rich Rafferty

FIRE CHIEF

James Keating

DEPUTY CHIEF OF ADMINISTRATION

Jay T. Nelson, MPA

DEPUTY CHIEF OF OPERATIONS

Paul Kuhn

FINANCE OFFICER

Laura Johnson, CPA, MBA

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Independent Auditor's Report

Board of Directors
Red, White & Blue Fire Protection District
Breckenridge, Colorado

We have audited the accompanying financial statements of the governmental activities and General Fund of the Red, White & Blue Fire Protection District (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

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 the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of December 31, 2016, and the respective changes in financial position and the respective 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 3 through 7, the Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset) - Cost Sharing Defined Benefit Plans on page 46, the Schedules of District Contributions on pages 47 through 50, the Schedules of Changes in Net Pension Liability/(Asset) and Related Ratios on pages 51 and 52, and the Schedules of District Contributions on pages 53 and 54 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 District's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have 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 them.

Anton Collins Mitchell LLP

Greeley, Colorado
May 30, 2017

Red, White & Blue Fire Protection District

Management's Discussion and Analysis
December 31, 2016

As management of the Red, White & Blue Fire Protection District, (the "District"), we offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2016.

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 the financial statements. This report also contains other supplementary information in addition to the basic financial statements. These components are discussed below.

Government-wide financial statements: The basic government-wide financial statements are designed to provide readers with an overview of the District's finances, from both a short-term fund perspective and a long-term economic perspective.

The Statement of Net Position presents information on all the District's assets, deferred outflows of resources, liabilities (both short-term and long-term), and deferred inflows of resources with the difference between the categories reported as net position. The Statement of Net Position presents the financial position, focusing on long-term economic resources, and is reported on a full accrual basis. 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 shows how the government's net position changed during the most recent fiscal year. The Statement of Activities focuses on long-term economic resources and is reported on a full accrual basis. 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.

The District's government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with legal requirements.

The Balance Sheet presents the financial position of the District, focusing on short-term available resources, and is reported on a modified accrual basis of accounting.

The Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances column focuses on short-term available resources and is reported on a modified accrual basis.

The District's fund financial statements can be found on pages 10 through 13 of this report.

Notes to the financial statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The notes to the financial statements can be found starting on page 15 of this report.

Financial Analysis of the District

Red, White & Blue Fire Protection District – Summary of Net Position

	<u>2016</u>	<u>2015</u>
Assets:		
Current and other assets	\$12,943,760	\$12,513,361
Net pension asset	297,161	1,118,011
Capital assets	6,199,627	6,066,078
Total assets	<u>19,440,548</u>	<u>19,697,450</u>
Deferred outflows of resources:		
Deferred outflows of resources related to pensions	1,615,034	542,283
Total deferred outflows of resources	<u>1,615,034</u>	<u>542,283</u>
Liabilities:		
Current liabilities	70,577	185,102
Long-term liabilities	2,229,660	2,107,615
Total liabilities	<u>2,300,237</u>	<u>2,292,717</u>
Deferred inflows of resources:		
Unearned tax revenues	7,198,674	7,109,477
Deferred inflows of resources related to pensions	42,123	16,298
Total deferred inflows of resources	<u>7,240,797</u>	<u>7,125,775</u>
Net position:		
Net investment in capital assets	5,745,950	5,454,606
Restricted for emergencies	256,085	228,308
Unrestricted	5,512,513	5,138,327
Total net position	<u>\$11,514,548</u>	<u>\$10,821,241</u>

At December 31, 2016, approximately 49.9% of the District's net position reflects its investment in capital assets, which includes land, fire stations, vehicles, and equipment, less debt outstanding related to capital assets.

Similar to 2015, the District is able to report positive balances in all categories of net position at the end of 2016. Overall, the District's net position increased \$693,307, or 6.4% over the prior year.

In 2016, the District continued to reduce its capital leases outstanding. Furthermore, in 2016 the District invested heavily in substantial facility improvements and fleet upgrades. These events increased both assets and total net position at the end of 2016.

Financial Analysis of the District (continued)

Red, White & Blue Fire Protection District – Statement of Activities

	<u>2016</u>	<u>2015</u>
Revenues:		
Property taxes	\$ 7,077,664	\$ 6,424,302
Specific ownership taxes	371,547	343,571
Interest on delinquent taxes	8,530	8,630
Earnings on investments	39,951	15,071
Grant revenues	58,869	10,453
Charges for services	840,006	579,372
Operating grants and contributions	198,475	239,317
Total Revenues	<u>8,595,042</u>	<u>7,620,716</u>
Expenses:		
Administration	1,589,024	1,472,569
Operations	4,948,840	4,269,750
Community risk management	193,318	193,405
Training	525,105	443,744
Communications	146,063	139,675
Fleet services	143,885	142,164
Facilities	330,305	311,068
Interest on long-term debt	25,195	31,362
Total Expenses	<u>7,901,735</u>	<u>7,003,737</u>
Change in Net Position	693,307	616,979
Net Position:		
Beginning of the Year	10,821,241	9,839,420
Restatement for Change in Accounting Principle	-	364,842
End of the Year	<u>\$11,514,548</u>	<u>\$10,821,241</u>

Property taxes were the most significant source of revenue, accounting for 82.3% of total revenues.

When compared to 2015, revenues increased by \$974,326 in 2016. The majority of the increase occurred due to an increase in property values and therefore associated tax revenues.

Salaries, wages, and employee benefits in 2016 totaled approximately \$5,600,909, or 70.9% of total 2016 District expenses, as compared to 73.6% in 2015

Depreciation expense of \$528,291 accounted for more than 6.7% of total District expenses in 2016.

Budget Variances in the General Fund

The District’s actual expenditures were under budget in 2016 by \$206,173; 2016 District revenues exceeded expenditures.

Significant budget variances in the General Fund were as follows:

Account	Final Budget	Actual Amount	Variance Positive (Negative)	Reason
Revenues:				
Specific Ownership Taxes	320,000	371,547	51,547	Increase in large ticket items such as cars, RVs, etc. as the economy grew and stabilized in 2016.
Plan Review and Other Fees	154,500	195,295	40,795	Plan Review Fees exceeded Budget due to robust construction economy in 2016.
Emergency Medical Services	225,000	388,303	163,303	Intergovernmental agreement with Summit County was amended during 2016 to allow for increased collections.
Other grants and contributions	100,000	178,852	78,852	Wildland firefighting revenues are difficult to budget; however revenues came in higher than expected.

Expenditures:

There were no significant variances in Expenditures at the District in 2016. Overall expenditures came in 3% under budget due to some positions not filled the entire year, savings on capital expenditures on building improvements and lower training cost than budgeted.

Capital Asset and Debt Administration

Capital assets: The District's capital assets, net of accumulated depreciation, increased by \$133,549 in 2016. Purchases of capital assets were made for vehicles and fire equipment totaling \$661,840. Depreciation expense on all capital assets totaled \$528,291. Additional information as well as a detailed classification of the District's net capital assets can be found in the notes to the financial statements starting on page 23.

Long-term obligations: The District did not enter into any new long-term notes or lease purchase agreements in 2016. Additional information can be found in the notes to the financial statements starting on page 23 of this report.

Next Year's Budget and Rates

The District's General Fund fund balance at the end of the 2016 fiscal year totaled \$5,679,186. The District's 2017 General Fund budget anticipates an ending balance of approximately \$6,014,591.

Request 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 information should be addressed to: Finance Officer, Red, White & Blue Fire Protection District, P.O. Box 0710, Breckenridge, CO 80424.

Red, White & Blue Fire Protection District
Statement of Net Position

December 31, 2016

	Governmental Activities
Assets	
Cash and investments	\$ 5,157,599
Accounts receivable:	
Taxes receivable	7,198,674
Other	281,530
Prepaid items	305,957
Capital assets, not being depreciated	445,134
Capital assets, being depreciated, net	5,754,493
Net pension asset	297,161
Total assets	19,440,548
Deferred outflows of resources	
Deferred outflows of resources related to pensions	1,615,034
Total deferred outflows of resources	1,615,034
Liabilities	
Accounts payable	60,741
Other payables	5,159
Accrued interest payable	4,677
Non-current liabilities:	
Earned benefits payable, due within one year	233,978
Earned benefits payable, due in more than one year	73,201
Capital leases, due in one year	164,445
Capital leases, due in more than one year	289,232
Net pension liability	1,468,804
Total liabilities	2,300,237
Deferred inflows of resources	
Unearned revenue - property taxes	7,198,674
Deferred inflows of resources related to pensions	42,123
Total deferred inflows of resources	7,240,797
Net position	
Net investment in capital assets	5,745,950
Restricted for emergencies	256,085
Unrestricted	5,512,513
Total net position	\$ 11,514,548

The accompanying notes are an integral part of these financial statements.

**Red, White & Blue Fire Protection District
Statement of Activities**

Year Ended December 31, 2016

	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
Administration	\$ 1,589,024	\$ -	\$ -	\$ (1,589,024)
Operations	4,948,840	388,303	198,475	(4,362,062)
Community risk management	193,318	195,295	-	1,977
Training	525,105	256,408	-	(268,697)
Communication	146,063	-	-	(146,063)
Fleet services	143,885	-	-	(143,885)
Facilities	330,305	-	-	(330,305)
Interest on long-term debt	25,195	-	-	(25,195)
Total governmental activities/Primary government	\$ 7,901,735	\$ 840,006	\$ 198,475	(6,863,254)
General revenues				
Property taxes				7,077,664
Specific ownership taxes				371,547
Interest on delinquent taxes				8,530
Earnings on investments				39,951
Grant revenues				58,869
Total general revenues				7,556,561
Change in net position				693,307
Net position at beginning of year				10,821,241
Net position at end of year				\$ 11,514,548

The accompanying notes are an integral part of these financial statements.

**Red, White & Blue Fire Protection District
Balance Sheet
General Fund**

December 31, 2016

Assets

Cash and investments	\$ 5,157,599
Accounts receivable:	
Taxes receivable	7,198,674
Other	281,530
Prepaid items	305,957

Total assets	\$ 12,943,760
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Liabilities, deferred inflows of resources and fund balance

Liabilities

Accounts payable	\$ 60,741
Other payables	5,159

Total liabilities	65,900
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Deferred inflows of resources

Unearned revenue, property taxes	7,198,674
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Total deferred inflows of resources	7,198,674
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Fund balance

Nonspendable for prepaid items	305,957
Restricted for emergencies	256,085
Committed for long-range capital expenditures	983,914
Unassigned	4,133,230

Total fund balance	5,679,186
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Total liabilities, deferred inflows of resources and fund balance	\$ 12,943,760
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The accompanying notes are an integral part of these financial statements.

Red, White & Blue Fire Protection District
Reconciliation of the Governmental Fund
Balance Sheet with the Government-wide Statement of Net Position
December 31, 2016

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

Total fund balance - General Fund	\$	5,679,186
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental fund financial statements.

Cost of capital assets	\$	12,112,306	
Accumulated depreciation		<u>(5,912,679)</u>	6,199,627

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

Pension asset	\$	297,161	
Pension liability		(1,468,804)	
Deferred outflows of resources relating to pensions		1,615,034	
Deferred inflows of resources relating to pensions		<u>(42,123)</u>	\$ 401,268

Long-term liabilities, including capital lease obligation payable, accrued interest payable, and earned benefits payable are not due and payable from current financial resources and, therefore, are not reported as liabilities in the fund financial statements.

Capital lease payable	\$	(453,677)	
Accrued interest payable		(4,677)	
Earned benefits payable		(307,179)	(765,533)

Total net position - governmental activities	\$	11,514,548
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The accompanying notes are an integral part of these financial statements.

Red, White & Blue Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

Year Ended December 31, 2016

Revenues	
Property taxes	\$ 7,077,664
Specific ownership taxes	371,547
Interest on delinquent taxes	8,530
Earnings on investments	39,951
Plan review and other fees	195,295
Summit Fire Authority revenues	256,408
Grant revenues	58,869
Emergency Medical Services	388,303
Other grants and contributions	178,852
Other income	19,623
Total revenues	8,595,042
Expenditures	
Public safety:	
Administration	1,487,494
Operations	4,695,826
Community risk management	176,526
Training	518,943
Communication	143,876
Fleet services	143,885
Facilities	127,935
Capital outlay	661,840
Debt Service:	
Principal	157,795
Interest	27,282
Total expenditures	8,141,402
Change in fund balance	453,640
Fund balance at beginning of year	5,225,546
Fund balance at end of year	\$ 5,679,186

The accompanying notes are an integral part of these financial statements.

Red, White & Blue Fire Protection District
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures
and Changes in Fund Balance with the Government-wide Statement of Activities
Year Ended December 31, 2016

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

Net change in fund balance - General Fund	\$	453,640
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:

Capital outlay	\$	661,840	
Depreciation expense		<u>(528,291)</u>	133,549

Repayment of capital lease principal is an expenditure in the governmental fund financial statements, but it reduces long-term liabilities on the statement of net position and does not affect the statement of activities.		157,795
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Decrease in accrued interest is reflected against interest expense in the statement of activities, but is not reflected on the statement of revenues, expenditures and changes in fund balance.		2,087
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Increase in accrued compensated absences reflected as an increase of expense on the statement of activities and not reflected in the governmental fund statement of revenues, expenditures and changes in fund balance.		(36,768)
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Pension expense relating to the Districts defined benefit retirement plans are recognized on the statement of activities and not included in the fund financial statements.		(16,996)
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Change in net position - statement of activities	\$	693,307
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The accompanying notes are an integral part of these financial statements.

Red, White & Blue Fire Protection District
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Budget and Actual) - General Fund
Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 7,112,900	\$ 7,112,900	\$ 7,077,664	\$ (35,236)
Specific ownership taxes	320,000	320,000	371,547	51,547
Interest in delinquent taxes	-	-	8,530	8,530
Earnings on investments	19,500	19,500	39,951	20,451
Plan review and other fees	154,500	154,500	195,295	40,795
Summit Fire Authority revenues	282,970	282,970	256,408	(26,562)
Grant revenues	52,175	52,175	58,869	6,694
Emergency Medical Services	225,000	225,000	388,303	163,303
Other grants and contributions	100,000	100,000	178,852	78,852
Other income	38,600	38,600	19,623	(18,977)
Total revenues	8,305,645	8,305,645	8,595,042	289,397
Expenditures				
Administration	1,659,738	1,659,738	1,487,494	172,244
Operations	4,599,104	4,599,104	4,695,826	(96,722)
Community risk management	200,795	200,795	176,526	24,269
Training	542,157	542,157	518,943	23,214
Communications	171,195	171,195	143,876	27,319
Fleet Services	148,360	148,360	143,885	4,475
Facilities	145,226	145,226	127,935	17,291
Capital outlay	695,000	695,000	661,840	33,160
Debt Service	186,000	186,000	185,077	923
Total expenditures	8,347,575	8,347,575	8,141,402	206,173
Net change in fund balance	\$ (41,930)	\$ (41,930)	453,640	\$ 495,570
Fund balance at beginning of year			<u>5,225,546</u>	
Fund balance at end of year			<u>\$ 5,679,186</u>	

The accompanying notes are an integral part of these financial statements.

1. Summary of significant accounting policies

The accounting policies of the Red, White & Blue Fire Protection District (the "District") conform to accounting principles generally accepted in the United States of America as applicable to governments ("US GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of such significant policies consistently applied in the preparation of the financial statements.

Reporting entity

The District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide fire protection within Breckenridge, Colorado and the surrounding area.

As defined by US GAAP, established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

Appointment of a voting majority of the component units governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) separately elected governing board, (2) a government board appointed by a higher level of government or (3) a jointly appointed board.

Based on these criteria, there are no other entities that are considered component units of the District.

Basis of presentation

The accompanying financial statements are presented in accordance with GASB Statement No. 34, *Special Purpose Governments*, Section Sp20 and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all activities of the District.

Both of the government-wide financial statements are designed to distinguish functions of the District that are principally supported by intergovernmental revenues and operating grants (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through their user fees and charges (business-type activities). The District does not have any business-type activities.

1. **Summary of significant accounting policies (continued)**

Basis of presentation (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by general and program revenues. Direct expenses are those that are clearly identifiable within a specific function or program. Program revenues include 1) fees or charges to citizens and other governmental entities that receive or directly benefit from services provided by a given function or program, and 2) grants, contributions and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program, if any, are reported separately as general revenues.

Measurement focus, basis of accounting and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current fiscal period. Property taxes, intergovernmental revenue, emergency medical services revenue, grant revenue, and earnings on investments are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available when cash is received by the District. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The exceptions to this general rule are that principal and interest on general long-term debt are recognized when due.

The District reports the following governmental fund:

General Fund - the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The District had no other governmental funds.

Financial statement accounts

Cash and investments

Cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three-months or less from the date of acquisition.

Investments are measured at net asset value, which approximates fair value, or at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

Receivables

The District considered all receivables collectible as of December 31, 2016.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

1. Summary of significant accounting policies (continued)

Financial statement accounts (continued)

Property taxes

Property taxes are levied on December 15 of each year, and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in two equal installments, due on the last day of February and June 15 if paid in installments, or April 30 with a single payment. Taxes are delinquent as of August 1. If the taxes are not paid within subsequent statutory periods, the property lien will be sold at public auction. The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible. In accordance with US GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as unearned revenue.

Capital assets

Capital assets, which include land, fire stations and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Capital expenditures for projects are capitalized as constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Fire Stations	40
Fire Station Improvements	5-20
Vehicles	14
Fire equipment (excluding vehicles)	5-10
Office equipment	6-25

Earned benefits payable

The District permits employees to accumulate earned but unused vacation time, subject to certain limits in amount. Accumulated, unpaid time is accrued when incurred in the government-wide financial statements.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

1. **Summary of significant accounting policies (continued)**

Financial statement accounts (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Fund balance and net position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of the governmental fund are categorized as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation, or because of constraints imposed by creditors, grantors, or the laws or regulations of other governments. The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$256,085 of the General Fund balance has been restricted in compliance with this requirement.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Directors (the “Board”). The Board is the highest level of decision making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – the assigned fund balance includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned – amounts that are available for any purpose. Only the General Fund reports a positive unassigned fund balance. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

1. Summary of significant accounting policies (continued)

Financial statement accounts (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Pensions

The District contributes to the Statewide Defined Benefit Plan (“SWDB”), a cost-sharing multiple-employer defined benefit pension plans administered by the Fire and Police Pension Association of Colorado (“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 SWDB plan and additions to/deductions from the SWDB plans fiduciary net position have been determined on the same basis as they are reported by the FPPA. 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 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.

In addition, the District contributes to a defined benefit pension plan to provide retirement income for volunteer firefighters in recognition of their service to the District. This plan is an agent multiple-employer Public Employee Retirement System affiliated with the FPPA for the purpose of administering the plan and managing the funds of the plan for investment.

Finally, the District provides a pension plan available to provide retirement income for paid firefighters hired before April 1, 1978 in recognition of their service to the District. The paid firefighters “Old Hire” plan became affiliated with the FPPA on January 1, 2007. This plan is an agent multiple-employer Public Employee Retirement System affiliated with the FPPA for the purpose of administering the plan and managing the funds of the plan for investment.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow of resources, liabilities, deferred inflow of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, compliance and accountability

Budgets and budgetary accounting

Governmental funds' budgets are adopted on a US GAAP basis wherein depreciation is not budgeted and principal payments on debt are recorded as expenditures in the fund. State law requires the District to adopt annual appropriated budgets for all funds.

The District conforms to the following procedures, in compliance with Colorado Revised Statutes, in establishing the budgetary data reflected in the financial statements:

On or before October 15, of each year the District's Chief submits to the Board of Directors a recommended budget which details the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopts the proposed budget and an appropriating resolution, which legally appropriates expenditures for the upcoming year.

After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient. The budget is only amended in conformity with Colorado Revised Statutes that allows the District to amend the budget and adopt a supplementary appropriation if money for a specific purpose, other than ad valorem taxes, becomes available to meet a contingency.

During the year, the District budgeted \$8,347,575 for expenditures in the General Fund and did not amend the budget.

TABOR Amendment - Revenue and Spending Limitation Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20 commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service) for the fiscal year ended December 31, 2016.

2. Stewardship, compliance and accountability (continued)

TABOR Amendment - Revenue and Spending Limitation Amendment (continued)

On May 2, 2006, the District's voters approved the following ballot question: "Shall Red, White & Blue Fire Protection District taxes be increased \$986,963 annually, or by such amount as may be raised by the imposition of an additional ad valorem property tax rate of up to 1.8 mills to provide fire, rescue, and emergency medical services, resulting in a total District mill levy rate, exclusive of refunds, abatements, or debt service, not to exceed 9.0 mills, which total rate shall be set annually and may fluctuate from year to year, up or down, without additional voter approval, so long as the total rate does not exceed 9.0 mills, commencing January 1, 2007, and continuing thereafter; and shall the District be authorized to collect, retain and spend all tax revenue collected from such total property tax rate, and all other revenue received from any source, commencing January 1, 2007, and continuing thereafter, as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under TABOR (Article X, Section 20 of the Colorado Constitution) or any other law and as a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.?"

The District believes that it complies with the provisions of TABOR, as it is currently understood. Many of the provisions may not become fully understood without judicial review.

3. Detailed notes on the funds

Cash 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 fair value of the collateral must be equal to 102% of the aggregate uninsured deposits.

At December 31, 2016, the District had deposits with financial institutions with a carrying amount of \$749,575. The bank balances with the financial institutions were \$783,753, of which \$500,000 were covered by federal depository insurance. The remaining balance of \$283,753 was collateralized with securities held by the financial institutions' agents but not in the District's name.

Colorado Revised Statutes specify types of investments meeting defined rating and risk criteria in which local governments may invest. The allowed investments include participation in state regulated investment pools.

Investments

Custodial Credit Risk: Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include participation in state regulated investment pools and money market funds. The District participates in the Colorado Local Government Liquid Assets Trust ("COLOTRUST PRIME") rated AAAM by Standard & Poor's. As an investment pool these firms operate under the Colorado Revised Statutes ("CRS") (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by CRS 24-75-701. They operate like money market mutual funds with a share value equal to \$1.00. At December 31, 2016, the District's investment pool balance in COLOTRUST PRIME was \$1,853,576, which approximates fair value.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

3. Detailed notes on the funds (continued)

Interest Rate Risk: The District limits its investments to savings accounts and investment pools where each share is equal to one dollar; thus, the District avoids interest rate risk.

Credit Risk: State law and District policy limit investments to those authorized by CRS including state regulated investment pools. The District's general investment policy is to apply the prudent-person rule: Investments are made, as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk: The District invests most funds in State regulated investment pools and thus avoids a concentration of credit risk.

At December 31, 2016, the District had cash and investment balances, including restricted investments, as follows:

Cash with county treasurer	\$ 33,479
Petty cash	100
Bank deposits	749,575
Investments	2,520,869
Local government investment pools	1,853,576
Total cash and investments	\$ 5,157,599

At December 31, 2016, The District's investment balances consist of the following:

Investments	Fair Value	Standard & Poors Rating	Average Maturity Date (in Days)	Concentration of Credit Risk
Money market funds	\$ 134,897	N/A	N/A	3%
ColoTrust	1,853,576	AAAm	N/A	42%
Certificates of deposit	2,385,972	N/A	448	55%
Total	\$ 4,374,445			

The District categorizes its fair value measurement within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2016, The District's investment balances at fair value hierarchy are as follows:

Investments	Level 1	Level 2	Level 3	Total
Money market funds	\$ 134,897	\$ -	\$ -	\$ 134,897
ColoTrust	-	1,853,576	-	1,853,576
Certificates of deposit	-	2,385,972	-	2,385,972
Total	\$ 134,897	\$ 4,239,548	\$ -	\$ 4,374,445

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

3. Detailed notes on the funds (continued)

Capital assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 445,134	\$ -	\$ -	\$ 445,134
Deposit on apparatus	325,000	-	(325,000)	-
Total capital assets not being depreciated	770,134	-	(325,000)	445,134
Capital assets being depreciated:				
Fire stations and improvements	6,340,932	165,118	-	6,506,050
Vehicles and equipment	4,561,051	821,722	(221,651)	5,161,122
Total capital assets being depreciated	10,901,983	986,840	(221,651)	11,667,172
Less accumulated depreciation for:				
Fire stations and improvements	(2,892,340)	(219,950)	-	(3,112,290)
Vehicles and equipment	(2,713,699)	(308,341)	221,651	(2,800,389)
Total accumulated depreciation	(5,606,039)	(528,291)	221,651	(5,912,679)
Total capital assets being depreciated, net	5,295,944	458,549	-	5,754,493
Total capital assets, net	\$6,066,078	\$ 458,549	\$(325,000)	\$6,199,627

Depreciation expense was charged to functions of the District as follows:

Administration	\$ 9,164
Operations	316,757
Facilities	202,370
Total	\$ 528,291

Long-term obligations

Changes in long-term obligations for the year ended December 31, 2016, are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
E-One Engine - 2007	\$ 111,079	\$ -	\$ 54,357	\$ 56,722	\$ 56,722
Tower Truck	500,393	-	103,438	396,955	107,723
Total leases payable	611,472	-	157,795	453,677	164,445
Earned benefits payable	270,411	273,284	236,516	307,179	233,978
Total long-term obligations	\$ 881,883	\$273,284	\$394,311	\$ 760,856	\$ 398,423

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

3. Detailed notes on the funds (continued)

Capital leases

Details of capital lease obligations for the year ended December 31, 2016 are as follows:

Description	Date	Amount financed	Interest rate	Due date
E-One Engine - 2007	2007	\$ 480,785	4.35%	2017
Tower Truck	2010	1,000,000	4.10%	2020

Capital assets acquired through capital leases as of December 31, 2016, are as follows:

Vehicles and improvements, at original cost	\$1,577,227
Less: accumulated depreciation	(778,243)
Total	\$ 798,984

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

Year ending December 31,	Total
2017	\$ 182,094
2018	122,904
2019	122,904
2020	61,452
Total minimum lease payments	489,354
Less: amounts representing interest	(35,677)
Present value of minimum lease payments	\$ 453,677

4. Other information

Risk management

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks; claims, if any, are not expected to exceed the commercial insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

Joint Venture - Summit County Fire Protection Authority

The Summit County Fire Protection Authority (the "Authority") was officially formed on July 7, 1983, a successor to the Summit County Cooperative Fire Board Association.

The purpose of the Authority is to conduct business and affairs for the benefit of the contracting parties and their inhabitants, and to develop cooperative programs designed to improve the fire protection and related service capabilities of the contracting parties, and implement cost savings to the contracting parties through various types of resource pooling and joint purchase, use or participation arrangements.

The current contracting parties are Copper Mountain Consolidated Metropolitan District, Lake Dillon Fire Protection District, and Red, White & Blue Fire Protection District.

4. Other information (continued)

Joint Venture - Summit County Fire Protection Authority (continued)

The Authority is governed by a Board of Directors comprised of one representative from each of the participating entities. The Board elects its own officers from its members.

Participation is determined on a year-to-year basis. The District may withdraw from the Authority for the following year by giving appropriate notice during the period of June 1 through July 15 of any year. Upon withdrawal, the District would have no equity in the Authority's assets. However, the District could be held liable for its share of any liabilities incurred during the period it was a participant.

The Authority contributed \$252,408 to the District in 2016. In addition, the District paid \$251,019 to the Authority for HCTC, hazmat, and outside training services.

The audited financial statements of the Authority may be obtained by calling the Authority at (970) 668-4330.

Retirement plans

Volunteer firefighters

Plan description. The District has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan administered by FPPA. As of January 1, 2015, the Plan has 29 retirees and beneficiaries and 5 inactive, nonretired members, and no active current members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits provided. The plan provides for a monthly pension of \$400 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service.

Funding Policy. The funding of the plan by the District and members is authorized by the Board of Trustees. The District can contribute to this pension plan an annual amount, with a tax levy not to exceed one mill on the assessed valuation of the District. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of District contributions, whichever is less. Since the District currently offers maximum retirement benefits in excess of \$350 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$350 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions.

The actuarial study as of January 1, 2015, indicated that the current level of contributions to the fund is adequate to support, on an actuarially sound basis, the prospective benefits for the present Plan.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Volunteer firefighters (continued)

There were no contributions to the Plan from the District or State of Colorado 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 net pension asset of \$285,253. The net pension asset was measured as of December 31, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2015.

For the year ended December 31, 2016, the District recognized pension expense of (\$5,855). At December 31, 2016, the District reported deferred outflows of resources and deferred inflows 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	\$ 62,821	\$ -
	<u>\$ 62,821</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amortization</u>
2017	\$ 16,118
2018	16,118
2019	16,119
2020	14,466
	<u>\$ 62,821</u>

Actuarial assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Rate of Return	7.5% per annum (net of operating expenses), compounded annually
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.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Volunteer firefighters (continued)

Withdrawal	Twenty percent (20%) of members age 50 and eligible for a terminated vested benefit which would commence immediately are assumed to withdraw each year.
Marital Status	90% male and female; males are assumed to be three years older than females
Changes in Actuarial Assumptions	None
Changes in Actuarial Methods	None
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	20 years
Asset Valuation Period	5-year smoothed market
Inflation	3.00%
Salary Increases	N/A
Cost-of-Living Adjustments	None

The assumptions shown above pertain to the actuarial valuation as of January 1, 2015 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 the 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 are as follows:

Inflation	2.50%
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-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

4. Other information (continued)

Retirement plans (continued)

Volunteer firefighters (continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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:

	1.00% Decrease	Current Discount Rate	1.00% Increase
District’s proportionate share of the net pension liability/(asset)	\$(193,592)	\$(285,253)	\$(363,057)

FPPA System Description. The FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plan has elected to affiliate with FPPA for plan administration and investment only.

Paid firefighters - “Old Hires”

Plan description. The District provides a pension plan available to provide retirement income for paid firefighters hired before April 1, 1978 in recognition of their service to the District. The “Old Hires” plan is an agent multiple-employer defined benefit pension plan administered by the FPPA. As of January 1, 2016, the Plan has two retirees and beneficiaries. FPPA issues an annual, publicly available financial report that includes the assets of the Old Hire Fire Pension Fund. The report may be obtained on FPPA’s website at <http://www.fppaco.org>.

Benefits provided. The Old Hires plan was established by a Board of Trustees composed of District members and firefighters. A firefighter who elects to retire on or after his normal retirement date shall be eligible for a monthly pension equal to 2.5% of his monthly salary at the date of his retirement times years of service, up to a maximum of 50% of his salary at the date of retirement. A firefighter’s normal retirement date is the earlier of the date on which he has attained 55 years of age and completed 15 years of service or attained 50 years of age and completed 20 years of service.

Two firefighters are qualified to participate in this plan, both of them have retired and one of them was deceased in July of 2010. In December 2010, the Board of Directors amended the by-laws governing the retirement benefits payable to the spouse of the deceased firefighter.

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Old Hires" (continued)

The Pension Fund Bylaws were amended by resolution to provide that the surviving spouse of an "old hire" member is entitled to a monthly annuity equal to the pension for a retired firefighter, which pension benefit shall equal one-half the amount of the deceased member's monthly salary as of the date of the deceased member's retirement, and that the "surviving spouse" shall mean the member's spouse at the time of the member's retirement and who remains married to the member until the member's death.

When any retired member dies, leaving a surviving spouse or direct family, a one-time death benefit not to exceed an aggregate amount established by the Pension Fund Board within the limits of State statutes is authorized and shall be paid to the surviving spouse or direct family as soon as reasonable notice of death is received. After one year of service, the firefighter's interest in the plan vests at 10% per year through 11 years of service when he is 100% vested.

Funding Policy. The authority under which the obligations to contribute to the plan by members and the District is determined by the bylaws of the Board of Trustees. Paid firefighters, hired before April 1, 1978, were required to contribute 8% of their yearly salary to the pension fund. Contributions by the District were determined in accordance with actuarial studies prepared by an independent party, but were at a minimum match of 8%.

The actuarial study as of January 1, 2016, indicated that the current level of contributions to the fund is adequate to support, on an actuarially sound basis, the prospective benefits for the present Plan.

Contributions to the Plan from the District were \$41,846 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 net pension liability of \$380,526. The net pension liability was measured as of January 1, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2015.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Old Hires" (continued)

For the year ended December 31, 2016, the District recognized pension expense of \$86,692. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows 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	\$ 12,882	\$ -
District contributions subsequent to the measurement date	41,846	-
	<u>\$ 54,728</u>	<u>\$ -</u>

The \$41,846 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amortization</u>
2017	\$ 3,341
2018	3,341
2019	3,341
2020	2,859
	<u>\$ 12,882</u>

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Old Hires" (continued)

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

Investment Rate of Return	7.5%
Retirement Age	Any remaining actives are assumed to retire immediately.
Mortality	Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Health Annuitants. For ages 55 through 6, a blend of the previous tables. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.
Changes in Actuarial Assumptions	None
Changes in Actuarial Methods	None
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Open
Remaining Amortization Period	12 years
Asset Valuation Period	5-year smoothed market
Inflation	Inflation rate of 2.5%, plus productivity component of 1.5%
Salary Increases	None
Cost-of-Living Adjustments	None

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.

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Old Hires" (continued)

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:

	1.00% Decrease	Current Discount Rate	1.00% Increase
District's proportionate share of the net pension liability/(asset)	\$422,903	\$380,526	\$342,941

FPPA System Description. The FPPA administers an agent multiple-employer PERS. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plan has elected to affiliate with FPPA for plan administration and investment only.

Paid firefighters - "Career"

Plan Description. The District contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA for firefighters hired after April 1, 1978. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a non-contributory plan. All full-time, paid firefighters of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Title 31, Article 30 of the CRS, as amended, assigns 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. That report may be obtained by calling or writing to FPPA.

Benefits Provided. 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.

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Career" (continued)

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 ("SRA") 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 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, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry SRA contribution rate was set at 3.60 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.

A member may elect to participate in the deferred retirement option plan ("DROP") after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2015 was \$55,176,831. This amount was not included in the SWDB Plan Net Position.

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 percent of base salary for a total contribution rate of 16 percent through 2014. 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.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Career" (continued)

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 percent of base salary through 2014. The District is contributing 8 percent of base salary and the employees are contributing 12 percent of base salary for the reentry group. 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.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent effective January 1, 2007 through 2014. 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 \$282,726 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 an asset of \$11,908 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District'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 District's proportion was 0.6755 percent, which was a decrease of .0177 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2016, the District recognized pension expense of \$184,985. 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
Differences between expected and actual experience	\$ 96,312	\$ 14,060
Changes of assumptions or other inputs	187,048	-
Net difference between projected and actual earnings on pension plan investments	606,085	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	27,840	-
District contributions subsequent to the measurement date	282,726	-
	\$ 1,200,011	\$ 14,060

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Career" (continued)

The \$282,726 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, 2016. 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,	Amortization
2017	\$ 187,598
2018	187,598
2019	187,598
2020	172,176
2021	32,221
Thereafter	136,034
	\$ 903,225

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
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Projected salary increases	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

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 is used.

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

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Career" (continued)

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 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%	6.5%
Equity Long/Short	10%	4.7%
Illiquid Alternatives	20%	8.0%
Fixed Income	16%	1.5%
Absolute Return	11%	4.1%
Managed Futures	4%	3.0%
Cash	2%	0.0%
Total	100%	

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.

4. Other information (continued)

Retirement plans (continued)

Paid firefighters - "Career" (continued)

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:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
District's proportionate share of the net pension liability/(asset)	\$1,668,202	\$(11,908)	\$(1,405,502)

* The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.65 percent. The single discount rate for the plans was 7.50 percent.

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

Other personnel

Plan description. Eligible employees of the District are provided with pensions through the Local Government Division Trust Fund—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 administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code ("IRC"). 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.

Benefits provided. 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 CRS § 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.

4. Other information (continued)

Retirement plans (continued)

Other personnel (continued)

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (“DPS”) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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.

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 CRS Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure 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.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Other personnel (continued)

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 CRS § 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:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

¹Rates are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

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 \$71,715 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 \$1,088,278 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's 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's proportion was 0.0988 percent, which was an increase of .0017 percent from its proportion measured as of December 31, 2014.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Other personnel (continued)

For the year ended December 31, 2016, the District recognized pension expense of \$147,460. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,127	\$ -
Changes of assumptions or other inputs	-	19,933
Net difference between projected and actual earnings on pension plan investments	209,501	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,131	8,130
District contributions subsequent to the measurement date	71,715	-
Total	\$ 297,474	\$ 28,063

The \$71,715 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amortization</u>
2017	\$ 47,464
2018	51,567
2019	55,418
2020	43,247
	\$ 197,696

4. Other information (continued)

Retirement plans (continued)

Other personnel (continued)

Actuarial assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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 of 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.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

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.

RED, WHITE & BLUE FIRE PROTECTION DISTRICT
Notes to Financial Statements
December 31, 2016

4. Other information (continued)

Retirement plans (continued)

Other personnel (continued)

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.

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

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
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 applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

4. Other information (continued)

Retirement plans (continued)

Other personnel (continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and 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.

4. Other information (continued)

Retirement plans (continued)

Other personnel (continued)

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:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Proportionate share of the net pension liability	\$1,668,441	\$1,088,278	\$607,090

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.

Postemployment Healthcare Benefits

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 CRS, 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.

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 CRS, as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the CRS, as amended. For the years ended December 31, 2016, 2015 and 2014, the District's contributions to the HCTF were \$5,769, \$5,723 and \$5,301, respectively, equal to their required contributions for each year.

Voluntary Investment Program

Plan description. Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from other contributions made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

4. Other information (continued)

Retirement plans (continued)

Funding policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. The District does not contribute to this plan.

Deferred compensation plans

The District offers its employees one deferred compensation plan (the “457 Plan”) created in accordance with IRC section 457 and one deferred compensation plan (the “401(k) Plan”) created in accordance with IRC section 401(a). The 457 Plan is available to all employees with their retirement under FPPA and is administered by FPPA. The 401(k) Plan is available to all employees with their retirement under PERA and is administered by ING.

The plans permit participants to defer a portion of their salary until future years. All compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the Plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the IRS. The District does not contribute to the Plans.

The individual participants determine investment decisions within the plans and, therefore, the plan’s investment concentration varies between participants.

The District has no liability for losses under the plans, as it is not the trustee. Consequently, the Plans are not part of the District’s financial statements.

5. Subsequent Events

Management evaluated subsequent events through May 30, 2017, the date the financial statements were available to be issued. No events requiring adjustment to or disclosure in these financial statements were noted.

Red, White & Blue Fire Protection District
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)
Cost-Sharing Defined Benefit Plans

Last Ten Years

Year Ended December 31,	2016	2015
FPPA - Statewide Defined Benefit Plan		
District's proportion of the net pension liability/(asset)	\$ (11,908)	\$ (782,393)
District's proportionate share of the net pension liability/(asset)	0.6755%	0.6932%
District's covered-employee payroll	\$ 3,534,529	\$ 3,461,880
Districts proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	0.34%	22.60%
Plan fiduciary net position as a percentage of the total pension	100.10%	106.80%
PERA - Local Government Division Trust Fund		
District's proportion of the net pension liability/(asset)	\$ 1,088,278	\$ 901,010
District's proportionate share of the net pension liability/(asset)	0.0988%	0.1005%
District's covered-employee payroll	\$ 565,576	\$ 491,990
Districts proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	192.42%	183.14%
Plan fiduciary net position as a percentage of the total pension	76.90%	80.72%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

See accompanying Independent Auditor's Report.

**Red, White & Blue Fire Protection District
Schedule of District Contributions
FPPA - Statewide Defined Benefit Plan**

Last Ten Years

Year Ended December 31,	2016	2015	2014	2013
Contractually Required Contribution	\$ 282,726	\$ 262,398	\$ 249,310	\$ 244,503
Contributions in Relation to the Contractually Required Contribution	282,726	262,398	249,310	244,503
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 3,534,529	\$ 3,487,950	\$ 3,461,880	\$ 3,408,296
Contributions as a Percentage of Covered Employee Payroll	8.00%	7.52%	7.20%	7.17%

2012	2011	2010	2009	2008	2007
\$ 263,284	\$ 266,037	\$ 275,954	\$ 267,804	\$ 298,081	\$ 263,622
263,284	266,037	275,954	267,804	298,081	263,622
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,323,691	\$ 3,519,397	\$ 3,404,528	\$ 3,308,931	\$ 3,026,859	\$ 2,688,281
7.92%	7.56%	8.11%	8.09%	9.85%	9.81%

**Red, White & Blue Fire Protection District
Schedule of District Contributions
PERA - Local Government Division Trust Fund**

Last Ten Years

Year Ended December 31,	2016	2015	2014	2013
Contractually Required Contribution	\$ 71,715	\$ 71,143	\$ 69,845	\$ 62,384
Contributions in Relation to the Contractually Required Contribution	71,715	71,143	69,845	62,384
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 565,576	\$ 561,064	\$ 550,829	\$ 491,990
Contributions as a Percentage of Covered Employee Payroll	12.68%	12.68%	12.68%	12.68%

2012	2011	2010	2009	2008	2007
\$ 50,892	\$ 47,838	\$ 45,810	\$ 45,863	\$ 39,931	\$ 32,702
50,892	47,838	45,810	45,863	39,931	32,702
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 401,356	\$ 377,271	\$ 361,278	\$ 367,013	\$ 367,013	\$ 327,675
12.68%	12.68%	12.68%	12.50%	10.88%	9.98%

See accompanying Independent Auditor's Report.

Red, White & Blue Fire Protection District
Schedule of Changes in Net Pension Liability/(Asset)
and Related Ratios - Volunteer Firefighters' Pension Plan
Last Ten Years

Measurement Period Ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest on the Total Pension Liability	71,299	61,361
Benefit Changes	-	123,758
Difference Between Expected and Actual Experience	-	34,204
Assumption Changes	-	-
Benefit Payments	(90,333)	(83,434)
Net Change in Total Pension Liability	(19,034)	135,889
Total Pension Liability - Beginning	995,003	859,114
Total Pension Liability - Ending	\$ 975,969	\$ 995,003
Plan Fiduciary Net Position		
Employer Contribution	\$ -	\$ -
Pension Plan Net Investment Income	24,019	88,207
Benefit Payments	(90,333)	(83,434)
Pension Plan Administrative Expenses	(3,085)	(2,395)
State of Colorado Supplemental Discretionary Payment	-	-
Net Change in Plan Fiduciary Net Position	(69,399)	2,378
Plan Fiduciary Net Position - Beginning	1,330,621	1,328,243
Plan Fiduciary Net Position - Ending	\$ 1,261,222	\$ 1,330,621
Net Pension Liability/(Asset) - Ending	(285,253)	(335,618)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	129.23%	133.73%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A
Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.		

See accompanying Independent Auditor's Report.

Red, White & Blue Fire Protection District
Schedule of Changes in Net Pension Liability/(Asset)
and Related Ratios - Old Hire Pension Plan

Last Ten Years

Measurement Period Ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest on the Total Pension Liability	41,685	43,887
Benefit Changes	-	-
Difference Between Expected and Actual Experience	28,558	-
Assumption Changes	31,221	-
Benefit Payments	(73,252)	(73,252)
Net Change in Total Pension Liability	28,212	(29,365)
Total Pension Liability - Beginning	591,760	621,125
Total Pension Liability - Ending	\$ 619,972	\$ 591,760
Plan Fiduciary Net Position		
Employer Contribution	\$ 41,846	\$ 39,422
Employee Contributions	-	-
Pension Plan Net Investment Income	4,545	17,712
Benefit Payments	(73,252)	(73,252)
Pension Plan Administrative Expenses	(731)	(3,304)
Net Change in Plan Fiduciary Net Position	(27,592)	(19,422)
Plan Fiduciary Net Position - Beginning	267,038	286,460
Plan Fiduciary Net Position - Ending	\$ 239,446	\$ 267,038
Net Pension Liability/(Asset) - Ending	380,526	324,722
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	38.62%	45.13%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A
Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.		

See accompanying Independent Auditor's Report.

**Red, White & Blue Fire Protection District
 Schedule of District Contributions
 Volunteer Firefighters' Pension Plan**

Last Ten Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2007	\$ -	\$ -	\$ -	N/A	N/A
2008	-	-	-	N/A	N/A
2009	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A
2011	-	-	-	N/A	N/A
2012	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
2014	-	-	-	N/A	N/A
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A

See accompanying Independent Auditor's Report.

**Red, White & Blue Fire Protection District
Schedule of District Contributions
Old Hire Pension Plan**

Last Ten Years

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2007	\$ -	\$ -	\$ -	N/A	N/A
2008	30,104	60,208	(30,104)	N/A	N/A
2009	31,364	-	31,364	N/A	N/A
2010	30,044	30,044	-	N/A	N/A
2011	39,422	39,422	-	N/A	N/A
2012	39,422	39,422	-	N/A	N/A
2013	38,304	39,422	(1,118)	N/A	N/A
2014	38,304	39,422	(1,118)	N/A	N/A
2015	41,846	41,846	-	N/A	N/A
2016	41,846	41,846	-	N/A	N/A

See accompanying Independent Auditor's Report.

STATISTICAL SECTION

This section of Red, White & Blue Fire Protection District's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information states about the District's overall financial health.

Contents

Financial Trends **Pages 56 - 59**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity **Pages 60 - 64**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and specific ownership taxes, along with plan review fees.

Debt Capacity **Pages 65 - 67**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt, and the District's ability to issue additional debt in the future.

Demographic and Economic Information **Pages 68 - 69**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

Operating Information **Pages 70 - 72**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the audits and/or comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Red, White & Blue Fire Protection District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 2,906,381	\$ 3,125,834	\$ 3,074,179	\$ 3,460,879	\$ 4,053,819	\$ 4,855,488	\$ 5,068,900	\$ 5,341,347	\$ 5,454,606	\$ 5,745,950
Restricted - Emergency Reserve	179,600	216,700	216,700	238,636	240,936	227,360	229,656	223,133	228,308	256,085
Restricted - Board action	249,999	-	-	-	-	-	-	-	-	-
Restricted - Prepaid expenses	-	-	42,889	122,351	26,064	-	-	-	-	-
Unrestricted	214,112	1,324,786	1,412,070	2,575,000	3,568,790	3,575,503	4,040,106	4,274,940	5,138,327	5,512,513
Total governmental activities net position	<u>\$ 3,550,092</u>	<u>\$ 4,667,320</u>	<u>\$ 4,745,838</u>	<u>\$ 6,396,866</u>	<u>\$ 7,889,609</u>	<u>\$ 8,658,351</u>	<u>\$ 9,338,662</u>	<u>\$ 9,839,420</u>	<u>\$ 10,821,241</u>	<u>\$ 11,514,548</u>
Primary government										
Net investment in capital assets	\$ 2,906,381	\$ 3,125,834	\$ 3,074,179	\$ 3,460,879	\$ 4,053,819	\$ 4,855,488	\$ 5,068,900	\$ 5,341,347	\$ 5,454,606	\$ 5,745,950
Restricted - Emergency Reserve, Board action, prepaids	429,599	216,700	259,589	360,987	267,000	227,360	229,656	223,133	228,308	256,085
Unrestricted	214,112	1,324,786	1,412,070	2,575,000	3,568,790	3,575,503	4,040,106	4,274,940	5,138,327	5,512,513
Total primary government net position	<u>\$ 3,550,092</u>	<u>\$ 4,667,320</u>	<u>\$ 4,745,838</u>	<u>\$ 6,396,866</u>	<u>\$ 7,889,609</u>	<u>\$ 8,658,351</u>	<u>\$ 9,338,662</u>	<u>\$ 9,839,420</u>	<u>\$ 10,821,241</u>	<u>\$ 11,514,548</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Red, White & Blue Fire Protection District
Changes in Net Position (governmental activities only)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
Administration	\$ 675,313	\$ 661,075	\$ 720,348	\$ 729,417	\$ 774,466	\$ 657,906	\$ 772,559	\$ 796,899	\$ 1,117,877	\$ 1,192,868
Operations	3,105,893	3,535,412	3,636,113	4,022,141	4,249,252	3,489,271	4,049,097	3,846,825	4,269,750	4,948,840
Emergency Medical Services	-	-	25,389	24,503	19,724	126,446	127,770	68,623	-	-
Community Risk Management	214,012	283,390	294,579	314,111	295,587	234,925	232,330	249,847	193,405	193,318
Training	498,696	576,274	572,891	650,939	635,130	525,041	512,818	561,139	443,744	525,105
Information Technology/Communications	172,168	146,001	242,754	254,466	282,044	282,228	399,084	471,020	139,675	146,063
Fleet Services	104,432	121,197	113,278	130,195	122,464	684,963	173,206	402,599	142,164	143,885
Buildings	229,738	216,329	284,233	214,032	226,491	340,040	288,379	187,230	311,068	330,305
High Country Training Center	114,011	-	-	-	-	-	-	-	-	-
Pension Contribution	-	60,208	-	30,104	39,422	39,422	39,422	39,422	27,555	41,846
Grant Expenditures	11,529	43,340	226,334	5,261	38,641	17,704	37,028	403	5,491	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Treasurer's Fees	235,087	294,397	298,463	377,502	382,561	329,590	335,189	315,789	321,646	354,310
Interest on Long-term Debt - RWB	95,566	77,726	88,615	101,162	78,769	56,310	43,598	37,367	31,362	25,195
Debt Service - SFA	-	89,590	89,880	-	-	-	-	-	-	-
Total governmental activities expenses	\$ 5,456,445	\$ 6,104,939	\$ 6,592,877	\$ 6,853,833	\$ 7,144,551	\$ 6,783,846	\$ 7,010,480	\$ 6,977,163	\$ 7,003,737	\$ 7,901,735
Total primary government expenses	\$ 5,456,445	\$ 6,104,939	\$ 6,592,877	\$ 6,853,833	\$ 7,144,551	\$ 6,783,846	\$ 7,010,480	\$ 6,977,163	\$ 7,003,737	\$ 7,901,735
Program Revenues										
Governmental activities:										
Plan Review & Other Fees	260,332	469,387	31,705	30,242	141,180	34,298	38,328	\$307,749	\$165,828	\$195,291
Intergovernmental	422,853	329,187	341,002	359,398	397,856	324,822	325,501	286,982	205,275	256,408
Emergency Medical Services	-	-	4,800	7,800	12,975	4,287	20,351	22,834	212,484	388,303
State & Federal Wildland	182,111	98,826	-	-	123,482	264,330	235,967	148,702	203,283	178,852
Other Income	13,757	11,713	51,777	19,752	15,099	4,926	8,740	15,859	31,819	19,623
Total governmental activities program revenues	\$ 879,053	\$ 909,113	\$ 429,284	\$ 417,192	\$ 690,592	\$ 632,663	\$ 628,887	\$ 782,126	\$ 818,689	\$ 1,038,477
Total primary government program revenues	\$ 879,053	\$ 909,113	\$ 429,284	\$ 417,192	\$ 690,592	\$ 632,663	\$ 628,887	\$ 782,126	\$ 818,689	\$ 1,038,477
Net (Expense)/Revenue										
Governmental activities	\$(4,577,392)	\$(5,195,826)	\$(6,163,593)	\$(6,436,641)	\$(6,453,959)	\$(6,151,183)	\$(6,381,593)	\$(6,195,037)	\$(6,185,048)	\$(6,863,258)
Total primary government net expenses	\$(4,577,392)	\$(5,195,826)	\$(6,163,593)	\$(6,436,641)	\$(6,453,959)	\$(6,151,183)	\$(6,381,593)	\$(6,195,037)	\$(6,185,048)	\$(6,863,258)
General Revenues										
Governmental activities:										
Property Taxes	\$4,698,189	\$5,885,842	\$5,956,815	\$ 7,530,647	\$7,633,455	\$6,581,471	\$6,691,759	\$6,307,043	\$6,424,302	\$7,077,664
Specific Ownership Taxes	318,527	324,282	279,558	266,240	267,939	272,725	317,239	333,130	343,571	371,547
Interest on Taxes	7,990	8,017	17,017	19,396	17,766	10,334	12,022	8,738	8,630	8,530
Grant Revenues	10,360	47,502	165,671	138,257	112,027	71,082	48,302	40,157	10,453	58,869
Gain (loss) on sale of capital assets	-	-	-	-	7,425	-	(12,715)	-	-	-
Investment Earnings	72,702	47,409	15,102	10,778	4,377	10,377	5,297	6,727	15,071	39,952
Total governmental activities general revenues	\$ 5,107,768	\$ 6,313,052	\$ 6,434,163	\$ 7,965,318	\$ 8,042,989	\$ 6,945,989	\$ 7,061,904	\$ 6,695,795	\$ 6,802,027	\$ 7,556,561
Total primary government general revenues	\$ 5,107,768	\$ 6,313,052	\$ 6,434,163	\$ 7,965,318	\$ 8,042,989	\$ 6,945,989	\$ 7,061,904	\$ 6,695,795	\$ 6,802,027	\$ 7,556,561
Change in Net Position										
Governmental activities	\$530,376	\$1,117,226	\$270,570	\$1,528,677	\$1,589,030	\$794,806	\$680,311	\$500,758	\$616,979	\$693,303
Total primary government	\$ 530,376	\$ 1,117,226	\$ 270,570	\$ 1,528,677	\$ 1,589,030	\$ 794,806	\$ 680,311	\$ 500,758	\$ 616,979	\$ 693,303

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Red, White & Blue Fire Protection District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable for prepaid items (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,651	\$ 34,332	\$ 188,802	\$ 227,700	\$ 305,957
Restricted for emergencies	179,600	216,700	216,700	238,636	240,936	227,360	229,656	223,133	228,308	256,085
Committed for long-range capital expenditures (1)	-	-	-	-	-	1,753,116	1,307,663	677,884	1,271,595	983,914
Assigned for subsequent year expenditures (2)	-	-	-	-	-	-	-	86,599	-	-
Unassigned	652,713	1,515,939	1,668,602	2,692,522	3,770,981	2,043,276	2,935,669	3,583,329	3,497,943	4,133,230
Total general fund	\$ 832,313	\$ 1,732,639	\$ 1,885,302	\$ 2,931,158	\$ 4,011,917	\$ 4,051,403	\$ 4,507,320	\$ 4,759,747	\$ 5,225,546	\$ 5,679,186

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.
(1) The District began classifying fund balance using the new categories in 2012. During 2012 budgeting, the Board of Directors committed \$2 million of the General Fund balance to be used for the purposes of capital and long-range maintenance expenditures on fleets and buildings.
(2) The District adopted this classification category in 2014.

Red, White & Blue Fire Protection District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(accural basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property taxes	\$ 4,698,189	\$ 5,885,842	\$ 5,956,815	\$ 7,530,647	\$ 7,633,455	\$ 6,581,471	\$ 6,691,759	\$ 6,307,043	\$ 6,424,302	\$ 7,077,664
Specific ownership taxes	318,527	324,282	279,558	266,240	267,939	272,725	317,239	333,130	343,571	371,547
Interest on delinquent tax	7,990	8,017	17,017	19,396	17,766	10,334	12,022	8,738	8,630	8,530
Earnings on Investments	72,702	47,409	15,102	10,778	4,377	10,377	5,297	6,727	15,071	39,952
Plan review fees	260,332	469,367	31,705	30,242	141,180	34,298	38,328	307,749	165,828	195,291
Intergovernmental	422,853	329,187	341,002	359,398	397,856	324,822	325,501	286,982	205,275	256,408
Emergency medical services	-	-	4,800	7,800	12,975	4,287	20,351	22,834	212,484	388,303
State & Federal Wildland	182,111	98,826	-	-	123,482	264,330	235,967	148,702	203,283	178,852
Grant revenues	10,360	47,502	165,671	138,257	112,027	71,082	48,302	40,157	10,453	58,869
Other income	13,757	11,713	51,777	19,752	15,099	4,926	8,740	15,859	31,819	19,623
Total Revenues	\$ 5,986,821	\$ 7,222,165	\$ 6,863,447	\$ 8,382,510	\$ 8,726,156	\$ 7,578,652	\$ 7,703,506	\$ 7,477,921	\$ 7,620,716	\$ 8,595,038
Expenditures										
Public Safety										
Administration	\$ 673,664	\$ 649,344	\$ 702,085	\$ 716,656	\$ 762,908	\$ 653,087	\$ 760,492	\$ 806,677	\$ 953,411	\$ 1,091,338
Operations	2,961,936	3,361,756	3,442,927	3,507,910	4,007,297	3,982,616	3,979,937	3,937,868	4,229,438	4,810,980
Emergency medical services	-	-	35,369	34,610	34,460	125,232	128,163	67,413	-	-
Community Risk Management	214,012	283,390	294,579	330,568	295,314	233,113	232,917	248,042	193,007	176,526
Training	498,696	576,274	572,891	649,611	634,956	523,509	513,314	559,613	443,563	518,943
Information Technology/Communications	172,168	167,091	242,754	280,363	290,741	280,675	399,587	469,473	193,129	169,995
Fleet Services	173,066	141,997	113,278	1,309,033	122,464	684,963	173,206	402,599	467,164	499,334
Facilities	108,809	135,336	143,401	82,837	359,282	252,448	427,864	193,641	121,444	293,053
High Country Training Center	114,011	-	-	-	-	-	-	-	-	-
Grant Expenditures	11,529	43,340	226,334	245,493	38,641	17,704	37,028	403	5,491	-
Pension Contribution	-	60,208	-	30,104	39,422	39,422	39,422	39,422	41,846	41,846
Treasurer's Fees	235,087	294,397	298,463	377,502	382,561	329,590	335,189	315,789	321,646	354,310
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service										
Interest on Long-term Debt - RWB	89,600	84,151	84,151	101,162	94,263	62,131	46,127	39,261	33,363	157,795
Principal on Long-term Debt - RWB	452,959	434,965	464,672	548,301	1,026,800	380,740	174,343	145,293	151,415	27,282
Debt Service - SFA	-	89,590	89,600	-	-	-	-	-	-	-
	\$ 5,705,537	\$ 6,321,839	\$ 6,710,784	\$ 8,214,150	\$ 8,089,109	\$ 7,565,230	\$ 7,247,569	\$ 7,225,494	\$ 7,154,917	\$ 8,141,402
Excess of revenue over (under) expenditures	\$ 281,284	\$ 900,326	\$ 152,663	\$ 168,360	\$ 637,047	\$ 13,422	\$ 455,917	\$ 252,427	\$ 465,799	\$ 453,636
Other Financing Sources (Uses)										
Proceeds from capital lease	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of capital assets	-	-	-	-	347,425	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 347,425	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ 281,284	\$ 900,326	\$ 152,663	\$ 1,168,360	\$ 984,472	\$ 13,422	\$ 455,917	\$ 252,427	\$ 465,799	\$ 453,636
Debt service as a percentage of noncapital expenditures	9.5%	8.2%	8.2%	7.9%	13.9%	5.9%	3.0%	2.6%	2.6%	2.3%

Note: The District began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Note: In 2016 in the Audited Financial Statements the District began to report the Revenue items of Charges for Services, Operating Grants and Contributions as net against Operations Expenditures, as income/expenses related to governmental activities are classified by function, not object of expenditure per GASB -S34: 38 and 41; GAAFR, pages 306-307

Note: In 2016 in the Audited Financial Statements the District began to report Expenditure items of Grant Expenditures, Treasurer's Fees, Pensions Fund Contributions as part of Administration Expenditures, as expenses related to governmental activities are classified by function, not object of expenditure per GASB -S34: 38 and 41; GAAFR, pages 306-307

Red, White & Blue Fire Protection District
Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Specific Ownership Tax	Plan Review Fees	Total
2007	4,698,189	318,527	260,332	5,277,048
2008	5,885,842	324,282	469,387	6,679,511
2009	5,956,815	279,558	31,705	6,268,078
2010	7,530,647	266,240	30,242	7,827,129
2011	7,633,455	267,939	141,180	8,042,574
2012	6,581,471	272,725	34,298	6,888,494
2013	6,691,759	317,239	38,328	7,047,326
2014	6,307,043	333,130	307,749	6,947,922
2015	6,424,302	343,571	165,828	6,933,701
2016	6,694,528	371,547	195,291	7,261,366
Change 2007-2016	42.5%	16.6%	-25.0%	37.6%

Source: District Financial Records

**Red, White & Blue Fire Protection District
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years**

Fiscal Year	Real Assessed Value	Real Actual Value	Mill Levy	Ratio of Total Assessed to Total Estimated Actual Value
2007	694,203,450	6,194,194,870	8.5	11.21%
2008	703,968,480	6,441,141,050	8.5	10.93%
2009	892,154,850	8,199,225,600	8.5	10.88%
2010	898,721,250	8,312,202,520	8.5	10.81%
2011	740,396,380	6,922,398,320	8.5	10.70%
2012	736,429,950	6,969,814,210	9.0	10.57%
2013	701,331,650	6,708,126,810	9.0	10.45%
2014	712,599,310	6,815,733,190	9.0	10.46%
2015	790,119,390	7,602,499,480	9.0	10.39%
2016	796,489,730	7,742,467,430	9.0	10.29%

Source: Summit County Assessor's Office

Note: The County assesses property every other year.

Both assessed and actual values are shown.

Property owners are taxed at their assessed value.

Red, White & Blue Fire Protection District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(per \$1,000 of assessed value)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Government</u>										
<u>Red, White & Blue Fire Protection District - Total Operations Revenue</u>	8.500	8.500	8.500	8.500	8.500	9.000	9.098	9.013	9.004	9.004
<u>Incorporated Towns</u>										
Blue River	12.314	12.299	11.293	12.060	12.290	12.290	12.290	12.314	12.308	12.324
Breckenridge	7.520	7.514	6.957	6.945	6.945	6.945	5.070	5.070	5.070	5.070
<u>County</u>										
Summit County	11.491	11.448	12.602	12.595	12.796	12.824	12.789	15.173	15.072	15.086
<u>School District</u>										
Summit School RE-1	22.090	22.291	19.631	18.364	19.485	20.031	20.275	21.416	19.618	21.151
<u>Junior College</u>										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997

Source: Various Entities and Summit County Assessors Office

**Red, White & Blue Fire Protection District
Principal Property Tax Payers
Current Year and Ten Years Ago**

Taxpayer	Fiscal Year 2016			Fiscal Year 2007		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Vail Summit Resorts Inc. - ski area owner, developer, & property management	32,203,334	1	4.05%	31,055,991	1	4.48%
Gold Point Lodging & Reality Inc. - property management & real estate	8,717,480	2	1.10%	7,961,839	2	1.15%
Public Service Company - electric/gas utility entity	8,595,040	3	1.08%			
Grand Lodge on Peak 7 - interval owner association	7,905,119	4	0.99%			
Beaver Run Interim Cntr Acquisition LLC/Developments - hotel/retail condominium resort & management	6,867,087	5	0.86%	4,301,193	4	0.62%
Shock Overlook LLC - property management & real estate	2,294,419	10	0.29%			
Village at Breckenridge Acquisition Corporation - hotel/retail condominium resort & management	3,060,274	6	0.38%	3,335,186	5	0.48%
Ofpers Partnership LLC - hotel condominium resort & management	2,939,323	7	0.37%	2,232,441	10	0.32%
Valdoro Mountain Lodge - interval owner association	2,871,598	8	0.36%			
One Ski Hill Place LLC - real estate development & management	2,827,728	9	0.36%			
AZCO II LLC - real estate developer				5,133,215	3	0.74%
Main Street Station - retail shopping Center				3,163,440	6	0.46%
AZCO LLC - real estate developer				2,346,268	8	0.34%
Qwest Corporation - communications/public utility				2,280,096	9	0.33%
Peak 7 LLC - real estate development & management				<u>2,864,823</u>	7	0.41%
Total assessed valuation for 10 largest taxpayers	78,281,402		9.85%	64,674,492		9.33%
Total assessed valuation for all other taxpayers	<u>716,600,213</u>		90.15%	<u>628,823,771</u>		90.67%
Total assessed Valuation	<u><u>794,881,615</u></u>		100.00%	<u><u>693,498,263</u></u>		100.00%

Source: Summit County Assessors Office; Summit County Finance Office

**Red, White & Blue Fire Protection District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Current Taxes Collected	Delinquent Tax Collection	Total Tax Collection	Ratio of Total Tax to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2007	5,900,729	4,698,189	79.62%	7,990	4,706,179	79.76%	(1)	(2)
2008	5,983,732	5,885,842	98.36%	8,017	5,893,859	98.50%	(1)	(2)
2009	5,983,732	5,966,475	99.71%	(9,660)	5,956,815	99.55%	(1)	(2)
2010	7,583,316	7,535,964	99.38%	(5,318)	7,530,646	99.31%	(1)	(2)
2011	7,639,131	7,624,261	99.81%	9,194	7,633,455	99.93%	(1)	(2)
2012	6,663,567	6,636,449	99.59%	(54,977)	6,581,472	98.77%	(1)	(2)
2013	6,700,040	6,692,889	99.89%	(1,129)	6,691,760	99.88%	(1)	(2)
2014	6,321,102	6,310,816	99.84%	(3,773)	6,307,043	99.78%	(1)	(2)
2015	6,426,221	6,420,798	99.92%	3,504	6,424,302	99.97%	(1)	(2)
2016	7,114,235	7,088,324	99.64%	(10,660)	7,077,664	99.49%	(1)	(2)

Source: Red, White & Blue Fire Protection District Record of Levies and Collections.

(1) Summit County collects the taxes for all property tax levies. The record of delinquent taxes is maintained by the county, however, the District's individual delinquent taxes are unavailable.

(2) Liens are filed on all delinquent taxes, collections or refunds are immaterial timing differences.

Red, White & Blue Fire Protection District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Ratio total outstanding debt to personal income	Personal Income (thousands of dollars) (1)	Population	Per Capita Personal Income	Per Capita total Primary Govt Debt
	Capital Leases	Total Primary Government					
2007	2,366,553	2,366,553	0.19%	1,249,521	26,603	46,969	50.39
2008	1,931,588	1,931,588	0.15%	1,281,251	27,144	47,202	40.92
2009	2,037,169	2,037,169	0.18%	1,143,647	27,678	41,320	49.30
2010	2,490,063	2,490,063	0.21%	1,173,874	28,065	41,827	59.53
2011	1,463,264	1,463,264	0.12%	1,258,758	27,965	45,012	32.51
2012	1,082,524	1,082,524	0.08%	1,314,718	28,245	46,547	23.26
2013	908,180	908,180	0.06%	1,418,617	28,783	49,287	18.43
2014	762,887	762,887	0.05%	1,543,021	29,451	52,393	14.56
2015	611,472	611,472	0.04%	1,652,498	30,257	54,615	11.20
2016	*	*	*	*	*	*	*

Source: (1) Bureau of Economic Analysis/County Planning Department; Reported at the County level
 Note: Personal Income and Per Capita Information for 2006-2013 have been revised per new estimates given by the Bureau of Economic Analysis

* Information not available at time of reporting

www.bea.gov

go to Regional economic accounts

Find schedule CA1-3

<https://bea.gov/regional/downloadzip.cfm>

**Red, White & Blue Fire Protection District
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016**

	Net General Obligation Debt Outstanding 2016	Percentage Applicable to Summit County (1)	Amount Applicable to Summit County
Alpensee Water District	\$ 1,125,303	100.00%	\$ 1,125,303
Breckenridge Mountain Metropolitan District	23,805,000	100.00%	23,805,000
Summit School District RE-1	26,530,000	100.00%	26,530,000
Swan's Nest Metro District	1,045,000	100.00%	1,045,000
Timber Creek Water District	-	100.00%	-
Town of Blue River	-	100.00%	-
Town of Breckenridge	-	100.00%	-
Upper Blue Sanitation	-	100.00%	-
Total Overlapping Debt	<u>\$ 52,505,303</u>		<u>\$ 52,505,303</u>
Red, White & Blue Fire District	453,677	100.00%	<u>453,677</u>
Total Direct and Overlapping Debt	<u>\$ 52,958,980</u>		<u>\$ 52,958,980</u>

(1) This percentage is calculated based on how much of the district lies within Summit County.

Source:
Summit County Government schedule

Note: Starting in 2016 RWB reports Capital Leases as Governmental Activities Debt per GASB-S44: 45

**Red, White & Blue Fire Protection District
 Legal Debt Margin Information
 Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Assessed Value	\$694,203,450	\$703,968,480	\$892,154,850	\$898,721,250	\$740,396,380	\$736,429,950	\$701,331,650	\$712,599,310	\$790,119,390	\$796,489,730
Debt Limit - 50% of total assessed value (1)	347,101,725	351,984,240	446,077,425	449,360,625	370,198,190	368,214,975	350,665,825	356,299,655	395,059,695	398,244,865
Amount of Debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	347,101,725	351,984,240	446,077,425	449,360,625	370,198,190	368,214,975	350,665,825	356,299,655	395,059,695	398,244,865

Sources:
 Summit County Assessor's Office
 Red, White & Blue Fire Protection District Finance Office

(1) Colorado Revised Statutes

**Red, White & Blue Fire Protection District
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	District Population (1)		Per Capita Income (2)	Median Age	Education Level	School Enrollment (3)	Unemployment Rate (4)
	Permanent	Seasonal					
2007	11,333	52,151	44,461	34.2	Bachelor's Degree	3,078	2.7
2008	11,911	52,787	47,017	34.7	Bachelor's Degree	3,098	3.8
2009	12,509	53,445	42,005	35.2	Bachelor's Degree	3,089	6.4
2010*	9,627	50,274	43,090	34.3	Bachelor's Degree	3,124	6.7
2011	10,718	51,475	46,627	34.9	Bachelor's Degree	3,151	5.2
2012	10,782	51,545	34,921	35.8	Bachelor's Degree	3,156	5.9
2013	10,847	51,616	37,506	34.4	Bachelor's Degree	3,287	5.8
2014	9,287	49,900	50,685	36.0	Bachelor's Degree	3,345	2.5
2015	9,664	52,700	35,753	37.7	Bachelor's Degree	3,506	2.6
2016	9,763	55,364	34,842	31.1	Bachelor's Degree	3,557	2.8

(1) Source Summit County and Town of Breckenridge Planning Departments

(2) Bureau of Economic Analysis, U.S. Department of Commerce; Reported at County Level

(3) Summit County wide; District includes 2 of six elementaries & high school within Summit County

(4) Colorado Department of Labor and Employment

**Red, White & Blue Fire Protection District
Principal Employers
Current Year and ten years ago
December 31, 2016**

	Est. # of Employees 2016	Percentage of Total County Employment	Employee # Range 2007	Percentage of Total County Employment	AREA
Breckenridge Ski Resort	1000-4999	4.75-23.73%	1000-4999	6 - 30%	Red White and Blue Fire Protection District
Copper Mountain Ski Resort	1000-4999	4.75-23.73%	1000-4999	6 - 30%	Summit County Wide
Keystone Resort	1000-4999	4.75-23.73%	1000-4999	6 - 30%	Summit County Wide
Everist Materials LLC	500-999	2.38-4.75%	500-999	3 - 6%	Summit County Wide
Summit School District	498	2.4%	250-499	1.5 - 3%	Summit County Wide
Summit County Government	436	2.1%	440	2.6%	Summit County Wide
Village at Breckenridge	250-499	1.19-2.38%	250-499	1.5 - 3%	Red White and Blue Fire Protection District
Beaver Run Resort & Conference	250-499	1.19-2.38%	250-499	1.5 - 3%	Red White and Blue Fire Protection District
Town of Breckenridge	100-249	.48%-1.19%	100-249	.6 - 1.5%	Red White and Blue Fire Protection District
St. Anthony Summit Medical Ctr	100-249	.48%-1.19%			Summit County Wide
Grand Timber Lodge	100-249	.48%-1.19%			Red White and Blue Fire Protection District
Town of Silverthorne	100-249	.48%-1.19%			Summit County Wide
Arapahoe Basin Ski Area	100-249	.48%-1.19%			Summit County Wide
Target	100-249	.48%-1.19%			Summit County Wide
City Market	100-249	.48%-1.19%			Summit County Wide
Whole Foods	100-249	.48%-1.19%			Summit County Wide
Lowes	100-249	.48%-1.19%			Summit County Wide
Walmart	100-249	.48%-1.19%			Summit County Wide
Total Employees in Summit County	21068		17040		

Source: Colorado Department of Labor and Employment - LMI Gateway
Number of employees is only given in ranges for the years 2007-2014,2016
Number of employees is given as a single number estimate in 2015

<https://www.colmigateway.com/vosnet/lmi/default.aspx?pu=1&plang=E>
<http://stats.bls.gov/>

<http://www.colorado.gov/cs/Satellite/DOLA-Main/CBON/1251590805419>

<http://www.coworkforce.com/LMI/Intro/research.asp>

<http://www.colorado.gov/cs/Satellite/DOLA-Main/CBON/1251593300013>

**Red, White & Blue Fire Protection District
 Full-time Equivalent (FTE) District Government Employees by Function
 Last Ten Fiscal Years**

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administration	4	4	4	4	3	3	4.75	5	8	7
Operations	38	40	44	44	45	44	42	42	42	46
Community Risk Management	2	4	4	4	3	3	3	3	2	2
Training	4	4	4	4	4	4	3	3	3	3
Information Technology/Communications	1	1	1	1	1	1	1	1	0	0
Total FTE	49	53	57	57	56	55	53.75	54	55	58

Source: Finance Office

**Red, White & Blue Fire Protection District
Operating Indicators by Function/Program
Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Field Operations										
Fire Calls	40	38	24	39	36	34	25	27	23	33
EMS Calls	656	704	686	655	683	718	768	884	1,017	1,164
Haz-Mat Calls	119	146	88	102	85	66	84	120	116	90
Fire Alarm Calls	302	345	346	304	329	279	349	357	376	365
Service Calls	70	103	76	78	72	66	65	92	157	156
Good Intent Calls	111	141	158	151	187	202	221	191	270	260
Other Calls	0	2	3	6	22	8	2	9	4	2
Explosion Calls	1	2	2	0	0	1	0	3	2	0
Total Calls	1,299	1,481	1,383	1,335	1,414	1,374	1,514	1,683	1,965	2,070
Support Services										
Square footage of building maintained	25,500	25,500	25,500	25,200	25,200	25,200	27,870	27,870	27,870	27,870
Community Risk Management Services										
Fire Investigations	16	14	3	10	10	8	6	4	3	6
Plan Reviews	228	273	214	178	203	234	179	248	232	311
Business Inspections	211	1,477	1,278	797	825	720	738	728	686	363
Burn Permits	201	183	217	192	149	140	95	68	70	81
Car seat checks	158	90	138	60	81	89	35	67	71	68
Training Operations										
Training Hours (2007-10 EMS Trng not included)	2,120	4,560	7,361	6,387	7,369	6,300	6,043	5,960	7,640	8,170
Ambulance (service started in 2009 w/ County IGA)										
EMS Transports	-	-	8	10	33	18	32	335	568	716
% of Transports to Summit Medical Center	-	-	100.00%	100.00%	100.00%	100.00%	100.00%	98.50%	98.20%	97.75%
Collection Rate	-	-	87.50%	100.00%	100.00%	69.70%	79.70%	47.07%	62.40%	61.12%

Sources:

*In-House data bases (Fire Manager)
Property Liability Insurance Records
District Financial Records*

Square footage of buildings maintained changed in 2010 due to an audit of square footage performed by the District's insurance carrier.

Square footage increased in 2013 with the addition of a 2,670 square foot substation at the base of Peak 7 currently in progress.

**In 2014 the IGA with the Summit County Ambulance Service (SCAS) changed to RWB receiving 50% of billed revenues instead of guaranteed payment of 55% of all transports.*

**Red, White & Blue Fire Protection District
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administration										
Chief Vehicles	2	2	2	3	3	3	3	3	3	3
Utility Vehicles	-	-	-	-	-	-	2	2	-	-
Accounting Software	-	-	1	1	1	1	1	1	1	1
Server at Main Station (Offices within Main Station)	-	-	-	1	1	1	2	2	3	4
Operations										
Fire Stations	3	3	3	3	3	3	4	4	4	4
Pumper Tankers	2	2	2	2	2	3	1	1	2	2
Engines	2	2	2	2	2	3	3	3	3	4
Ladder Truck	1	1	1	2	1	1	1	1	1	1
Wildland units	2	2	2	2	2	2	2	2	2	2
Battalion Chief vehicle	1	1	1	1	1	1	1	1	1	1
Utility vehicle	1	1	1	1	1	1	3	3	3	3
Slip Pump	1	1	1	1	1	1	1	1	1	1
Infra-red cameras	1	1	1	1	1	1	1	1	1	1
Thermal Imaging Cameras	-	2	2	3	4	4	4	4	4	5
Treadmill	-	1	1	1	4	4	4	4	4	4
Community Risk Management										
Vehicles	2	2	2	2	2	2	1	1	1	1
CRM Staff Escape	1	1	1	1	1	1	1	1	1	1
Printer/Scanner	-	-	-	1	1	1	1	1	1	1
Training										
Vehicle - Ford Escape	1	1	1	1	1	1	-	-	-	-
Utility vehicle	1	1	1	1	1	1	-	-	-	-
Information Technology/Communications										
Bi Directional Amplification, plus Repeater	-	1	1	1	1	1	-	-	-	-
Records Management System	1	1	1	1	1	1	1	1	1	1
Emergency Medical Services										
Rescue Squads	2	2	2	2	2	2	2	2	2	2
Mega code Manikin	-	-	1	1	1	1	1	1	1	1
Cardiac Monitor	-	-	-	1	5	5	5	5	5	8

Source: Finance Office - capital asset policy at \$5,000 level

Notes: One substation under construction