

Eagle River Fire Protection District

Eagle County, Colorado

Comprehensive Annual Financial Report

For the Year Ended December 31, 2017



Eagle River Fire Protection District
Administration
90 Benchmark Road, Suite 101
Post Office Box 7980
Avon, Colorado 81620



RECEIVED

Office of the State Auditor

May 2, 2018

EAGLE RIVER FIRE PROTECTION DISTRICT
EAGLE COUNTY, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
YEAR ENDED DECEMBER 31, 2017

Prepared by:
Administrative Staff

EAGLE RIVER FIRE PROTECTION DISTRICT

LIST OF ELECTED AND APPOINTED OFFICIALS December 31, 2017

BOARD OF DIRECTORS

Clint Janssen, Chairperson
Al Bosworth, Vice Chair
Darell Wegert, Treasurer
John Halloran, Secretary
Cindy Moran, Assistant Secretary/Treasurer

MANAGEMENT

Karl Bauer, General Manager and Fire Chief
Kristen Nash, Human Resources Director
Jessica Costabile, Finance Director

INDEPENDENT AUDITORS

Hamblin and Associates, LLC
Certified Public Accountants
Golden, Colorado

EAGLE RIVER FIRE PROTECTION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

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EAGLE RIVER FIRE PROTECTION DISTRICT

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April 19, 2018

To the Citizens and Board of Directors of the Eagle River Fire Protection District:

Colorado state statutes require all special districts with revenues in excess of \$500,000 to publish, within seven months following the close of their fiscal year, a complete set of financial statements. State statutes further require that such presentation conform to generally accepted accounting principles (GAAP), and be audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants. Pursuant to this requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Eagle River Fire Protection District (the "District") for the fiscal year ended December 31, 2017.

The CAFR contains the following three sections: Introduction; Financial (comprised of the independent auditor's report, basic financial statements and required supplementary information, and combining and individual fund financial statements and schedules); and, Statistical. Because the CAFR consists of management's representations concerning the District's finances, management assumes full responsibility for the completeness and reliability of all the information presented herein. To provide a reasonable basis for making these representations, District management has established a comprehensive internal control framework, designed to protect the District's assets from loss, theft, or misuse, and compile sufficient reliable 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 provides reasonable rather than absolute assurance that the financial statements contain no 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.

To reasonably assure they contain no material misstatement, the District retained Hamblin and Associates, a firm of independent certified public accountants, to audit its financial statements for the fiscal year ended December 31, 2017. On a test basis, the independent auditor examined evidence of the amounts and disclosures in the financial statements; assessed the accounting principles employed, and significant estimates made by management; and, evaluated the overall financial statement presentation. Based upon their audit, the independent auditor rendered an unqualified opinion that the Eagle River Fire Protection District has fairly presented in conformity with GAAP its financial statements for the fiscal year ended December 31, 2017.

Letter of Transmittal
Eagle River Fire Protection District, Colorado
April 19, 2018

Required by GAAP, the CAFR also contains a narrative of the District's basic financial statements and required supplementary information in the form of Management's Discussion and Analysis (MD&A). Readers may find this MD&A immediately following the independent auditors report.

Written to complement, and not replace, the MD&A, this transmittal letter provides an overall profile of the District; a brief discussion of factors that affect District finances; an overview of its current initiatives; and, a review of some of the awards it has received.

Profile of the District

A quasi-municipal corporation and political subdivision of the State of Colorado, the Eagle River Fire Protection District received authorization in 2000 to merge twelve municipal and metropolitan district fire protection entities into a single regional fire district. The primary purpose of the Eagle River Fire Protection District is to provide fire suppression, rescue, emergency medical treatment, hazardous materials response, fire prevention and public education to District residents, businesses, visitors, and taxpayers. The District's boundaries encompass a physical area of approximately 186 square miles in Eagle County; a majority of which the federal government owns. The total non-federal land served by the District totals approximately 76 square miles, and includes the Towns of Avon, Minturn and Red Cliff, along with the communities of Arrowhead, Bachelor Gulch, Cordillera, Eagle-Vail, Edwards, and portions of Wolcott. The District serves an estimated resident population of approximately 29,000 (based on United States census data), but this population increases significantly during the summer and winter tourist seasons. Additionally, the District serves the Beaver Creek Metropolitan District, including Beaver Creek Resort, pursuant to an Agreement for Fire Protection and Emergency Services.

Pursuant to the Special District Act, a Board of Directors, consisting of five members, governs the District. Board members must qualify as eligible electors of the District and reside in one of five wards as defined by State law. Elected in staggered biennial elections, each member serves a four-year term and may serve a total of two successive terms. Should a vacancy occur within a given term, remaining Board members may fill the open Board seat by appointment. In such cases the appointed Board member may serve their appointed seat until the next regular election, at which time the seat will become open to election for any remaining unexpired portion of the original term.

The Board has responsibility for the overall management and administration of the District including policy making, budget adoption, long-range planning, and hiring the District's General Manager/Fire Chief who oversees the District's day-to-day operations.

Letter of Transmittal
Eagle River Fire Protection District, Colorado
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Directors hold regular Board meetings on the third Thursday of each month, and may schedule special meetings as needed. Each Director is entitled to one vote on all questions before the Board, provided a quorum is present.

The District operated four staffed fire stations and one reserve fire station used to house equipment and periodically provide modest residences to employees; and, employed 63 uniformed and 5 administrative personnel at year-end. The District also partially staffed and operated a fifth station located outside district boundaries, under a multi-year contract with the Beaver Creek Metropolitan District.

The annual budget serves as the foundation for the District's financial planning and control. No later than October 15th, the General Manager/Fire Chief must submit to the Board of Directors a proposed budget for the calendar year that will commence the following January 1st. Organized by fund, program, activity and line item, the annual budget includes information on the prior year, current year budget, year-end estimates, and requested appropriations and estimated revenues for the upcoming year.

The Board must cause publication of notice that the public may inspect the proposed budget prior to its adoption. Also prior to its adoption, any elector of the District may object to the proposed budget during a budget hearing held by the District Board of Directors. The District must adopt its budget by passing a corresponding appropriation resolution prior to December 15th in order to certify its mill levy for collection in the following year.

In general, the District may not expend money in excess of the amount appropriated. However, in the case of an emergency or contingency not reasonably foreseeable, the Board may authorize the expenditure of funds in excess of the budget by adopting a resolution. If the District receives revenues not anticipated at the time of budget adoption, the Board may authorize the expenditure of such revenues by adopting a supplemental budget after providing public notice and holding a budget hearing.

To facilitate financial analyses of high fidelity, the CAFR provides budget to actual comparisons for all funds, constituting a level of detail greater than required by law.

Factors Affecting Financial Condition

Numerous economic factors combine to influence the District's financial condition. Inasmuch as the local economy exercises a large effect on District finances, readers will likely gain a more complete understanding of the District's financial condition if they consider its financial statements from the perspective of broad economic drivers rather than just the annual budget by which the District operates.

Local Economy. Year-round tourism and winter recreation-related businesses account for a significant portion of the employment and earned income of area residents. Vail

Letter of Transmittal
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and Beaver Creek Resort, operated by Vail Resorts, are two of the most popular winter destination ski resorts and rank among the top 10 Best Ski Resorts in North America according to zrankings.com.

In addition to skiing and associated winter-time activities, the area promotes a number of summer recreational pursuits. Popular summer activities include hiking, horseback riding, bicycling, kayaking and rafting; and, several communities within Eagle County have earned recognition on TravelandLeisure.com's list of the top 100 golfing communities in which to live, as well as other recreational sports.

Property Values. Property tax, which derives from the application of a mill rate to assessed property values, represents approximately eighty-one percent of the District's total revenues. Assessed values depend on a combination of market value and growth of real property, along with assessment ratios established by the State legislature.

In 2012, District voters approved a supplemental mill levy restoring the District's property tax revenues to 2010 levels, adjusted annually for inflation and local growth and designed to decrease as assessed values increase.

In 2016, District voters approved a debt increase, and an increase in taxes up to \$1,300,000 annually, to pay debt for capital improvements that included the Avon Public Safety Facility, Edwards Fire Station and Training Facility Projects.

In 2017, in accordance with the Gallagher Amendment, the residential assessment rate (RAR) decreased from 7.96 to 7.20. The Gallagher Amendment requires the residential assessment rate to adjust to maintain a constant relationship between the statewide share of residential taxable value and the statewide share of non-residential taxable value. Recent forecasts by the Colorado Legislative Council predicts the RAR will decrease again from 7.20 to 6.11 in 2019. It is believed by staff and Legal Counsel that the 2012 Supplemental Mill Levy language removed the District from the negative effects of the Gallagher Amendment for the 2017 valuations and 2018 property tax revenues.

Current Initiatives

Long-term Financial Planning. At least annually, District staff and consultants update the District's long-range financial projections. Management and the Board of Directors regularly review these projections, ensuring integration of their implications into the annual budget process.

Capital Projects.

Avon Public Safety Facility. In 2017, the District, in partnership with the Town of Avon, completed construction on the Avon Public Safety Facility. The Avon Public

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Safety Facility houses both the Fire District and Avon Police Department operations, and will enable the Fire District and the Avon Police Department to serve the community and surrounding region with greater effectiveness.

Edwards Fire Station and Training Facility. Designed to replace the original Edwards Fire Station, constructed in 1985, the District began construction of a new Edwards Fire Station, essentially on the same site as the current Edwards Fire Station, but also on the adjacent Tract K, which it acquired in 2016. Additionally, and with the purpose of enabling its firefighters to train on mission-critical skills while remaining in-District and available for emergency response, the District will construct a training facility next to the new Edwards Fire Station. The District expects to complete construction of both projects by 2019.

The 2017 budget focused on staffing its four operational fire and emergency response stations, and the Beaver Creek Metropolitan District Fire Station, on a 24/7 basis, retaining personnel and increasing its number of fire prevention and community risk management personnel in order to rebuild its Prevention Bureau, coordinate wildfire mitigation projects, and develop community wildfire education strategies.

In order to encourage employee retention and remain an attractive employer when compared to fire departments of similar size and complexity, the District continued to implement conservative payroll adjustments. Moving forward, the District will evaluate the most cost effective ways to further address payroll inequities and keep its operational stations fully staffed.

Strategic Planning. Along with comprehensive financial planning, the District has begun the process of developing a strategic plan. As a foundation for this strategic plan, District personnel have conducted an assessment of the various risks facing the communities it serves (e.g. wildfire), data from which the District will use to determine the degree to which it meets the current service demands of each community. As part of this planning effort, the District will also assess predictions for future growth, and the potential impacts such growth may have on service demands in the coming years. By assessing current and potential future service requirements, the District will enhance its ability to match service to risk and anticipate where gaps in service levels could develop over time.

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 District for its CAFR for the fiscal year ended December 31, 2016. In order to receive a Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR, satisfying both GAAP and applicable legal requirements

Letter of Transmittal
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April 19, 2018

this latest recognition the GFOA constituted the eighth year in a row that the District received the Association's prestigious award.

A Certificate of Achievement is valid for a period of one year. Management believes its current CAFR continues to meet the Certificate of Achievement Program's requirements, and will submit it to the GFOA for consideration of yet another certificate.

Without a doubt, the successful preparation of this report depended heavily on the professional and dedicated service of District administrative staff. I express my sincere appreciation to all members of the District who contributed to the preparation of this report, and offer due credit to the Board of Directors, whose support and leadership ensures the District serves the public responsibly and progressively.

Respectfully submitted,

Karl Bauer
General Manager/Fire Chief



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Eagle River Fire Protection District
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

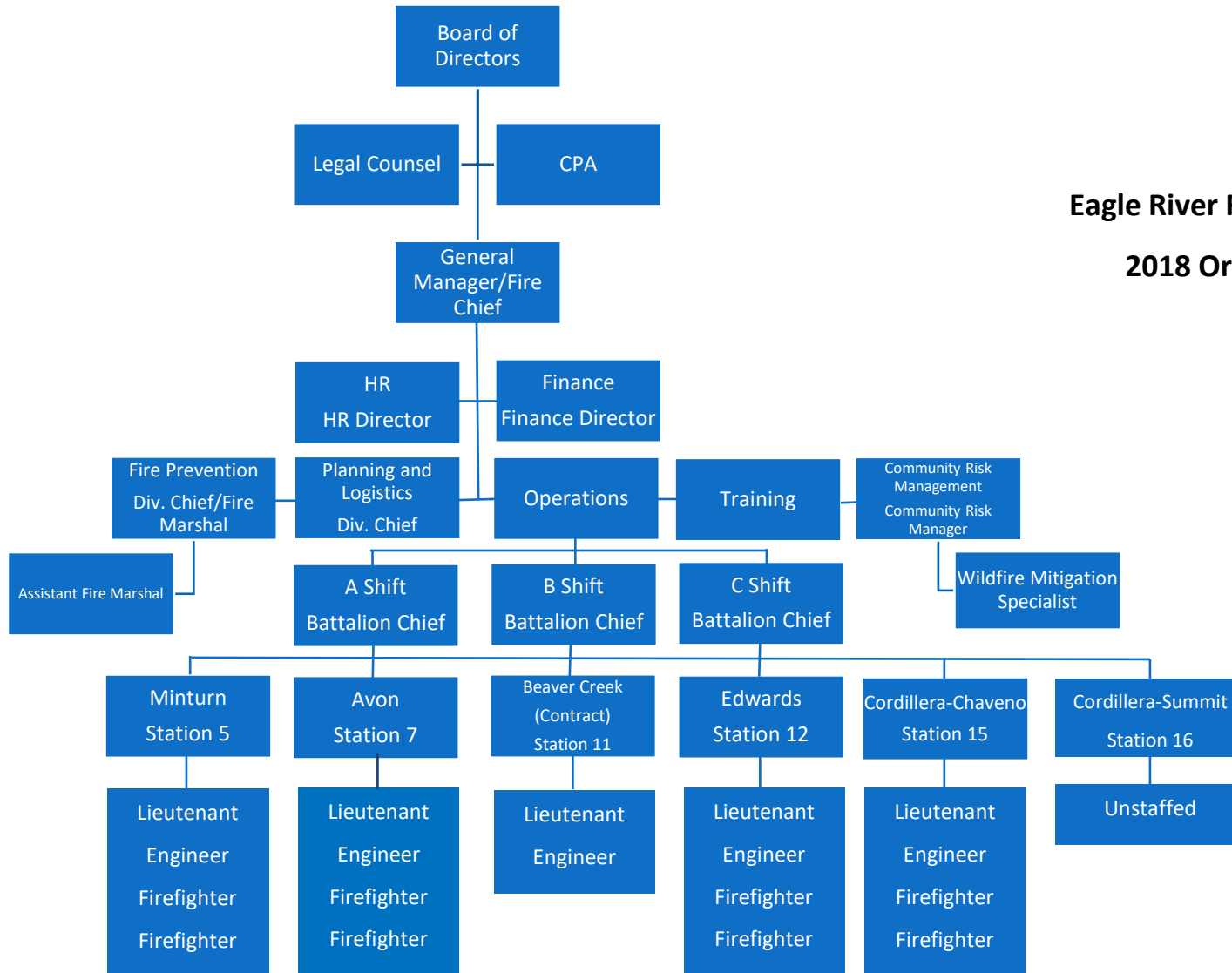
December 31, 2016

Christopher P. Morill

Executive Director/CEO



Eagle River Fire Protection District 2018 Organizational Structure



HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

23720 Pondview Place
Golden, CO 80401

(303) 694-2727

Board of Directors
Eagle River Fire Protection District
Eagle County, Colorado

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eagle River Fire Protection District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, each major fund, and the aggregate remaining fund information of the Eagle River Fire Protection District as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 and budgetary comparison schedules on pages 3 through 12 and 43 through 44 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in 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 Eagle River Fire Protection District's basic financial statements. The introductory section, comparative statements of revenue, expenditures, and changes in fund balances, and budgetary comparison schedules for the Capital Impact Fee Fund, Debt Service Fund, Equipment Replacement Fund, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative statements of revenue, expenditures, and changes in fund balances and budgetary comparison schedules for the Capital Impact Fee Fund, Debt Service Fund, and Equipment Replacement Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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.

Hamblin and Associates

Golden, Colorado
March 9, 2018

Management's Discussion and Analysis

As Management of Eagle River Fire Protection District (the "District"), we offer readers of the District's financial statements this discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of its fiscal year ended December 31, 2017 by \$9,086,860 (net position). Of this amount, (\$7,597,995) is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fund designation and fiscal policies as more fully described below. The unrestricted portion is negative due to unspent bond proceeds if all the bond proceeds were spent at year the unrestricted portion would be a positive \$4,966,030.
- The District's total net position increased by \$1,282,534.
- As of the close of the fiscal year, the District's governmental funds reported combined fund balances of \$18,316,055, a decrease of \$6,396,677 in comparison to the prior year. Approximately twenty-four percent of this amount (\$4,431,414) is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund represents 46% of 2017 total general fund expenditures.
- The District's total long-term debt increased by a net \$19,833 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which 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 required supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows with the difference reported as net position. Over time,

increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The functions of the District include fire protection and emergency medical services and are considered as entirely governmental activities. The District has no business-type activities.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

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

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

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, capital projects fund, and the capital impact fee fund, all of which are presented as major funds.

Proprietary funds. Proprietary funds are used to account for business-like operations where goods or services are provided to the general public for a fee (enterprise fund), or to account for goods or services provided by one department or agency of a government to another department or agency on a cost-reimbursement basis (internal service fund). District maintains one internal service fund as a proprietary fund. The District uses an internal service fund to account for the rental of vehicles and equipment to District departments for the accumulation of funds for future replacement. Because the internal service fund serves only governmental activities this fund is included in governmental activities in the government-wide financial statements.

The basic governmental fund financial statements can be found on pages 16-22 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-41 of this report.

Required Supplemental Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget and can be found on page 43 of this report.

Other Supplemental Information. Individual fund statements and schedules can be found on pages 46-53 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,086,860 as of December 31, 2017.

There are three components of net position Net Investment in Capital Assets, Restricted and Unrestricted. The following table shows the three components and their change in 2017.

	2017	2016 Restated	Increase (Decrease)
Net Position:			
Net Investment in Capital Assets	2,835,864	3,245,913	(410,049)
Restricted	13,848,991	21,055,209	(7,206,218)
Unrestricted	(7,597,995)	(16,496,796)	8,898,801

Net investment in capital assets decreased (\$410,049) from the prior year. This is primarily due to depreciation exceeding asset additions not funded through bond proceeds. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of Net Position represents resources that are subject to external restrictions on how they may be used and include amounts restricted for emergencies and debt service. The largest portion of restricted net position is unspent bond proceeds of \$12,564,025. The restricted portion went down by (\$7,206,218) primarily due to the spending of bond proceeds in 2017. The restricted component of net position of governmental activities may not equal to restricted fund balances in governmental funds due to a difference in measurement focus and basis of accounting.

The remaining portion of net position is unrestricted and may be used to meet the District's on going obligations to citizens and creditors. The unrestricted portion of net position increased \$8,898,801 because unspent bond proceeds were used in 2017. The negative balance in unrestricted net position is caused by unspent bond proceeds. Had all the bond proceeds been spent in 2017 the unrestricted net position would have increased by \$12,564,025 and been a positive \$4,966,030.

Condensed Net Position

	2017	2016 Restated
Current and Other Assets	\$15,900,824	\$13,991,211
Restricted Assets	14,423,731	21,952,883
Capital Assets	16,642,235	9,324,702
Total Assets	46,966,790	45,268,796
Deferred Outflows of Resources	28,319	29,297
Current and Other Liabilities	2,557,229	1,976,849
Noncurrent Liabilities	25,364,143	25,849,240
Total Liabilities	27,921,372	27,826,089
Deferred Inflows of Resources	9,986,877	9,667,678
Net Position:		
Net Investment in Capital Assets	2,835,864	3,245,913
Restricted	13,848,991	21,055,209
Unrestricted	(7,597,995)	(16,496,796)
Total Net Position	\$9,086,860	\$7,804,326

Changes in Net Position

	2017	2016
REVENUES		
Program Revenues:		
Charges for Services	\$ 1,237,312	\$ 1,228,536
General Revenues:		
Property and Specific Ownership Taxes	10,172,267	8,535,709
Intergovernmental	308,993	346,389
Unrestricted Investment Earnings	268,378	114,145
Miscellaneous	33,122	88,147
Refunding Escrow		
Gain (Loss) on Disposal of Capital Assets		15,744
Total Revenues	12,020,072	10,328,670
EXPENSES		
Program Expenses:		
Fire Protection – Operations	10,073,768	9,617,772
Interest on Long-term Debt	658,718	400,400
Bond Issuance Costs	5,052	223,966
Total Expenses	10,737,538	10,242,138
Change in Net Position	1,282,534	86,532
Net Position, Beginning of Year	7,804,326	7,717,794
Net Position – End of Year	\$ 9,086,860	\$ 7,804,326

Governmental Activities

During 2017, the District’s net position increased by \$1,282,534 to \$9,086,860. A substantial part of the net position increase, \$612,463 was anticipated because the original budget projected an increase of \$286,611 plus expenditure savings in all operating departments in the general fund and increased revenues of \$325,852 in the following funds:

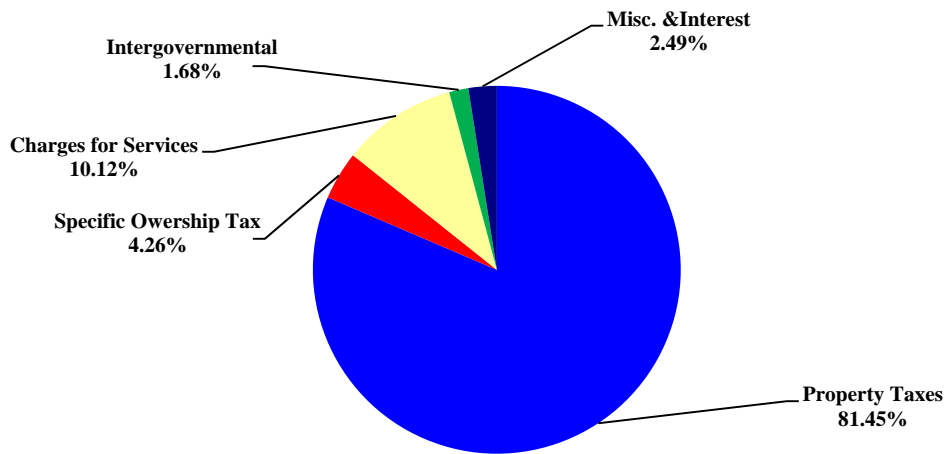
	Excess Revenues Over Expenditures		
	Original Budget	Actual	Increase
General Fund	135,294	421,738	286,444
Capital Impact Fee	135,232	155,075	19,843
Debt Service Fund	16,085	35,650	19,565
	286,611	612,463	325,852

The differences in how and when revenues and expenditures are recognized in the government wide financial statements and fund financial statements had an impact on the amount of increase in the net position as shown on page 19.

Expenses and Program Revenues – Governmental Activities

The District’s program revenues primarily come from a service charge to the Beaver Creek Metropolitan District for fire services since the Beaver Creek Metro District is not in the District’s boundaries a property tax cannot be assessed. The balance of the program expenditures are funded through property tax revenues collected from properties in the areas served. Therefore program revenues of \$1,237,312 make up 12.28% of the program expenditures of \$10,073,768.

General Revenues by Source – Governmental Activities



Financial Analysis of Governmental Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2017, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenues</u>	2017 <u>Amount</u>	Percent of <u>Total</u>	2016 <u>Amount</u>	Amount of <u>Increase</u> <u>(Decrease)</u>	Percent <u>Increase</u>
Taxes	\$10,172,267	85.70%	\$8,535,709	\$1,636,558	19.17%
Licenses and Permits	36,013	0.30%	59,957	(23,944)	-39.94%
Intergovernmental	164,219	1.38%	213,103	(48,884)	-22.94%
Charges for Services	1,201,299	10.12%	1,168,579	32,720	2.80%
Investment Earnings	262,068	2.21%	110,918	151,150	136.27%
Miscellaneous	33,122	0.28%	88,147	(55,025)	-62.42%
Total	\$11,868,988	100.00%	\$10,176,413	\$1,692,575	

Compared to 2016, total revenues increased by \$1,692,575 in 2017. The substantial increase in taxes can be attributed to a new debt service mill levy, approved by voters in 2016 and implemented in 2017, which generated \$1,368,112 to fund the debt service on the General Obligation Bonds, Series 2016. The balance of the increase in property tax revenue can be attributed to the supplemental mill levy approved by voters in 2012, restoring property tax revenues to 2010 levels and adjusted annually for inflation and local growth. Taxes include property taxes and specific ownership tax collections and account for 85.71% of total revenues. Property tax revenues increased by \$223,195 or 2.7%, and specific ownership tax collections which increased \$45,251 or an 11.5% over 2016.

Total net assessed values of all property within the District decreased by \$1,653,010 from the previous year to \$992,574,640, causing the aforementioned voter approved mill levy to automatically increase from 8.205 mills to 8.431 mills, generating the allowed revenue increase.

Intergovernmental revenues decreased by \$48,884 or 22.94% in 2017 primarily due to a decrease in reimbursements for deployments, and conclusion of the Intergovernmental Agreement Concerning the Cooperative Use of a Training Chief. Impact fee revenues increased by \$24,862 or 18.59% over 2016.

Investment earnings increased in 2017 by \$151,150 or 136.27% due to an increase in cash and cash equivalents from the bond proceeds received in 2016.

Miscellaneous revenues decreased by \$55,025 from 2016 primarily due to fewer construction projects and less one-time revenues collected in 2017.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2017 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	<u>2017 Amount</u>	<u>Percent of Total</u>	<u>2016 Amount</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Operating:					
Support Services	\$1,947,759	10.26%	\$1,912,998	\$34,761	1.82%
Operations	6,978,627	36.77%	6,628,447	350,180	5.28%
Health, Wellness And Safety	146,080	0.77%	122,130	23,950	19.61%
Fire Prevention and Risk Management	357,865	1.88%	346,519	11,346	3.27%
Total Operating	9,430,331	49.68%	9,010,094	420,237	4.66%
Debt Service:					
Principal	496,717	2.62%	381,945	114,772	30.05%
Interest, Bond Issue & Fiscal Charges	1,142,247	6.02%	365,817	776,430	212.25%
Capital Outlay	7,912,035	41.68%	3,344,466	4,567,569	136.57%
 Total	 \$18,981,330	 100.00%	 \$13,102,322	 \$5,879,008	

Overall, operating expenditures increased a total of \$420,237 or 4.66% from 2016 largely due to increases in wages and benefits.

Debt service expenditures increased in 2017 due to the initial debt service payments on the General Obligation Bonds, Series 2016.

Capital outlays increased in 2017 due to the use of the bond proceeds to build the new facilities.

Fund Balances

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the District, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Directors.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balances of \$18,316,055, a decrease of \$6,396,677 in comparison with the previous year. The planned use of \$7,912,035 in bond proceeds to build new facilities was the primary reason for this decrease. Excluding the capital projects fund where bond proceeds were used there was a combined increase of \$1,328,128 in governmental fund balances. The unassigned fund balance that can be used for any lawful purpose is \$4,431,414.

General Fund. The general fund constitutes the main operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing sources. Unassigned fund balance represents approximately forty-six percent of total general fund expenditures, or 5 months of operations. This fulfills a Board objective of ensuring adequate funds for maintaining emergency response capabilities during challenging economic conditions or large-scale disasters. The general fund had an increase of \$1,137,403 in fund balance during the current fiscal year. The major contributor for this increase is \$697,164 in unspent lease proceeds received for acquiring a new fire truck.

Capital Impact Fee Fund. The capital impact fee fund had an increase of \$155,075 in fund balance during the current fiscal year, which put its restricted fund balance at \$616,143 as of December 31, 2017. The increase in fund balance was planned and in accordance with the 2017 budget.

Debt Service Fund. The debt service fund is maintained to account for the repayment of the General Obligation Bonds, Series 2016. Property taxes are levied annually to pay such debt. The restricted fund balance as of December 31, 2017 is \$35,650.

Capital Projects Fund. The capital projects fund had a restricted fund balance of \$12,564,025, a decrease of \$7,724,805 in comparison to the prior year due to continued construction of facilities with proceeds from the General Obligation Bonds, Series 2016. During 2017, investment earnings of \$187,230 were received and \$7,912,035 was expended for capital and construction in progress.

General Fund Budgetary Highlights

Original budget compared to final budget. The Board approved a supplemental budget amendment during the year, increasing overall estimated revenues and other sources by \$774,360 and increasing appropriations by \$183,676.

Final amended budget compared to actual. Actual revenues were \$42,182 higher than the final amended budget. While there was a reduction in licenses and permits and charges for services, the District did receive a positive variance in taxes, intergovernmental and miscellaneous revenues.

Actual expenditures were \$367,452 less than the final amended budget. The District realized a savings in Support Services and Operations. The savings was primarily related to personnel services as a result of staff vacancies. Savings was also recognized in commodities, external services and other operating costs such as small tools and equipment, fuel, repairs and maintenance and other professional services.

Capital Assets and Debt Administration

Capital Assets. The District’s investment in capital assets at December 31, 2017 totals \$16,642,235 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, construction in progress, vehicles and equipment. Capital assets in the amount of \$8,027,695 were purchased or constructed during the year.

Capital assets are classified as follows (net of depreciation):

	<u>2017</u>	<u>2016</u>
Land	\$1,540,485	\$1,540,485
Buildings and Improvements	10,136,491	1,951,366
Construction in Progress	2,582,314	3,136,973
Machinery and Equipment	429,347	517,365
Vehicles and Rolling Stock	<u>1,953,598</u>	<u>2,178,513</u>
Total	<u>\$16,642,235</u>	<u>\$9,324,702</u>

Additional information on the District’s capital assets can be found in Note 4 on page 33 of this report.

Long-term Liabilities. As of December 31, 2017, the District's outstanding long-term liabilities totaled \$26,602,601. Total debt is made up of the following; \$24,849,487 in General Obligation Bonds, Series 2016 (including a bond premium of \$1,579,487) which were issued to finance new facilities and defease outstanding certificates of participation, capital lease obligations of \$1,549,228, and compensated absences of \$203,886.

The District's long term liabilities increased by \$19,833 during the current fiscal year. The District had lease proceeds of \$697,164 in 2017 to acquire a new fire truck.

Colorado State statutes limit the amount of general obligation debt the District may issue to 50% of assessed valuation of all taxable property within the District. The current legal debt margin for the District is \$508,082,910.

Additional information on the District's long-term debt can be found in Note 5 on pages 33-36 of this report.

Economic Factors and Next Year's Budgets and Rates

The District's net total assessed valuation in 2017 (effective for taxes collectible in 2018) increased by \$23,591,180 to a total value of \$1,016,165,820, a 2.38% increase from the previous year. The 2018 budget includes the aforementioned 2012 voter-approved adjustable supplemental mill levy in addition to the District's base rate of 5.55 mills. In 2018, the District's mill rate for general operating purposes will increase from the current 8.404 mills, including the base rate of 5.55 mills, to 8.533 mills. As designed, the supplemental mill levy has increased from its previous amount of 2.854 mills to 2.983 mills. The District anticipates this will result in a 2018 net property tax revenue increase of \$329,345 from 2017. In addition to the general operating mill levy, the District elected to certify an abatement/refund mill levy of 0.014 mills in order to recapture \$14,226 in 2017 property tax abatements identified by the Eagle County Assessor.

The 2018 budget also reflects the debt and associated mill levy approved by voters in May 2016 for the debt service on the General Obligation Bonds, Series 2016. The District's mill levy for debt service is 1.281. The amount budgeted for this revenue in 2018 is \$1,301,708 which includes \$2,032 in property tax abatements identified by the Eagle County Assessor.

The 2018 budget focuses on meeting ongoing service demands through 24/7 staffing of the District's four operational fire and emergency response stations and the Beaver Creek Metropolitan District station which it partially staffs by contract, retaining personnel, and prioritizing essential capital needs.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Karl Bauer, General Manager and Fire Chief, Eagle River Fire Protection District, P.O. Box 7980, Avon, Colorado 81620.

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EAGLE RIVER FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION DECEMBER 31, 2017

	Total Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 5,347,790
Receivables (net)	10,071,766
Other Assets	392,116
Prepaid Expenses	89,152
Restricted Assets - Cash and Cash Equivalents	14,423,731
Capital Assets, net of accumulated depreciation	
Nondepreciable	4,122,799
Depreciable	12,519,436
Total Assets	46,966,790
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Loss on Advance Refunding of Debt	28,319
LIABILITIES	
Accounts Payable	1,042,068
Accrued Liabilities	143,752
Accrued Interest Payable	92,701
Deposits and Reserves	5,250
Unearned Revenue	35,000
Noncurrent Liabilities:	
Due Within One Year	1,238,458
Due In More Than One Year	25,364,143
Total Liabilities	27,921,372
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue - Property Taxes	9,986,877
NET POSITION	
Net Investment in Capital Assets	2,835,864
Restricted For:	
Capital Improvements	13,492,922
Emergencies	356,069
Unrestricted	(7,597,995)
Total Net Position	\$ 9,086,860

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

EAGLE RIVER FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Total Governmental Activities</u>
Expenses	
Fire Protection:	
Support Services	\$ 1,947,759
Operations	7,622,064
Health, Wellness and Safety	146,080
Fire Prevention and Community Risk Management	357,865
Debt Service:	
Bond Issuance costs	5,052
Interest	<u>658,718</u>
Total Expenses	<u>10,737,538</u>
Program Revenues	
Charges for Services	<u>1,237,312</u>
Total Program Revenues	<u>1,237,312</u>
Net Program Expense	<u>9,500,226</u>
General Revenues	
Property and Specific Ownership Taxes	10,172,267
Intergovernmental	308,993
Investment Earnings	268,378
Miscellaneous	33,122
Total General Revenues	<u>10,782,760</u>
Change in Net Position	1,282,534
Net Position, Beginning of Year	<u>7,804,326</u>
Net Position, End of Year	<u><u>\$ 9,086,860</u></u>

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

EAGLE RIVER FIRE PROTECTION DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2017

	General Fund	Debt Service Fund	Capital Impact Fee Fund	Capital Projects Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 4,641,389	\$ -	\$ -	\$ -	\$ 4,641,389
Receivables:					
- Taxes	8,721,129	1,307,291	-	-	10,028,420
- Intergovernmental	-	-	2,670	-	2,670
- Accounts	40,676	-	-	-	40,676
Deposits	392,116	-	-	-	392,116
Restricted Assets - Cash and Cash Equivalents	312,754	30,067	613,473	13,467,437	14,423,731
Total Assets	\$ 14,108,064	\$ 1,337,358	\$ 616,143	\$ 13,467,437	\$ 29,529,002
LIABILITIES AND FUND BALANCES					
Accounts Payable	\$ 138,656	\$ -	\$ -	\$ 903,412	\$ 1,042,068
Accrued Liabilities	143,752	-	-	-	143,752
Deposits and Reserves	5,250	-	-	-	5,250
Unearned Revenues	35,000	-	-	-	35,000
Total Liabilities	322,658	-	-	903,412	1,226,070
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	8,685,169	1,301,708	-	-	9,986,877
FUND BALANCES					
Restricted For:					
Debt Service	-	35,650	-	-	35,650
TABOR Emergency Reserve	356,069	-	-	-	356,069
Capital Improvements	312,754	-	616,143	12,564,025	13,492,922
Unassigned	4,431,414	-	-	-	4,431,414
Total Fund Balances	5,100,237	35,650	616,143	12,564,025	18,316,055
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,108,064	\$ 1,337,358	\$ 616,143	\$ 13,467,437	\$ 29,529,002

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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Total Fund Balances - Governmental Fund \$ 18,316,055

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet.

Capital Assets	21,585,526
Accumulated Depreciation	<u>5,413,826</u>
	<u>16,171,700</u>

Prepaid expenses, losses on refundings, and bond premiums are reflected as current charges or revenue in the governmental fund financial statements.

On the Statement of Activities these costs are capitalized and amortized over the life of the bonds.

Loss on Refundings	28,319
Prepaid Expenses - Bond Insurance	89,152
Bond Premium	<u>(1,579,487)</u>
	<u>(1,462,016)</u>

Some liabilities, including bonds, leases payable, and compensated absences are not due and payable in the current period and therefore are not reported in the fund balance sheet.

General Obligation Bonds Payable	(23,270,000)
Capital Leases	(1,549,228)
Compensated Absences	<u>(203,886)</u>
	<u>(25,023,114)</u>

Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.

(92,701)

The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual departments. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position.

1,176,936

Net Position of Governmental Activities \$ 9,086,860

EAGLE RIVER FIRE PROTECTION DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Debt Service Fund	Capital Impact Fee Fund	Capital Projects Fund	Total
Revenues					
Taxes	\$ 8,804,155	\$ 1,368,112	\$ -	\$ -	\$ 10,172,267
Licenses and Permits	36,013	-	-	-	36,013
Intergovernmental	5,629	-	158,590	-	164,219
Charges for Services	1,201,299	-	-	-	1,201,299
Investment Earnings	64,603	4,235	6,000	187,230	262,068
Miscellaneous	33,122	-	-	-	33,122
Total Revenues	10,144,821	1,372,347	164,590	187,230	11,868,988
Expenditures					
Current:					
Support Services	1,899,462	38,782	9,515	-	1,947,759
Operations	6,978,627	-	-	-	6,978,627
Health, Wellness and Safety	146,080	-	-	-	146,080
Fire Prevention and Community Risk Mgmt.	357,865	-	-	-	357,865
Debt Service:	-	-	-	-	-
Principal	316,717	180,000	-	-	496,717
Interest	24,332	1,116,915	-	-	1,141,247
Fiscal Charges	-	1,000	-	-	1,000
Capital Outlay	-	-	-	7,912,035	7,912,035
Total Expenditures	9,723,083	1,336,697	9,515	7,912,035	18,981,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	421,738	35,650	155,075	(7,724,805)	(7,112,342)
Other Financing Sources (Uses)					
Capital Lease Proceeds	697,164	-	-	-	697,164
Disposition of Capital Assets	18,501	-	-	-	18,501
Total Other Financing Sources (Uses)	715,665	-	-	-	715,665
Net Change in Fund Balances	1,137,403	35,650	155,075	(7,724,805)	(6,396,677)
Fund Balances, Beginning of Year	3,962,834	-	461,068	20,288,830	24,712,732
Fund Balances, End of Year	\$ 5,100,237	\$ 35,650	\$ 616,143	\$ 12,564,025	\$ 18,316,055

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Net change in fund balances - Total Governmental Funds \$ (6,396,677)

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

Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Assets Sold or Retired	(19,107)
Capital Outlay	7,990,842
Depreciation	<u>(566,148)</u>
	<u>7,405,587</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(18,033)
Bond Issue Costs	(4,052)
Amortize Bond Premium	198,648
	<u>176,563</u>

Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General Obligation Bonds	180,000
Capital Lease Principal Payments	316,717
	<u>496,717</u>

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

283,881

Proceeds received from issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Activities.

(697,164)

The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual departments. The increase in net position of the internal service fund is included in governmental activities.

13,627

Change in Net Position of Governmental Activities

\$ 1,282,534

EAGLE RIVER FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2017

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 706,401
Total Current Assets	<u>706,401</u>
Capital Assets:	
Machinery and Equipment	1,163,017
Accumulated Depreciation	<u>(692,482)</u>
Net Capital Assets	<u>470,535</u>
Total Assets	<u>1,176,936</u>
LIABILITIES	
Current Liabilities:	
	<u>-</u>
Total Current Liabilities	<u>-</u>
Noncurrent Liabilities	<u>-</u>
Total Liabilities	<u>-</u>
NET POSITION	
Net Investment in Capital Assets	470,535
Unrestricted	<u>706,401</u>
Total Net Position	<u><u>\$ 1,176,936</u></u>

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

EAGLE RIVER FIRE PROTECTION DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Charges for Services	\$ 144,774
Total Operating Revenues	<u>144,774</u>
Operating Expenses	
Support Services	12,548
Depreciation	<u>124,910</u>
Total Operating Expenses	<u>137,458</u>
Operating Income	7,316
Non-Operating Revenues:	
Investment Earnings	<u>6,311</u>
Change in Net Position	<u>13,627</u>
Net Position, Beginning of Year	<u>1,163,309</u>
Net Position, End of Year	<u><u>\$ 1,176,936</u></u>

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

EAGLE RIVER FIRE PROTECTION DISTRICT

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2017

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities	
Cash Received from Interfund Services Provided	\$ 144,774
Cash Paid for Goods & Services	<u>(12,548)</u>
Net Cash Provided by Operating Activities	<u>132,226</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of Capital Assets	<u>(36,853)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(36,853)</u>
Cash Flows From Investing Activities	
Interest received	<u>6,311</u>
Net Cash Provided by Investing Activities	<u>6,311</u>
Net Increase in Cash and Cash Equivalents	101,684
Cash and Cash Equivalents, Beginning of Year	<u>604,717</u>
Cash and Cash Equivalents, End of Year	<u>\$ 706,401</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	<u>\$ 7,316</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	<u>124,910</u>
Total Adjustments	<u>124,910</u>
Net Cash Provided by Operating Activities	<u>\$ 132,226</u>

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

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EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2017

The financial statements of Eagle River Fire Protection District (the “District”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the District’s Comprehensive Annual Financial Report (“CAFR”).

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The District, a quasi-municipal corporation was organized on May 2, 2000, and is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located in Eagle County, Colorado. The District was established for the purpose of providing fire suppression, fire protection, emergency medical, rescue, and hazardous materials response to its residents and taxpayers.

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

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

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements. The fund financial statements provide detailed information about the District's funds. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are presented as separate columns in the governmental fund financial statements. The District's single internal service fund is presented in a single column on the face of the proprietary fund statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting. The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and equipment are shown as increases in assets and redemption of capital lease obligations are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is typically 60 days. The major sources of revenue which are susceptible to accrual are property taxes and certain miscellaneous revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation – Fund Accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The District reports the following major governmental funds:

- *General Fund* - This is the District's primary operating fund. It is used to account for all activities and financial resources of the District not required to be accounted for in another fund.
- *Capital Impact Fee Fund* – This fund accounts for the accumulation of resources from the District's emergency services impact fee and the use of these resources for capital expenditures associated with service level demands related to growth within the District.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources and payment of principal and interest on the District's bonded indebtedness.
- *Capital Projects Fund* – This fund was created in 2016 to account for the bond proceeds and related project costs of the new facilities.

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED DECEMBER 31, 2017

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District's only proprietary fund is the Equipment Replacement internal service fund. This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

D. Capital Assets

Capital assets, which include land, buildings, and certain equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital improvement projects are capitalized as projects are completed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and Facilities	10-30 years
Vehicles and Rolling Stock	3-17 years
Machinery and Equipment	3-10 years

E. 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, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has only one type of item that qualifies for reporting in this category. Accordingly, the item, *Deferred Loss on Advance Refunding of Debt*, is reported in the government-wide statement of net position. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become expendable.

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, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – property taxes*, is reported in the government-wide statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund has been the fund used in prior years to liquidate the liability for compensated absences.

G. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid/deferred charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Directors through adoption or

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED DECEMBER 31, 2017

amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 8).

The Board of Directors has adopted a minimum fund balance policy for the general fund which requires the District to maintain an unassigned fund balance sufficient to fund District operations for a period of three months. Unassigned fund balance shall be calculated annually with the adoption of the annual budget and is calculated as 25% of the District's general fund operating expenditures excluding capital budgeted for that fiscal year.

H. Budgetary Information

Budgets are adopted on a basis consistent with GAAP for all funds. According to Colorado Local Government Budget Law, the legal level of appropriation is at the total fund expenditure level and lapse at year-end. During the year, the District's Board of Directors may modify the budget by line item within a fund's total appropriation without notification. Upon meeting notification and publication requirements, supplemental amendments increasing appropriations may be passed by resolution of the Board of Directors.

I. Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the Eagle County Assessor generally as of January 1, of each year. The levy is normally set by December 15, by certification to the Eagle County Commissioners to place the tax lien on the individual properties as of January 1, of the following year. The Eagle County Treasurer collects the determined taxes during the ensuing calendar year. Taxes are payable by April 30, or if at the taxpayer's election paid in equal installments, by February 28 and June 15, respectively. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

J. Restricted Assets

The following funds have restricted assets:

General Fund	\$ 312,754
Capital Impact Fee Fund	613,473
Capital Projects Fund	13,467,437
Debt Service Fund	<u>30,067</u>
	<u>\$ 14,423,731</u>

General Fund. Lease proceeds are being held in escrow account until the truck is available for delivery.

Capital Impact Fee Fund. Colorado State statutes and the District's resolution establishing the Capital Impact Fee Fund require that impact fees collected be accounted for in a separate fund.

Capital Projects Fund. The use of the bond proceeds are restricted by the bondholders.

Debt Service Fund. The General Obligation Bonds, Series 2016 restricts assets for debt service payments.

These assets are held in a separate interest-bearing account in COLOTRUST. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

K. Statements of Cash Flows

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

L. Long-term Obligations

In the government-wide Statement of Net Position, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of any applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED DECEMBER 31, 2017

costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

Note 2. Deposits and Investments

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

	Governmental Funds	Proprietary Funds	Total
Cash and Cash Equivalents	\$ 4,641,389	\$ 706,401	\$ 5,347,790
Restricted Assets – Cash and Cash Equivalents	14,423,731	-	14,423,731
Total	<u>\$ 19,065,120</u>	<u>\$ 706,401</u>	<u>\$ 19,771,521</u>
Deposits With Financial Institutions	\$ 443,341	\$ -	\$ 443,341
Deposits With Local Government Investment	18,621,779	706,401	19,328,180
Total	<u>\$ 19,065,120</u>	<u>\$ 706,401</u>	<u>\$ 19,771,521</u>

Investments Authorized by District Investment Policy. The table below identifies the investment types that are authorized for the District by its investment policy. The table also identifies certain provision of the District's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Federal Instrumentality Securities	5 years	None	None
Local Government Investment Pools	N/A	None	None
Money Market Funds	N/A	None	None
Time Certificates of Deposit	1 year	None	None

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. The investment policy of the District states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow requirement, the District will not invest in securities maturing more than five years from the date of purchase. In addition, the District shall maintain at least 15% of its total investment portfolio in investments maturing in 120 days or less. At least 10% of the portfolio shall be invested in overnight investments or securities that can be sold to raise cash on one day's notice.

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S Treasury securities and securities of the

Government National Mortgage Association are not considered to have credit risk exposure. Nor are obligations implicitly guaranteed by the U.S. government for government sponsored entities such as securities the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.

Presented below is the minimum rating, as required by the District’s investment policy, for investments of the District as of December 31, 2017.

<u>S&P Rating</u>	<u>Local Government Investment Pool</u>
AAAm	<u>\$19,328,180</u>

Concentration of Credit Risk. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits 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 with the District being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA.

Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District’s investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the District shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the District’s approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank’s safekeeping services and to be eligible, a financial institution must have an average Highline Banking Data Services Rating of 40 or better.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED DECEMBER 31, 2017

Local Government Investment Pools. Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts operate similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

As of December 31, 2017, the District held investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST). COLOTRUST offers shares in two portfolios, Prime and Plus. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST Plus may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. At December 31, 2017, the District had a balance of \$19,328,180 for both its fair value and carrying value in the COLOTRUST Plus portfolio. Both portfolios are rated AAAM by Standard & Poor's.

In addition, at December 31, 2017, the District had \$41,542 held by the Eagle County Treasurer.

Note 3. Legal Compliance – Budgets

No later than October 15th, the General Manager/Fire Chief submits to the Board of Directors a proposed budget for the calendar year commencing the following January 1st. The budget is prepared by fund, program, activity, and object and includes information on the prior year, current year estimates and requested appropriations and estimated revenues for the upcoming year.

The Board of Directors holds public hearings and must adopt the budget by resolution prior to December 15th. Once adopted, the Board may at any time, by resolution, amend the budget. The District had one supplemental appropriations during the year ended December 31, 2017.

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented with a higher level of detail than legally required in order to facilitate closer financial analysis.

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,540,485	\$ -	\$ -	\$ 1,540,485
Construction in Progress	<u>3,136,973</u>	<u>2,184,301</u>	<u>2,738,960</u>	<u>2,582,314</u>
Total Capital Assets, Not being Depreciated	<u>\$ 4,677,458</u>	<u>\$2,184,301</u>	<u>\$2,738,960</u>	<u>\$ 4,122,799</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	3,862,638	8,466,694	200,649	12,128,683
Machinery and Equipment	1,007,893	22,646	34,823	995,716
Vehicles and Rolling Stock	<u>5,552,017</u>	<u>93,014</u>	<u>143,685</u>	<u>5,501,346</u>
Total Capital Assets, Being Depreciated	<u>10,422,548</u>	<u>8,582,354</u>	<u>379,157</u>	<u>18,625,745</u>
Less Accumulated Depreciation:				
Buildings	(1,911,272)	(262,465)	181,545	(1,992,192)
Machinery and Equipment	(490,528)	(110,664)	34,823	(566,369)
Vehicles and Rolling Stock	<u>(3,373,504)</u>	<u>(317,929)</u>	<u>143,685</u>	<u>(3,547,748)</u>
Total Accumulated Depreciation	<u>(5,775,304)</u>	<u>(691,058)</u>	<u>360,053</u>	<u>(6,106,309)</u>
Total Capital Assets Being Depreciated, Net	<u>4,647,244</u>	<u>7,891,296</u>	<u>739,210</u>	<u>12,519,436</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,324,702</u>	<u>\$ 10,075,597</u>	<u>\$ 3,478,170</u>	<u>\$ 16,642,235</u>

Depreciation expense in the amount of \$691,058 was charged to the operations function in the Statement of Activities for the year ended December 31, 2017. Of this amount, amortization expense on assets acquired under existing capital leases was \$171,636.

Note 5. Long-term Debt

General Obligation Bonds. On July 26, 2016, the District issued \$23,450,000 in General Obligation Bonds. The proceeds from the bond issuance were used to refund the outstanding Certificates of Participation, Series 2015 and to acquire land, build new fire stations in Avon and Edwards, construct a training facility and to pay costs of issuing the bonds. The interest rate on the bonds is variable from 2% to 4%. Interest on the bonds is payable semiannual on June 1 and December 1, commencing on June 1, 2017 and ending on December 1, 2046. The bonds constitute a general obligation of the district of which all of the taxable property in the district is subject to an ad valorem tax to pay principal and interest on the bonds. The bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity. The bonds maturing on December 1, 2036, 2041 and 2046 are subject to a mandatory sinking fund redemptions at a redemption price equal to the principal amount of such bonds redeemed plus accrued interest to the redemption date without a redemption premium. The bonds are insured by the Assured Guaranty Municipal Corp. (AGM). The property tax revenue assessed for bond payments may not exceed \$1,300,000 in any

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2017

year. The bonds were issued at a premium of \$1,778,135. The outstanding bond premium is \$1,579,487 and \$198,648 of premium was amortized in 2017.

Total interest expense on General Obligation Bonds in the amount of \$628,235 was charged to expense in the Statement of Activities for the year ended December 31, 2017.

Annual debt service requirements to maturity for the General Obligation Bonds outstanding at December 31, 2017, are as follows:

Year Ending <u>December 31</u>	Governmental Activities	
	Principal	Interest
2018	470,000	825,450
2019	480,000	816,050
2020	500,000	796,850
2021	515,000	781,850
2022	535,000	761,250
2023-2027	3,015,000	3,467,450
2028-2032	3,680,000	2,813,450
2033-2037	4,335,000	2,147,850
2038-2042	5,030,000	1,456,650
2043-2046	4,710,000	480,400
Total General Obligation Bonds	<u>\$ 23,270,000</u>	<u>\$ 14,347,250</u>

Capital Lease Obligations. The following leases are renewable on an annual basis, at the option of the District, for consecutive one year periods. Upon final payment, title to the leased assets will pass to the District. The gross amount of assets acquired under existing capital leases is \$2,468,668. Accumulated amortization on these assets total \$1,054,170 at December 31, 2017. All of the accumulated amortization falls within the asset class of vehicles and rolling stock.

Outstanding Leases

Vehicle Leased	Lease Begin Date	Lease End Date	Annual Payment	Interest Rate	Balance 12/31/2017
Pierce Aerial Platform Truck	2012	2018	\$ 111,679	2.31%	\$ 109,127
Pierce Wildland Type 3 Truck	2013	2020	47,741	1.66%	138,598
Pierce Arrow Pumper Truck	2013	2020	92,695	2.03%	267,175
Pierce Arrow Pumper Truck	2014	2021	88,934	2.18%	337,164
Truck to be delivered in 2018	2017	2024	108,939	2.29%	697,164
					<u>\$ 1,549,228</u>

The District may terminate any of the leases by paying the applicable purchase option price on any scheduled payment date. Total interest expense on capital lease obligations in the amount of \$30,483 was charged to expense in the Statement of Activities for the year ended December 31, 2017.

Annual debt service requirements to maturity for capital lease obligations outstanding at December 31, 2017, are as follows:

Year Ending <u>December 31</u>	Governmental Activities	
	Principal	Interest
2018	\$ 416,377	\$ 33,611
2019	313,685	24,625
2020	320,256	18,053
2021	186,529	11,344
2022-2024	<u>312,381</u>	<u>14,438</u>
Total Capital Lease Obligations	<u>\$ 1,549,228</u>	<u>\$ 102,071</u>

Prior Year Defeasance of Debt. In prior years, the District defeased Certificates of Participation (COP's) by placing proceeds of the new COP's or bonds in an irrevocable trust to provide for all future debt service payments on the old COP's. Accordingly, the trust accounts and the liability for the defeased COP's are not included in the District's financial statements. At December 31, 2017, the following Certificates outstanding are considered defeased:

	Governmental Activities
Certificates of Participation:	
Series 2010	\$ 3,395,000
Series 2015	<u>1,300,000</u>
Total Certificates of Participation	<u>\$ 4,695,000</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED DECEMBER 31, 2017

Changes in Long-term Liabilities. Long-term liability activity for the year ended December 31, 2017, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 23,450,000	\$ -	\$ 180,000	\$ 23,270,000	\$ 470,000
Bond Premium	1,778,135	-	198,648	1,579,487	148,195
Capital Lease Obligations	1,168,781	697,164	316,717	1,549,228	416,377
Compensated Absences	<u>185,852</u>	<u>372,655</u>	<u>354,621</u>	<u>203,886</u>	<u>203,886</u>
Total Long-term Liabilities	<u>\$ 26,582,768</u>	<u>\$ 1,069,819</u>	<u>\$ 1,049,986</u>	<u>\$ 26,602,601</u>	<u>\$ 1,238,458</u>

Total interest incurred and charged as an expense in the Statement of Activities during the year ended December 31, 2017 was \$658,718.

Note 6. Intergovernmental Agreements

General. The District is a party to numerous intergovernmental agreements, including: various emergency management and mutual aid agreements with other fire protection agencies, Eagle County, State of Colorado and federal agencies; a dispatch contract with the Town of Vail; vehicle maintenance and refueling contracts with the Town of Avon and Cordillera Metropolitan District; a plan review and fire code inspection and enforcement agreement with Eagle County; and a wildfire mitigation memorandum of understanding with various agencies.

The District leases some of its fire stations pursuant to 99-year lease terms with the municipalities and metropolitan districts in which they are located. Pursuant to the leases, the stations revert to the owner if they cease to be used for emergency services purposes.

Regional Hazardous Materials Association of Eagle County (RHMAEC). The District is an Operational Member of the Regional Hazardous Materials Association of Eagle County which was formed as a separate governmental entity pursuant to an intergovernmental agreement dated as of October 21, 2002, and subsequently amended on October 9, 2012, among the District, the Town of Vail, the Greater Eagle Fire Protection District, the Gypsum Fire Protection District, the Eagle County Sheriff and the Colorado State Patrol (each an Operating Member). RHMAEC was formed to provide coordinated planning, information management and reporting, training, education, coordination, rapid deployment of qualified personnel and proper equipment for pre- and initial hazardous substance emergency action and the financial management necessary to achieve the purposes of the IGA and minimize the effects of hazardous substance incidents within Eagle

County. Member contributions are proposed annually by the RHMAEC Board of Directors and approved by the governing body of each Operating Member.

Emergency Service Impact Fees. The District has entered into substantially similar intergovernmental agreements with Eagle County, the Town of Avon, the Town of Red Cliff and the Town of Minturn for the collection of emergency service impact fees. Subject to specified refund provisions, the funds collected must be transferred to the District within 60 days of receipt, less a 6% administrative fee. Impact fees are required to be accounted for in a separate interest-bearing fund. The impact fee is currently imposed based upon the size of the water meter required for the development and range from \$1,671 for a ¾-inch meter to \$240,988 for a twelve-inch meter. The impact fee may be reviewed and revised annually based upon specified Consumer Price Index criteria. Waivers may be granted by the applicable governing body with respect to the development of low or moderately priced housing units for sale or lease to low or moderate income persons; provided that the parties to the development must restrict the future use of the applicable units.

Pursuant to each agreement, impact fees are collected at the time a building permit is issued. Unpaid impact fees constitute a prior, perpetual lien upon each lot or parcel subject to the fee; unpaid fees are certified to the Eagle County Treasurer for collection in the same manner as delinquent property taxes. Certificates of occupancy also may be withheld until the impact fees are paid. Impact fees collected must be used, in conjunction with District funds, to fund capital facilities, vehicles, and equipment necessary to provide emergency services needed to serve development as specified in the currently applicable impact fee study adopted by the respective municipality or Eagle County.

Beaver Creek Metropolitan District Agreement. The District entered into an Agreement for Fire Protection and Emergency Services with Beaver Creek Metropolitan District (BCMD) dated as of January 1, 2005, and amended as of May 8, 2008 (the “BCMD Agreement”). The BCMD Agreement was approved by BCMD voters as a multiple-fiscal year obligation for purposes of Article X, Section 20 of the State Constitution.

Pursuant to the BCMD Agreement, the District provides contracted fire protection and emergency services within the BCMD service area. BCMD provides an existing fire station for the District’s use, together with specified firefighting and communication equipment and two full-time public safety officers holding specified firefighting and/or emergency medical technician certifications. BCMD retains ownership of the fire station and its equipment and generally is responsible for purchasing additional vehicles and equipment needed to provide services. The District is responsible for repair and maintenance of the fire station and for maintaining equipment.

The BCMD Agreement had a ten year term, which ended on December 31, 2014. BCMD paid the District, as compensation for fire services, an annual fee (\$839,000 in 2005) that increased annually based upon a specified Consumer Price Index (CPI) formula. The District has entered into a new agreement with BCMD effective January 1, 2015, for a five year term with three

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED DECEMBER 31, 2017

additional two-year optional renewals. The terms are generally similar to the previous agreement. The fee was \$1,201,299 for the year ended December 31, 2017.

Facilities Management Agreement. The District entered into an Intergovernmental Agreement (IGA) with the Town of Avon on April 28, 2015 for the purpose of jointly designing, financing, and constructing a Joint Public Safety Facility in the Town of Avon. The IGA expires on June 2, 2020. The IGA provides for a number of covenants and mutual agreements including temporary financing, design, construction bid process, construction financing, sale and conveyance of land, and construction. As of December 31, 2017 there have been three amendments to the IGA including entering into a memorandum of agreement regarding cost sharing, and the waiver of various fees by both parties.

The District entered into an IGA with the Town of Avon on September 26, 2017. This agreement amends and replaces all prior intergovernmental agreements with the Town of Avon regarding the joint fire –police station facility. The agreement addresses ownership, operation, and maintenance of the joint facility. The District and the Town agree to meet at least annually no later than June 15th to review and update the facility management plan and to budget for the following years obligations by July 31st. The parties agree to annually budget and contribute to a reserve fund. Each party has the right of first refusal if the other party wants to sale their portion of the space. The reserve fund was not funded in 2017 by either party.

Note 7. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance for significant insurable risks. Settled claims did not exceed this commercial coverage in any of the past three fiscal years.

Note 8. Commitments and Contingencies

Litigation. The District is not aware of any pending or threatened lawsuits.

Contractual Commitments. On January 23, 2017, the District entered into a contract with Pierce Manufacturing, Inc. for the purchase of a Pierce Arrow XT 4X4 PUC Pumper truck in the amount of \$697,164. The terms of the agreement provide for a chassis prepayment three months after signed contract. This payment was made to Pierce on March 30, 2017. A remaining payment to Pierce in the amount of \$311,366 is due upon delivery and acceptance of the truck by the District.

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

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is

generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR also requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has established an emergency reserve for the year ended December 31, 2017 in the amount of \$356,069.

On May 2, 2000, a majority of the District's electors authorized the District to collect and spend, or retain in a reserve, all taxes related to a mill levy of 3.8 mills and other fees of the District without regard to any limitations under TABOR, or the statutory 5.5% property tax levy limitation contained in Colorado Revised Statutes Section 29-1-301. On May 4, 2006, a majority of the District's electors authorized a mill levy increase from the 3.8 mills to 5.55 mills. On November 6, 2012, a majority of the District's electors authorized a supplemental mill levy that may increase up to 3.77 mills over and above the existing mill levy of 5.55 mills (total of 9.32 mills). It is expected that this a supplemental mill levy will generate property tax revenues equal to the 2010 property tax revenues as adjusted by inflation and local growth.

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

On May 3, 2016 a majority of the District's electors authorized an annual tax increase not to exceed \$1,300,000 annually to pay for the General Obligation Bonds, Series 2016.

Construction contracts. The District had various building projects in process with remaining estimated costs of \$9,907,202 million as of December 31, 2017.

Note 9. Employee Retirement Plans

Full-time Employees. The District, under the authority granted it by Colorado Revised Statute Title 32, Article 1, has established and maintains two single-employer, defined contribution pension plans for full-time employees: (1) Eagle River Fire Protection District Firefighters Money Purchase Pension Plan, and (2) Eagle River Fire Protection District Administrative Employees Money Purchase Pension Plan. Effective May 1, 2012, these plans are administered by OneAmerica.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED DECEMBER 31, 2017

All full-time employees are required to participate in one of the above retirement plans upon employment with the District. The type of plan that an employee participates in is dependent on the type of employee (firefighter or administrative). Each plan provides that both the employee and the District will contribute an amount equal to 11% of the employee's base salary each month. Employees start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions.

During the year ended December 31, 2017 there were no differences between contribution requirements and contributions actually made by plan participants or the District. Contributions made by plan members and the District for the three years ended December 31, 2017, are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employees	<u>\$ 497,165</u>	<u>\$ 458,886</u>	<u>\$ 458,618</u>
District	<u>\$ 497,165</u>	<u>\$ 458,886</u>	<u>\$ 458,618</u>

Both the District and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the District's matching payments. No major changes in the various plan's provisions occurred in 2017. As of December 31, 2017 there were 3 participants in the Administrative plan and 76 participants in the Firefighters plan.

Part-time, Temporary and Seasonal Employees. On December 31, 2000, the District adopted a PTS Retirement Plan (PTS plan) established under Section 457 of the Internal Revenue Code that pertains to deferred compensation plans. Effective May 1, 2012, this plan is administered by OneAmerica.

The PTS Plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan allows qualifying participants to defer federal and state income taxes on savings until retirement. Part-time employees are automatically enrolled in the PTS plan and do not have an option to contribute additional amounts. The PTS plan requires a contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution or a combination of both. The District has elected to have 3.75% contributed by each employee and 3.75% matched by the District. As of December 31, 2017 there were 6 participants in the PTS plan.

Upon separation of service, participants may roll the account balance over into another 457 plan. If not rolled over, balances are automatically paid-out to the participant. Taxes are paid when

funds are withdrawn from the plan. Contributions actually made by plan members and the District for the three years ended December 31, 2017, are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employees	<u>\$ 1,418</u>	<u>\$ 1,191</u>	<u>\$ 4,329</u>
District	<u>\$ 1,418</u>	<u>\$ 1,191</u>	<u>\$ 4,329</u>

Both the District and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the District's matching payments. As of December 31, 2017 there were 6 participants in the PTS plan.

Note 10. 457 Deferred Compensation Plan

The District offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by OneAmerica and allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2017 there were 55 participants in the 457 plan.

REQUIRED SUPPLEMENTARY INFORMATION

EAGLE RIVER FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

(BUDGETARY BASIS) - BUDGET AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 8,760,107	\$ 8,762,888	\$ 8,804,155	\$ 41,267
Licenses and Permits	50,000	50,000	36,013	(13,987)
Intergovernmental	1,000	1,951	5,629	3,678
Charges for Services	1,203,636	1,201,300	1,201,299	(1)
Investment Earnings	15,000	64,000	64,603	603
Miscellaneous	12,500	22,500	33,122	10,622
Total Revenues	10,042,243	10,102,639	10,144,821	42,182
Expenditures				
Current:				
Support Services	2,076,630	2,121,146	1,899,462	221,684
Operations	6,922,822	7,107,308	6,978,627	128,681
Health, Wellness and Safety	158,695	149,257	146,080	3,177
Fire Prevention and Community Risk Mgmt.	407,753	371,865	357,865	14,000
Debt Service:				
Principal & Interest	341,049	341,049	341,049	-
Total Expenditures	9,906,949	10,090,625	9,723,083	367,542
Excess (Deficiency) of Revenues Over (Under) Expenditures	135,294	12,014	421,738	409,724
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	697,164	697,164	-
Disposition of Capital Assets	-	16,800	18,501	1,701
Total Other Financing Sources (Uses)	-	713,964	715,665	1,701
Net Change in Fund Balances	135,294	725,978	1,137,403	411,425
Fund Balances, Beginning of Year	3,562,506	3,962,834	3,962,834	-
Fund Balances, End of Year	\$ 3,697,800	\$ 4,688,812	\$ 5,100,237	\$ 411,425

EAGLE RIVER FIRE PROTECTION DISTRICT

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION DECEMBER 31, 2017

Note 1. Budgetary Information

An annual budget is legally adopted on a basis consistent with generally accepted accounting principles for all funds. Appropriations lapse at fiscal year-end. The budget is prepared by fund, program, activity, and object. Expenditures may not legally exceed budgeted appropriations at the fund level.

The Board of Directors holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Board must adopt the budget by resolution prior to December 15th. Once adopted, the Board can modify the budget by line item within a fund's total appropriation without notification. Upon meeting notification and publication requirements, supplemental amendments increasing appropriations may be passed by resolution of the Board of Directors.

OTHER SUPPLEMENTAL INFORMATION

EAGLE RIVER FIRE PROTECTION DISTRICT

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,350,000	\$ 1,351,826	\$ 1,368,112	\$ 16,286
Investment Earnings	2,000	2,325	4,235	1,910
Total Revenues	<u>1,352,000</u>	<u>1,354,151</u>	<u>1,372,347</u>	<u>18,196</u>
Expenditures				
Support Services	39,000	39,000	38,782	218
Debt Service:				
Principal	180,000	180,000	180,000	-
Interest	1,116,915	1,116,915	1,116,915	-
Fiscal Agent Fees	-	1,000	1,000	-
Total Expenditures	<u>1,335,915</u>	<u>1,336,915</u>	<u>1,336,697</u>	<u>218</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,085	17,236	35,650	18,414
Net Change in Fund Balances	16,085	17,236	35,650	18,414
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ 16,085</u>	<u>\$ 17,236</u>	<u>\$ 35,650</u>	<u>\$ 18,414</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

DEBT SERVICE FUND COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEARS ENDING DECEMBER 31, 2017 AND 2016

	2017	2016
Revenues		
Taxes	\$ 1,368,112	\$ -
Investment Earnings	4,235	1
Total Revenues	<u>1,372,347</u>	<u>1</u>
Expenditures		
Support Services	38,782	-
Debt Service:		
Principal	180,000	71,799
Interest	1,116,915	18,721
Fiscal Charges	1,000	2,000
Total Expenditures	<u>1,336,697</u>	<u>92,520</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,650	(92,519)
Other Financing Sources (Uses)		
Transfers In	-	92,519
Total Other Financing Sources (Uses)	<u>-</u>	<u>92,519</u>
Net Change in Fund Balances	35,650	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 35,650</u>	<u>\$ -</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

CAPITAL IMPACT FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 140,247	\$ 187,152	\$ 158,590	\$ (28,562)
Investment Earnings	3,400	5,400	6,000	600
Total Revenues	<u>143,647</u>	<u>192,552</u>	<u>164,590</u>	<u>(27,962)</u>
Expenditures				
Support Services	8,415	11,230	9,515	1,715
Total Expenditures	<u>8,415</u>	<u>11,230</u>	<u>9,515</u>	<u>1,715</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	135,232	181,322	155,075	(26,247)
Net Change in Fund Balances	135,232	181,322	155,075	(26,247)
Fund Balances, Beginning of Year	<u>467,102</u>	<u>461,068</u>	<u>461,068</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 602,334</u>	<u>\$ 642,390</u>	<u>\$ 616,143</u>	<u>\$ (26,247)</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

CAPITAL IMPACT FEE FUND COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEARS ENDING DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Intergovernmental	\$ 158,590	\$ 133,728
Investment Earnings	<u>6,000</u>	<u>2,530</u>
Total Revenues	<u>164,590</u>	<u>136,258</u>
Expenditures		
Support Services	<u>9,515</u>	<u>8,060</u>
Total Expenditures	<u>9,515</u>	<u>8,060</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,075	128,198
Net Change in Fund Balances	155,075	128,198
Fund Balances, Beginning of Year	<u>461,068</u>	<u>332,870</u>
Fund Balances, End of Year	<u><u>\$ 616,143</u></u>	<u><u>\$ 461,068</u></u>

EAGLE RIVER FIRE PROTECTION DISTRICT

CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment Earnings	\$ 25,000	\$ 170,000	\$ 187,230	\$ 17,230
Total Revenues	<u>25,000</u>	<u>170,000</u>	<u>187,230</u>	<u>17,230</u>
Expenditures				
Capital Outlay	8,822,528	9,304,780	7,912,035	1,392,745
Total Expenditures	<u>8,822,528</u>	<u>9,304,780</u>	<u>7,912,035</u>	<u>1,392,745</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,797,528)</u>	<u>(9,134,780)</u>	<u>(7,724,805)</u>	<u>1,409,975</u>
Net Change in Fund Balances	(8,797,528)	(9,134,780)	(7,724,805)	1,409,975
Fund Balances, Beginning of Year	<u>20,254,797</u>	<u>20,288,830</u>	<u>20,288,830</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 11,457,269</u>	<u>\$ 11,154,050</u>	<u>\$ 12,564,025</u>	<u>\$ 1,409,975</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

CAPITAL PROJECTS FUND COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEARS ENDING DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Investment Earnings	\$ 187,230	\$ 77,306
Total Revenues	<u>187,230</u>	<u>77,306</u>
Expenditures		
Capital Outlay	<u>7,912,035</u>	<u>2,434,525</u>
Total Expenditures	<u>7,912,035</u>	<u>2,434,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,724,805)	(2,357,219)
Other Financing Sources (Uses)		
Debt Issuance	-	23,545,240
Cost of Debt Issuance	-	(293,229)
Transfers Out	<u>-</u>	<u>(605,962)</u>
Total other Financing Sources (uses)	<u>-</u>	<u>22,646,049</u>
Net Change in Fund Balances	(7,724,805)	20,288,830
Fund Balances, Beginning of Year	<u>20,288,830</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 12,564,025</u>	<u>\$ 20,288,830</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

EQUIPMENT REPLACEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services:				
Equipment Replacement Charges	\$ 151,074	\$ 144,774	\$ 144,774	\$ -
Investment Earnings	1,500	5,700	6,311	611
Total Revenues	<u>152,574</u>	<u>150,474</u>	<u>151,085</u>	<u>611</u>
Expenditures:				
Capital Outlay	<u>49,500</u>	<u>49,500</u>	<u>49,401</u>	<u>99</u>
Total Expenditures	<u>49,500</u>	<u>49,500</u>	<u>49,401</u>	<u>99</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,074	100,974	101,684	710
Net Change in Fund Balances	103,074	100,974	101,684	710
Fund Balances, Beginning of Year	<u>604,306</u>	<u>604,717</u>	<u>604,717</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 707,380</u>	<u>\$ 705,691</u>	<u>\$ 706,401</u>	<u>\$ 710</u>

Fund Balances at December 31, 2017, is computed as follows:

Current Assets	\$ 706,401
Less: Current Liabilities	<u>-</u>
Fund Balances - December 31, 2017	<u>\$ 706,401</u>

**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)
TO CHANGE IN NET ASSETS (GAAP BASIS)**

Net Change in Fund Balances (Budgetary Basis) \$ 101,684

**Adjustments to Reconcile Budgetary
Basis to GAAP Basis**

Capital Outlay 36,853
Depreciation (124,910)

Total Adjustments (88,057)

Change in Net Assets(GAAP Basis) \$ 13,627

STATISTICAL SECTION

STATISTICAL SECTION

This section of the District’s Comprehensive Annual Financial Report (“CAFR”) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District’s overall financial health.

Financial Trends (Pages 56-64) – These schedules contain trend information to help readers understand how the District’s financial performance and well-being have changed over time.

Revenue Capacity (Pages 65-68) – These schedules contain information to help readers understand and assess the factors affecting the District’s ability to generate its own-source revenues, specifically property taxes.

Debt Capacity (Pages 69-72) – These schedules present information to help readers understand and assess the District’s debt burden and ability to issue additional debt.

Demographic and Economic Information (Pages 73-74) – These schedules offer demographic and economic information to help readers understand the environment in which the District’s financial activities take place and to provide information that facilitates comparisons of financial statement information over time and among other local governments.

Operating Information (Pages 76-81) – These schedules contain service and infrastructure information to help readers understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.

EAGLE RIVER FIRE PROTECTION DISTRICT

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Governmental Activities				
Net Investment in Capital Assets	\$ 3,379,466	\$ 3,531,904	\$ 3,719,037	\$ 2,877,089
Restricted:				
Emergencies	197,096	234,598	231,775	245,695
Debt Service	-	-	-	403,918
Capital Improvements	-	76,888	135,866	188,365
Unrestricted	<u>2,091,544</u>	<u>2,359,711</u>	<u>2,289,620</u>	<u>3,153,116</u>
Total Governmental Activities Net Position	<u>\$ 5,668,106</u>	<u>\$ 6,203,101</u>	<u>\$ 6,376,298</u>	<u>\$ 6,868,183</u>

Source: Eagle River Fire Protection District

Fiscal Year					
2012	2013	2014	2015	Restated 2016	2017
\$ 3,385,240	\$ 2,896,348	\$ 4,168,600	\$ 3,354,315	\$ 3,245,913	\$ 2,835,864
206,954	256,148	286,905	294,218	305,311	356,069
403,898	403,898	399,505	-	-	-
3,152	103,318	222,256	332,870	20,749,898	13,492,922
3,344,517	4,261,890	3,526,232	3,736,391	(16,496,796)	(7,597,995)
<u>\$ 7,343,761</u>	<u>\$ 7,921,602</u>	<u>\$ 8,603,498</u>	<u>\$ 7,717,794</u>	<u>\$ 7,804,326</u>	<u>\$ 9,086,860</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Expenses				
Governmental Activities:				
Fire Protection - Operations	\$ 5,083,556	\$ 6,495,518	\$ 6,918,462	\$ 7,133,289
Capital Improvements	338,942	65,053	224,956	-
Depreciation	484,730	583,382	557,380	477,444
Bond Issuance Costs	-	-	-	-
Interest on Long-term Debt	28,769	123,582	80,448	370,563
Total Governmental Activity Expenses	5,935,997	7,267,535	7,781,246	7,981,296
Program Revenues				
Governmental Activities:				
Charges for Services	1,030,822	916,436	954,516	952,902
Licenses and Permits	77,968	46,666	33,298	24,108
Capital Grants and Contributions	-	-	-	-
Operating Grants	2,734	7,005	233,024	225,067
Total Governmental Activity Program Revenues	1,111,524	970,107	1,220,838	1,202,077
Total Governmental Activity Net Program Revenue (Expense) - Primary Government	(4,824,473)	(6,297,428)	(6,560,408)	(6,779,219)
General Revenues				
Governmental Activities:				
Property and Specific Ownership Taxes	5,119,006	6,553,435	6,632,087	7,030,746
Intergovernmental	153,572	153,532	66,572	148,998
Unrestricted Investment Earnings	153,945	95,542	17,259	5,093
Miscellaneous	32,805	47,314	17,687	96,577
Refunding Escrow	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	(17,400)	-	257,614
Total Governmental Activity General Revenues	5,459,328	6,832,423	6,733,605	7,539,028
Change in Net Position - Primary Government	\$ 634,855	\$ 534,995	\$ 173,197	\$ 759,809

Source: Eagle River Fire Protection District

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 6,388,155	\$ 7,245,745	\$ 8,075,972	\$ 8,880,198	\$ 9,032,081	\$ 9,382,710
-	-	-	-	-	-
466,468	462,349	571,717	591,096	585,691	691,058
-	-	-	-	223,966	5,052
314,939	298,609	307,597	161,463	400,400	658,718
7,169,562	8,006,703	8,955,286	9,632,757	10,242,138	10,737,538
993,517	1,000,138	1,097,767	1,286,609	1,228,536	1,201,299
28,135	43,006	53,019	47,519	-	36,013
-	-	-	-	-	-
173,955	50,500	-	-	-	-
1,195,607	1,093,644	1,150,786	1,334,128	1,228,536	1,237,312
(5,973,955)	(6,913,059)	(7,804,500)	(8,298,629)	(9,013,602)	(9,500,226)
5,443,919	7,316,232	8,210,770	8,409,806	8,535,709	10,172,267
282,100	145,326	250,456	203,671	346,389	308,993
11,569	6,380	6,214	9,520	114,145	268,378
114,641	23,990	18,956	17,662	88,147	33,122
-	-	-	(817,601)	-	-
2,679	(1,028)	-	(410,133)	15,744	-
5,854,908	7,490,900	8,486,396	7,412,925	9,100,134	10,782,760
\$ (119,047)	\$ 577,841	\$ 681,896	\$ (885,704)	\$ 86,532	\$ 1,282,534

EAGLE RIVER FIRE PROTECTION DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Taxes	\$ 6,553,435	\$ 6,632,087	\$ 7,111,566	\$ 7,030,746
Licenses and Permits	46,666	33,298	33,587	24,108
Intergovernmental	160,537	299,596	390,667	374,065
Charges for Services	916,436	954,516	936,621	952,902
Investment Earnings	95,542	17,259	11,387	5,093
Miscellaneous	47,314	17,687	32,036	96,577
Total Revenues	7,819,930	7,954,443	8,515,864	8,483,491
Expenditures				
Current:				
General and Administrative	1,394,594	1,412,775	1,398,537	1,311,730
Emergency Response	4,430,253	4,758,312	5,094,544	5,283,087
Fire Prevention	325,919	363,723	322,928	115,920
Training	292,729	308,197	282,965	182,756
Resident Program	36,891	65,039	65,507	84,046
Support Services	-	-	-	-
Operations	-	-	-	-
Health, Wellness and Safety	-	-	-	-
Fire Prevention and Community Risk Mgmt.	-	-	-	-
Capital Improvements	1,602,025	497,888	3,689,772	171,434
Debt Service:				
Principal	281,566	360,184	474,030	489,007
Interest and Fiscal Charges	66,248	91,610	341,571	351,190
Bond Issuance Costs	-	-	182,572	-
Total Expenditures	8,430,225	7,857,728	11,852,426	7,989,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	(610,295)	96,715	(3,336,562)	494,321
Other Financing Sources (Uses)				
Transfers In	-	-	767,668	402,744
Transfers Out	-	-	(767,668)	(402,744)
Bond Issuance	-	-	4,465,000	-
Capital Lease Issuance	953,922	-	-	-
Payment to Refunding Escrow	-	-	-	-
Disposal of Capital Assets/Insurance Recovery	-	-	-	-
Total Other Financing Sources (Uses)	953,922	-	4,465,000	-
Net Change in Fund Balances	\$ 343,627	\$ 96,715	\$ 1,128,438	\$ 494,321
Debt Service as a Percentage of Noncapital Expenditures	5.09%	6.14%	9.99%	10.75%

Source: Eagle River Fire Protection District

Note: In 2014 the District revised the organization of its budget and accounting system to a program/activity-based structure.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 5,443,919	\$ 7,316,232	\$ 8,210,770	\$ 8,409,806	\$ 8,535,709	\$ 10,172,267
28,135	43,006	53,019	47,519	59,957	36,013
456,055	195,826	250,456	156,152	213,103	164,219
993,517	1,000,138	1,024,069	1,166,597	1,168,579	1,201,299
11,569	6,380	6,214	9,520	110,918	262,068
114,641	23,990	18,956	17,662	88,147	33,122
<u>7,047,836</u>	<u>8,585,572</u>	<u>9,563,484</u>	<u>9,807,256</u>	<u>10,176,413</u>	<u>11,868,988</u>
1,282,945	1,294,661	-	-	-	-
4,803,392	5,652,215	-	-	-	-
89,451	107,071	-	-	-	-
156,338	163,972	-	-	-	-
3,187	-	-	-	-	-
-	-	1,770,798	1,838,198	1,912,998	1,947,759
-	-	6,180,777	6,532,771	6,628,447	6,978,627
-	-	48,925	112,597	122,130	146,080
-	-	170,691	264,398	346,519	357,865
543,238	823,527	1,602,466	2,115,652	3,344,466	7,912,035
505,532	366,190	499,335	455,512	381,945	496,717
338,196	296,081	301,060	195,659	49,624	1,142,247
-	-	-	80,000	316,193	-
<u>7,722,279</u>	<u>8,703,717</u>	<u>10,574,052</u>	<u>11,594,787</u>	<u>13,102,322</u>	<u>18,981,330</u>
<u>(674,443)</u>	<u>(118,145)</u>	<u>(1,010,568)</u>	<u>(1,787,531)</u>	<u>(2,925,909)</u>	<u>(7,112,342)</u>
406,295	404,264	397,558	296,541	698,481	-
(406,295)	(404,264)	(731,530)	(296,541)	(698,481)	-
-	-	-	2,432,989	25,228,135	-
-	913,346	571,620	-	-	697,164
-	-	-	(4,677,602)	(1,664,297)	-
<u>2,679</u>	<u>-</u>	<u>-</u>	<u>3,593,613</u>	<u>277,651</u>	<u>18,501</u>
<u>2,679</u>	<u>913,346</u>	<u>237,648</u>	<u>1,349,000</u>	<u>23,841,489</u>	<u>715,665</u>
<u>\$ (671,764)</u>	<u>\$ 795,201</u>	<u>\$ (772,920)</u>	<u>\$ (438,531)</u>	<u>\$ 20,915,580</u>	<u>\$ (6,396,677)</u>
11.75%	8.40%	8.92%	6.87%	4.42%	14.81%

EAGLE RIVER FIRE PROTECTION DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ 113,352	\$ 1,850	\$ 1,879	\$ 26,322	\$ 13,163
Restricted	234,598	231,775	245,695	258,170	206,954
Committed	-	-	-	156,118	-
Unassigned	2,508,922	2,549,588	3,207,659	3,968,531	3,586,235
Total General Fund	2,856,872	2,783,213	3,455,233	4,409,141	3,806,352
All Other Governmental Funds					
Restricted	76,888	135,866	592,283	476,025	407,050
Total All Other Governmental Funds	\$ 76,888	\$ 135,866	\$ 592,283	\$ 476,025	\$ 407,050
	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 61,380	\$ 56,825	\$ 5,375	\$ 708	\$ -
Restricted	256,148	286,905	294,218	305,311	668,823
Committed	-	-	-	-	-
Unassigned	4,183,859	3,270,192	3,164,689	3,656,815	4,431,414
Total General Fund	4,501,387	3,613,922	3,464,282	3,962,834	5,100,237
All Other Governmental Funds					
Restricted	507,216	621,761	332,870	20,749,898	13,215,818
Total All Other Governmental Funds	\$ 507,216	\$ 621,761	\$ 332,870	\$ 20,749,898	\$ 13,215,818

Source: Eagle River Fire Protection District

Note:

(1) Fiscal years 2008 through 2011 have been reclassified with implementation of GASB Statement No. 54 in fiscal year 2011.

EAGLE RIVER FIRE PROTECTION DISTRICT

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Year	Property Taxes				Specific Ownership Tax	Total
	Current	Delinquent	Interest	Abatements		
2008	6,234,834	386	10,207	-	308,008	6,553,435
2009	6,331,030	34,357	21,851	(15,897)	260,746	6,632,087
2010	6,927,743	247	18,801	(69,055)	233,830	7,111,566
2011	6,877,886	5,797	15,201	(90,724)	222,586	7,030,746
2012	5,240,799	(1,229)	11,232	(13,018)	206,135	5,443,919
2013	7,018,843	2,592	14,724	(7,576)	287,649	7,316,232
2014	7,835,306	742	15,647	(39,626)	398,701	8,210,770
2015	7,981,854	586	15,792	(3,230)	414,804	8,409,806
2016	8,133,111	1,309	16,080	(7,649)	392,858	8,535,709
2017	9,658,300	758	17,664	(10,364)	505,909	10,172,267

Source: Eagle County Treasurer

EAGLE RIVER FIRE PROTECTION DISTRICT

CAPITAL IMPACT FEES COLLECTED LAST TEN FISCAL YEARS (1)

Year	Collection Entity				Collection Fees	Net Capital Impact Fees Received
	Eagle County	Town of Avon	Town of Minturn	Town of Red Cliff		
2008	\$ 67,180	\$ 14,205	\$ -	\$ -	\$ (5,224)	\$ 76,161
2009	50,135	5,682	6,684	-	(3,911)	58,590
2010	22,226	31,584	1,671	-	(3,329)	52,152
2011	39,104	23,395	5,013	-	(4,051)	63,461
2012	32,519	11,196	-	-	(2,623)	41,092
2013	20,320	82,887	1,671	-	(6,391)	98,487
2014	96,426	28,242	-	1,671	(7,580)	118,759
2015	93,250	23,896	-	-	(7,028)	110,118
2016	101,477	13,870	1,671	16,710	(8,060)	125,668
2017	125,335	29,913	-	3,342	(9,515)	149,075

Source: Eagle River Fire Protection District Finance Office

Note:

(1) The resolution establishing Emergency Services Impact Fee Capital Impact Fund was adopted on September 20, 2007.

EAGLE RIVER FIRE PROTECTION DISTRICT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2007	2008	152,101,310	737,903,270	232,817,110	12,569,340	1,135,391,030
2008	2009	133,519,570	774,792,910	235,187,080	12,628,960	1,156,128,520
2009	2010	140,246,760	872,845,620	248,261,130	13,190,250	1,274,543,760
2010	2011	131,095,740	881,085,550	237,951,110	12,943,210	1,263,075,610
2011	2012	74,752,560	672,664,670	186,073,100	13,847,620	947,337,950
2012	2013	69,844,450	675,783,260	181,422,120	16,619,750	943,669,580
2013	2014	62,936,990	599,821,820	175,685,410	24,742,070	863,186,290
2014	2015	60,248,270	604,343,130	175,994,400	21,725,320	862,311,120
2015	2016	62,043,910	729,341,490	195,498,440	20,916,100	1,007,799,940
2016	2017	57,869,790	736,414,040	194,267,570	21,245,110	1,009,796,510

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2007	2008	2,257,820	1,133,133,210	5.550	10,548,878,270	10.74%
2008	2009	10,266,600	1,145,861,920	5.550	10,951,905,710	10.46%
2009	2010	17,517,540	1,257,026,220	5.550	12,288,069,840	10.23%
2010	2011	17,481,590	1,245,594,020	5.550	12,328,954,040	10.10%
2011	2012	12,538,960	934,798,990	5.650	9,339,867,530	10.01%
2012	2013	12,511,160	931,158,420	7.553	9,354,165,960	9.95%
2013	2014	12,105,380	851,080,910	9.238	8,363,651,680	10.18%
2014	2015	11,501,900	850,809,220	9.392	8,396,651,350	10.13%
2015	2016	16,476,380	991,323,560	8.205	10,122,751,780	9.79%
2016	2017	17,221,870	992,574,640	9.740	10,194,098,140	9.74%

Source: Eagle County Assessor's Office, Selected Authority Abstract

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. Other property includes industrial, natural resources, state assessed, agricultural, and abatements and corrections.

(1) The Avon Urban Renewal Authority was established in August, 2007.

EAGLE RIVER FIRE PROTECTION DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Eagle River Fire Protection District	5.550	5.550	5.550	5.550	5.650	7.553	9.238	9.392	8.205	9.740
Cities and Towns										
Town of Avon	12.271	11.392	11.208	11.220	12.072	11.983	12.258	12.207	11.765	8.956
Town of Minturn	17.934	17.934	17.934	17.934	17.934	17.934	17.934	17.934	17.934	17.934
Town of Red Cliff	38.827	37.820	33.878	33.878	33.878	33.878	33.878	33.878	31.409	32.798
Counties										
Eagle County	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499
Colleges and School Districts										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Eagle County School District RE-50J	20.051	20.414	19.402	19.474	21.601	21.362	20.826	21.517	20.331	25.209
Metropolitan Districts										
Arrowhead Metro.	17.000	17.000	17.000	17.000	17.000	17.000	17.000	17.000	18.500	18.500
Avon Metro.	3.281	2.705	2.535	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Avon Station Metro.	45.000	45.000	45.000	45.000	58.000	58.000	58.000	58.000	58.000	63.000
Bachelor Gulch Metro.	24.000	21.000	21.000	20.000	20.000	20.000	19.000	19.000	17.000	15.000
Bellyache Ridge Metro.	22.500	18.000	18.000	18.000	22.500	22.500	22.500	22.500	14.068	22.500
Berry Creek Metro.	14.496	14.496	13.177	13.177	17.055	16.627	18.172	18.331	18.172	14.095
Confluence Metro.	45.000	45.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cordillera Metro.	23.165	23.165	19.663	19.663	26.535	22.720	25.480	25.740	21.574	20.797
Cordillera Metro. Consolidated	22.900	22.933	20.691	21.135	31.478	31.579	39.691	42.091	36.111	38.034
Cordillera Mtn Metro.	37.220	37.220	33.273	33.273	60.728	56.804	57.011	54.928	41.589	41.479
Cordillera Valley Club Metro.	25.000	25.000	25.000	25.000	25.000	26.297	25.000	26.440	25.000	25.000
Eagle-Vail Metro.	14.835	14.835	19.719	19.720	20.774	20.766	21.937	21.936	20.720	20.755
Edwards Metro.	1.691	1.691	1.515	1.515	1.691	1.691	1.691	1.691	1.691	1.691
Holland Creek Metro.	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000	45.000
Lake Creek Metro.	7.942	8.256	7.684	7.605	8.588	8.829	10.458	10.458	9.000	9.000
Mountain Vista Metro.	33.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Red Sky Ranch Metro.	45.000	45.000	45.000	45.000	65.000	65.000	69.000	69.000	64.000	64.000
Smith Creek Metro.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Village Metro.	15.000	15.000	15.000	40.000	50.000	50.000	50.000	50.000	50.000	50.000
Other Special Districts										
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750
Eagle River Water and Sanitation District	0.826	0.826	0.795	0.796	0.932	0.931	0.946	0.954	0.852	0.849
Colorado River Water Conservancy District	0.191	0.199	0.166	0.188	0.228	0.242	0.242	0.253	0.243	0.253
Eagle County Health Services District	2.019	2.055	1.780	1.768	1.764	2.023	2.006	2.019	2.008	2.755
Avon General Improvement District No. 1	0.000	9.396	9.396	9.396	15.288	15.288	17.557	17.557	14.077	14.005
Minturn Cemetery District	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450	0.450
W. Eagle County Health Services District	5.136	5.136	5.000	5.195	5.195	5.039	5.029	0.000	0.000	0.000
W. Eagle County Metropolitan Recreation District	3.650	3.650	3.650	3.650	3.650	3.650	3.650	3.650	3.650	3.650

Source: Eagle County Assessor's Office, Abstract of Assessment

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. Not all overlapping tax rates apply to all areas of the District.

EAGLE RIVER FIRE PROTECTION DISTRICT

PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2016 Levy Year			2007 Levy Year		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Bachelor Gulch Properties LLC	\$ 14,584,520	1	1.47%	\$ 10,586,700	3	0.93%
Vail Corp.	12,161,590	2	1.23%	11,386,030	1	1.00%
Public Service Co. of Colorado	10,733,280	3	1.08%			0.00%
Vail Associates Inc.	10,579,900	4	1.07%	11,219,460	2	0.99%
CSB Properties Holdings LLC	9,710,940	5	0.98%			
Traer Creek - WMT LLC	5,967,740	6	0.60%	7,508,370	4	0.66%
Avon MOB LLC	4,803,630	7	0.48%			
Ritz-Carlton Dev Co Inc.	4,576,410	8	0.46%	6,940,040	6	0.61%
Holy Cross Electric Assoc Inc.	4,421,480	9	0.45%	3,243,090	12	0.29%
Traer Creek - HD LLC	4,315,330	10	0.43%	5,382,540	9	0.48%
CSMN Investments LLC	4,221,460	11	0.43%			
Wind Rose Properties LLC	4,062,150	12	0.41%			
Avon Wynfield LLC	3,747,820	13	0.38%			
Beaver Creek Vacation Ownership Plan	3,740,230	14	0.38%			
Prime Group Mountain Center	3,654,870	15	0.37%			
Points of Colorado Inc.				6,667,680	7	0.59%
Levine S. Robert				7,065,330	5	0.62%
Traer Creek - L2 LLC				6,051,120	8	0.53%
Behringer Harvard Cordillera LLC				3,812,300	11	0.34%
Riverfront Village Hotel LLC				3,022,540	14	0.27%
ARI Mountain Center LLC				2,963,800	15	0.26%
Eagle Golf LLC				3,131,120	13	0.28%
Chapel Square Ventures LP				5,344,790	10	0.47%
Total Assessed Value of the Fifteen Largest Taxpayers	101,281,350		10.20%	94,324,910		8.32%
Total Gross Assessed Value of Other Taxpayers	891,293,290		89.80%	1,038,808,300		91.68%
Total Gross Assessed Value of All Taxpayers	<u>\$ 992,574,640</u>		<u>100.00%</u>	<u>\$ 1,133,133,210</u>		<u>100.00%</u>

Source: Eagle County Assessor's Office, Selected Authority Abstract

EAGLE RIVER FIRE PROTECTION DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2007	2008	6,288,889	6,234,834	99.14%	386	6,235,220	99.15%
2008	2009	6,359,534	6,331,030	99.55%	34,357	6,365,387	100.09%
2009	2010	6,976,495	6,927,743	99.30%	247	6,927,990	99.30%
2010	2011	6,913,047	6,877,886	99.49%	5,797	6,883,683	99.58%
2011	2012	5,281,614	5,240,799	99.23%	(1,229)	5,239,570	99.20%
2012	2013	7,033,039	7,018,843	99.80%	2,592	7,021,435	99.84%
2013	2014	7,862,286	7,835,306	99.66%	742	7,836,048	99.67%
2014	2015	7,990,800	7,981,854	99.89%	586	7,982,440	99.90%
2015	2016	8,157,638	8,133,111	99.70%	1,309	8,134,420	99.72%
2016	2017	9,667,678	9,631,527	99.63%	758	9,632,285	99.63%

Source: Eagle River Fire Protection District

Notes:

(1) Taxes are due and payable on January 1 based on the prior year's assessed valuation.

(2) Information on outstanding delinquent taxes is not available.

EAGLE RIVER FIRE PROTECTION DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Eagle Co. Personal Income
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Note Payable		
2008	-	-	2,386,984	-	2,386,984	0.09%
2009	-	-	2,026,800	-	2,026,800	0.08%
2010	-	4,365,000	1,652,770	-	6,017,770	0.24%
2011	-	4,250,000	1,278,763	-	5,528,763	0.22%
2012	-	4,125,000	898,231	-	5,023,231	0.20%
2013	-	3,995,000	1,575,387	-	5,570,387	0.28%
2014	-	3,860,000	1,782,640	-	5,642,640	0.21%
2015	-	1,635,000	1,478,927	646,190	3,760,117	0.12%
2016	25,228,135	-	1,168,781	-	26,396,916	0.80%
2017	24,849,487	-	1,549,228	-	26,398,715	0.76%

Source: Eagle River Fire Protection District, Bureau of Economic Analysis

EAGLE RIVER FIRE PROTECTION DISTRICT

RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
General Bonded Debt Outstanding General Obligation Bonds (1)	\$ -	\$ -	\$ -	\$ -
Actual Taxable Property Value	10,548,878,270	10,951,905,710	12,288,069,840	12,328,954,040
Total Gross Assessed Value	1,135,391,030	1,156,128,520	1,274,543,760	1,263,075,610
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.00%	0.00%	0.00%	0.00%
Debt Limit - 50% of Total Assessed Value	\$ 567,695,515	\$ 578,064,260	\$ 637,271,880	\$ 631,537,805
Total Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 567,695,515</u>	<u>\$ 578,064,260</u>	<u>\$ 637,271,880</u>	<u>\$ 631,537,805</u>
Percentage of Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%

Source: Eagle County Assessor's Office, Selected Authority Abstract

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ 25,228,135	\$ 24,849,487
9,339,867,530	9,354,165,960	8,363,651,680	8,396,651,350	10,122,751,780	10,194,098,140
947,337,950	943,669,580	863,186,290	862,311,120	1,007,799,940	1,009,796,510
0.00%	0.00%	0.00%	0.00%	0.25%	0.24%
\$ 473,668,975	\$ 471,834,790	\$ 431,593,145	\$ 431,155,560	\$ 503,899,970	\$ 504,898,255
-	-	-	-	25,228,135	24,849,487
<u>\$ 473,668,975</u>	<u>\$ 471,834,790</u>	<u>\$ 431,593,145</u>	<u>\$ 431,155,560</u>	<u>\$ 478,671,835</u>	<u>\$ 480,048,768</u>
0.00%	0.00%	0.00%	0.00%	5.27%	5.18%

EAGLE RIVER FIRE PROTECTION DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2017

	Total General Obligation Debt Outstanding	Estimated Percentage Applicable to District ^a	Estimated Amount Applicable to District
Direct Debt: (1)			
Eagle River Fire Protection District	\$ 24,849,487	100.00%	\$ 24,849,487
Total Direct Debt	<u>24,849,487</u>		<u>24,849,487</u>
Overlapping Debt:			
Arrowhead Metropolitan District	12,565,000	100.00%	12,565,000
Bachelor Gulch Metropolitan District	9,640,000	100.00%	9,640,000
Berry Creek Metropolitan District	3,000,000	100.00%	3,000,000
Confluence Metropolitan District	21,875,000	100.00%	21,875,000
Cordillera Metropolitan District	6,720,000	100.00%	6,720,000
Cordillera Mountain Metropolitan District	4,070,000	100.00%	4,070,000
Eagle County School District RE-50J	281,775,470	38.40%	108,201,780
Eagle River Water and Sanitation District (Wastewater)	30,390,000	42.35%	12,870,165
Eagle-Vail Metropolitan District	5,085,000	100.00%	5,085,000
Red Sky Ranch Metropolitan District	8,890,000	100.00%	8,890,000
The Village Metropolitan District	<u>6,453,267</u>	100.00%	<u>6,453,267</u>
Total Overlapping Debt	<u>390,463,737</u>		<u>199,370,212</u>
Total Direct and Overlapping Debt	<u>\$ 415,313,224</u>		<u>\$ 224,219,699</u>

Source: Information obtained from individual entities, Eagle County Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Certificates of Participation and Capital Leases are considered direct debt of the District, but are not General Obligation debt and do not require voter approval.

EAGLE RIVER FIRE PROTECTION DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2008	6,919	53,898	49,635	35.70	5,445	209.9	3.60%
2009	6,720	55,269	45,430	36.30	6,249	208.5	7.30%
2010	6,447	52,197	44,709	36.60	6,181	212.4	8.80%
2011	6,388	51,854	48,618	34.00	6,147	220.3	8.60%
2012	6,393	51,874	48,485	35.70	6,408	224.6	8.10%
2013	6,434	52,460	50,416	36.00	6,524	230.8	5.40%
2014	6,478	52,920	57,927	37.10	6,713	237.2	4.20%
2015	6,536	53,580	61,522	36.50	6,804	240.0	3.10%
2016	6,570	53,928	64,581	36.70	6,901	246.6	2.80%
2017	NA	NA	NA	NA	6,980	255.0	NA

Notes: N/A = Information not available. Population information was compiled by the demographic section of the Colorado Division of Local Government and the U.S. Census Bureau. CPI and unemployment information was obtained from the U.S. Bureau of Labor Statistics. School district enrollment was obtained from the Eagle County School District administration office based on October Enrollment. Per Capita Personal Income obtained from Bureau of Economic Analysis, Regional Economic Accounts.

EAGLE RIVER FIRE PROTECTION DISTRICT

PRINCIPAL EMPLOYERS CURRENT YEAR

Employer	2017	
	Employees	Rank
Vail Resorts, Inc.	3,500	1
Eagle County School District RE50J	1,180	2
The Ritz-Carlton Hotel CO LLC	335	3
Gallegos Masonry Inc.	328	4
Westin Riverfront Resort & Spa	285	5
Wal-Mart	253	6
Hyatt Corporation	250	7
City Market	145	8
Maya	143	9
Vail Valley Medical Center (Avon and Edwards)	140	10
Home Depot	120	11
Christie Lodge	107	12
The Charter at Beaver Creek	93	13
Town of Avon	91	14
The Club at Cordillera	60	15

Sources: Various Town of Avon Businesses, Department of Labor, Economic Council of Eagle County

Notes:

- (1) The District did not begin collecting this data until 2009.
- (2) Due to the seasonal nature of the majority of the businesses in the District, these employers have provided estimated employee figures based on the ski season.
- (3) Total employment information on the District is not available.

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EAGLE RIVER FIRE PROTECTION DISTRICT

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function / Program	Full-time Equivalent Employees as of December 31			
	2008	2009	2010	2011
Support Services	2.00	3.00	3.00	3.00
Operations	43.00	52.00	50.00	50.00
Resident Intern Firefighter	21.00	15.00	12.00	17.00
Fire Prevention and Community				
Risk Management	3.00	3.00	1.00	1.00
Training	2.00	2.00	2.00	1.00
Total FTE	71.00	75.00	68.00	72.00

Source: Eagle River Fire Protection District

Note: Full-time equivalent employees include ERFDP staffing for the Beaver Creek Metropolitan District service area.

Full-time Equivalent Employees as of December 31

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
4.00	4.00	4.00	4.00	4.00	4.00
50.00	58.00	59.00	60.00	59.00	60.00
1.00	-	-	-	-	-
1.00	1.00	2.00	3.00	3.00	4.00
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	
<u>57.00</u>	<u>64.00</u>	<u>66.00</u>	<u>68.00</u>	<u>67.00</u>	<u>68.00</u>

EAGLE RIVER FIRE PROTECTION DISTRICT

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Field Operations				
- Non-fire Calls	1,768	1,496	1,419	1,492
- Fire Calls	61	49	57	44
- Emergency Medical Calls	1,026	717	691	662
Support Services				
- Square Footage of Buildings Maintained	31,637	31,637	38,738	38,738
Fire Prevention Services				
- Fire Investigations	3	1	1	7
- Plan Reviews	204	111	152	147
- Burn/Firework Permits	14	25	13	19
- Company Inspections	138	189	178	53
- Public Education	23	44	59	86
Training Hours by Rank				
- Firefighter Training Hours	9,397	5,438	6,223	11,033
- Engineer Training Hours	3,349	3,223	2,009	2,014
- Officer Training Hours	4,618	4,249	3,449	2,424

Source: Eagle River Fire Protection District

Note: Training hours include ERFPD employees for the Beaver Creek Metropolitan District Service area.

Fiscal Year					
2012	2013	2014	2015	2016	2017
1,410	1,496	1,465	1,361	1,571	1,484
51	63	66	64	62	52
628	685	826	894	928	904
38,738	38,738	37,198	43,172	43,172	34,325
8	10	14	17	11	9
124	141	160	90	151	140
27	31	11	13	10	11
97	81	38	56	108	102
57	56	58	53	39	83
3,055	3,383	4,188	3,767	4,709	2,856
1,588	2,224	2,758	2,537	2,944	2,095
2,219	3,095	3,062	2,267	2,769	2,210

EAGLE RIVER FIRE PROTECTION DISTRICT

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year			
	2008	2009	2010	2011
Field Operations				
- Fire Stations	8	8	8	8
- Chief Vehicles	3	3	2	2
- Pumpers	9	9	9	8
- Tender	1	1	1	1
- Brush / Wildfire Trucks	4	4	4	4
- Rescue	1	1	1	1
- Ladder Trucks	1	1	1	1
Support Services				
- Administrative Offices	1	1	1	1
- Chief Vehicles	1	1	1	1
- Station Vehicles	4	4	7	7
Fire Prevention Services				
- Vehicles	3	3	1	1
- Public Education Display	1	1	1	1
Training				
- Vehicles	1	1	1	1
- Academy Staff Vehicle	1	1	1	1
- Training trailer	0	0	0	0
Special operations				
- Tech Rescue trailer	1	1	1	1

Source: Eagle River Fire Protection District

Notes:

- (1) Four fire stations are staffed 24/7 year round. One fire station is used for employee housing.
- (2) Beaver Creek Metropolitan District fire station and vehicles are not included.

Fiscal Year					
2012	2013	2014	2015	2016	2017
8	8	7	6	6	5
2	3	3	3	3	2
7	6	8	7	7	7
1	1	1	1	1	1
3	4	4	3	3	3
1	1	1	1	1	0
1	1	1	1	1	1
1	1	1	1	1	0
2	2	2	2	2	2
6	5	7	6	7	7
1	1	2	3	3	4
1	1	1	1	1	1
1	1	1	1	1	0
0	0	0	0	0	0
0	0	0	0	0	1
1	1	1	1	1	1

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