

**JEFFERSON-COMO FIRE PROTECTION
DISTRICT**
Park County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2017

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Independent Auditor's Report

Board of Directors
Jefferson-Como Fire Protection District
Park County, Colorado

We have audited the accompanying financial statements of the governmental activities and the major fund of Jefferson-Como Fire Protection District (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 and the major fund of Jefferson-

Como Fire Protection District, as of December 31, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages III through VII, the schedule of proportionate share of the net pension liability/(asset) – Fire and Police Pension Administration – Statewide Defined Benefit Plan on page 26, the schedule of District contributions – Fire and Police Pension Association – Statewide Defined Benefit Plan on page 27, the schedule of changes in net pension liability/(asset) – Volunteer Firefighters' Pension Plan on page 28, and the schedule of District contributions – Volunteer Firefighters' Pension Plan on page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
June 13, 2018

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017**

Our discussion and analysis of Jefferson-Como Fire Protection District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the District's basic financial statements which begin on page 1.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements 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 the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government'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 (i.e. uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements detail functions of the District that are principally supported by tax revenues (governmental activities). The governmental activity of the District is public safety.

The government-wide financial statements can be found on pages 1 and 2 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017**

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 expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District adopted an annual appropriated budget for the General Fund. A budgetary comparison statement for the General Fund has been provided to demonstrate compliance with the appropriated budget.

The governmental fund financial statements and the budgetary comparison statement for the General Fund can be found on pages 3 through 6 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 7-25 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information consisting of: the schedule of proportionate share of the net pension liability/(asset) – Fire and Police Pension Administration – Statewide Defined Benefit Plan; the schedule of District contributions – Fire and Police Pension Association – Statewide Defined Benefit Plan; the schedule of changes in net pension liability/(asset) – Volunteer Firefighters' Pension Plan; and the schedule of District contributions – Volunteer Firefighters' Pension Plan, which can be found on pages 26 through 29 of this report. Also included is supplemental information consisting of the schedule of expenditures – budget and actual – General Fund which can be found on page 30 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. As noted in the table below, in the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$2,374,021 as of December 31, 2017.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, fire trucks and accessories, fire equipment (excluding vehicles), and furniture and fixtures) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Current assets increased by \$208,463 from 2016. This increase is the result of increases in the net pension assets for the Volunteer Firefighters' Pension Plan of \$38,589 and increases in cash and investments of \$195,308. These increases were partly offset by decreases in property taxes receivable of \$14,711 and prepaid insurance of \$10,593. Capital asset activity is discussed in the capital asset and debt administration section of this management's discussion and analysis. Deferred property tax revenue decreased by \$14,711 as a result of a decrease in the District's assessed valuation. Liabilities increased by \$15,981, of which the majority was due to an increase in the net pension liability for the Statewide Defined Benefit Plan from a \$886 net pension asset at the end of 2016 to a net pension liability of \$10,323 at the end of 2017.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017**

Total net position increased by \$95,600 from 2016 due to positive operating results. See additional information in the changes in net position discussion below.

NET POSITION

| | December 31, | |
|---------------------------------------|---------------------|---------------------|
| | 2017 | 2016 |
| ASSETS | | |
| Current assets | \$ 1,922,978 | \$ 1,714,515 |
| Capital assets | 990,014 | 1,087,643 |
| Total assets | <u>2,912,992</u> | <u>2,802,158</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pensions | 133,651 | 161,712 |
| Total deferred outflows of resources | <u>133,651</u> | <u>161,712</u> |
| LIABILITIES | | |
| Current liabilities | 21,706 | 16,048 |
| Long-term liabilities | 10,323 | - |
| Total liabilities | <u>32,029</u> | <u>16,048</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred property tax | 617,821 | 632,532 |
| Deferred inflows related to pensions | 22,772 | 36,869 |
| Total deferred inflows of resources | <u>640,593</u> | <u>669,401</u> |
| NET POSITION | | |
| Net investment in capital assets | 990,014 | 1,087,643 |
| Restricted for emergencies | 22,700 | 23,100 |
| Unrestricted | 1,348,918 | 1,167,678 |
| Total net position | <u>\$ 2,361,632</u> | <u>\$ 2,278,421</u> |

The District's overall financial position, as measured by net position, increased \$95,600 during 2017 as noted in the following table. For 2017, the District's revenue decreased by \$15,156 or 2.0%, primarily due to a decrease in grants in 2017. In 2016 the District received \$37,512 of grant revenue related to the purchase of firefighter protective clothing. In 2017 the District received much less in grant revenue and only received \$5,957 for firefighter protective clothing. Overall expenses decreased by \$141,219 or 17.7%. The largest decreases were \$29,490 less in wage and benefits, \$19,296 less in net pension expense, and \$51,459 firefighter protective clothing.

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**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017**

CHANGES IN NET POSITION

| | Years Ended December 31, | |
|---|--------------------------|--------------|
| | 2017 | 2016 |
| REVENUES | | |
| Operating grants and contributions | | |
| Mitigation impact fees | \$ 12,500 | \$ 11,750 |
| Capital grants and contributions | | |
| Grants | 5,957 | 37,512 |
| General revenues: | | |
| Property taxes | 629,830 | 624,041 |
| Specific ownership taxes | 89,825 | 76,128 |
| Payment in lieu of taxes | 2,347 | 13,304 |
| Investment earnings | 7,628 | 3,830 |
| Miscellaneous | 6,097 | 2,775 |
| Total revenue | 754,184 | 769,340 |
| EXPENSES | | |
| Public safety | 670,973 | 799,803 |
| Total operating expenses | 670,973 | 799,803 |
| CHANGE IN NET POSITION | 83,211 | (30,463) |
| NET POSITION - BEGINNING OF YEAR | 2,278,421 | 2,308,884 |
| NET POSITION - END OF YEAR | \$ 2,361,632 | \$ 2,278,421 |

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's governmental fund follows.

Governmental fund: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's general fund reported an ending fund balance of \$688,742. Of this fund balance, \$4,195 represents prepaid expenditures and is, therefore, in nonspendable form and \$22,700 is restricted, meaning it is not available for new spending, because it has already been restricted for emergencies under the Taxpayers' Bill Of Rights (TABOR). In preparing the 2018 Budget, the Board of Directors assigned \$217,598 of the ending 2017 fund balance to be used for expenditures in 2018. The remaining \$444,249 of the fund balance is unassigned. See further explanation of fund balance categories in Note 2 of the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances. The District did not amend its original budget for 2017. The budget to actual comparison details can be seen on page 6 of the financial statements, with further detail

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2017**

on the budget to actual comparison for the expenditures in the supplemental information on page 30 of the financial statements. District revenues were under budget expectations by \$200,448, primarily due to the District receiving \$219,043 less grant revenues than had been budgeted. Actual expenditures were under budget by \$894,510 due to an overall favorable variance in many expenditure categories. The most significant of these categories included \$334,291 of appropriated contingency that was not utilized; \$334,425 less spent on capital outlay due to deferring some purchases to future periods; \$34,130 less spent on fuel and vehicle maintenance as a result of lower fuel prices in 2017 than anticipated; and a \$27,033 favorable variance in utilities comprised of electricity and propane to heat the station due to lower propane prices than anticipated; \$108,102 less spent on administration as a result of lower than anticipated salaries due to fewer employees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets at December 31, 2017 amounted to \$990,014 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and improvements, fire trucks and accessories, and fire equipment (excluding vehicles). The analysis of changes in capital assets is as follows:

**CAPITAL ASSETS
(net of depreciation)**

| | <u>2016</u> | <u>Change</u> | <u>2017</u> |
|----------------------------|---------------------|--------------------|-------------------|
| Land | \$ 16,331 | \$ - | \$ 16,331 |
| Buildings and improvements | 487,940 | (19,792) | 468,148 |
| Vehicles and equipment | 583,372 | (77,837) | 505,535 |
| Total | <u>\$ 1,087,643</u> | <u>\$ (97,629)</u> | <u>\$ 990,014</u> |

During 2017 the District had no capital asset additions.

Additional information on the District's capital assets can be found in Note 4 to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the property tax levied for collection during 2018, the District's assessed valuation decreased by 2.5%, and accordingly the District budgeted to collect 2.5% less in property taxes in 2018. Total budgeted revenues for 2018 are \$790,920. Total appropriated expenditures for 2018 are \$1,418,209, however budgeted expenditures are \$1,008,518. Overall the District appropriated expenditures in excess of revenues by \$627,289 in the General Fund.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Jefferson-Como Fire Protection District, P.O. Box 380, Como, CO 80432.

BASIC FINANCIAL STATEMENTS

JEFFERSON-COMO FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2017

ASSETS

| | |
|--|------------|
| Cash and investments | \$ 699,576 |
| Due from other government | 6,677 |
| Property tax receivable | 617,821 |
| Prepaid insurance | 4,195 |
| Net pension asset - VFPP | 594,709 |
| Capital assets, not being depreciated | 16,331 |
| Capital assets, being depreciated, net | 973,683 |
| Total assets | 2,912,992 |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|---------|
| Deferred outflows related to pension - SWDBP | 56,522 |
| Deferred outflows related to pension - VFPP | 77,129 |
| Total deferred outflows of resources | 133,651 |

LIABILITIES

| | |
|-------------------------------|--------|
| Accounts and wages payable | 21,706 |
| Net pension liability - SWDBP | 10,323 |
| Total liabilities | 32,029 |

DEFERRED INFLOWS OF RESOURCES

| | |
|---|---------|
| Deferred property taxes | 617,821 |
| Deferred inflows related to pension - SWDBP | 5,790 |
| Deferred inflows related to pension - VFPP | 16,982 |
| Total deferred inflows of resources | 640,593 |

NET POSITION

| | |
|------------------------------|--------------|
| Investment in capital assets | 990,014 |
| Restricted | 22,700 |
| Unrestricted | 1,348,918 |
| Total net position | \$ 2,361,632 |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

JEFFERSON-COMO FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2017

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> | |
|----------------------------------|-------------------|-----------------------------|---|--|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | | <u>Capital Grants and Contributions</u> |
| Public safety | \$ 670,973 | \$ - | \$ 12,500 | \$ 5,957 | \$ (652,516) |
| | <u>\$ 670,973</u> | <u>\$ -</u> | <u>\$ 12,500</u> | <u>\$ 5,957</u> | <u>(652,516)</u> |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes | | | | | 629,830 |
| Specific ownership taxes | | | | | 89,825 |
| Payment in lieu of taxes | | | | | 2,347 |
| Net investment earnings | | | | | 7,628 |
| Miscellaneous income/donations | | | | | 6,097 |
| Total general revenues | | | | | <u>735,727</u> |
| Change in net position | | | | | 83,211 |
| Net position - Beginning of year | | | | | <u>2,278,421</u> |
| Net position - End of year | | | | | <u>\$ 2,361,632</u> |

These financial statements should be read only in connection with the accompanying notes to financial statements.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2017**

| | <u>General Fund</u> |
|---|----------------------------|
| ASSETS | |
| Cash and investments | \$ 699,576 |
| Due from other government | 6,677 |
| Property taxes receivable | 617,821 |
| Prepaid insurance | 4,195 |
| TOTAL ASSETS | <u><u>\$ 1,328,269</u></u> |
| LIABILITIES | |
| Accounts and wages payable | \$ 21,706 |
| TOTAL LIABILITIES | <u>21,706</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred property taxes | 617,821 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>617,821</u> |
| FUND BALANCE | |
| Fund balances: | |
| Nonspendable: | |
| Prepaid expenditures | 4,195 |
| Spendable: | |
| Restricted for emergencies | 22,700 |
| Assigned to subsequent year's expenditures | 217,598 |
| Unassigned | 444,249 |
| Total fund balance | <u>688,742</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u><u>\$ 1,328,269</u></u> |
| Total fund balance above | \$ 688,742 |
| Adjustments to reconcile the governmental fund balance sheet to the statement of net position are as follows: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund balance sheet: | |
| Capital assets, net | 990,014 |
| Certain amounts related to the District's pension plans reported on the statement of net position are not reported in the fund balance sheet: | |
| Net pension liability - SWDBP | (10,323) |
| Deferred outflows of resources - SWDBP | 56,522 |
| Deferred inflows of resources - SWDBP | (5,790) |
| Net pension asset - VFPP | 594,709 |
| Deferred outflows of resources - VFPP | 77,129 |
| Deferred inflows of resources - VFPP | (16,982) |
| Net position of governmental activities | <u><u>\$ 2,374,021</u></u> |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2017**

| | General Fund |
|--|-------------------------|
| REVENUES | |
| Property taxes | \$ 629,830 |
| Specific ownership taxes | 89,825 |
| Payment in lieu of taxes | 2,347 |
| Mitigation impact fees | 12,500 |
| Grants | 5,957 |
| Net investment earnings | 7,628 |
| Miscellaneous income/donations | 6,097 |
| Total general revenues | 754,184 |
| EXPENDITURES | |
| Administration | 465,874 |
| Firefighting | 27,935 |
| Communications | 4,454 |
| Equipment | 40,870 |
| Medical services | 436 |
| Building | 29,227 |
| Capital outlay - Firefighter Protective Clothing | 5,575 |
| Total expenditures | 574,371 |
| NET CHANGE IN FUND BALANCE | 179,813 |
| FUND BALANCE - BEGINNING OF YEAR | 508,929 |
| FUND BALANCE - END OF YEAR | \$ 688,742 |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2017**

A reconciliation reflecting the differences between the general fund net change in fund balance and changes in net position reported for governmental activities in the statement of activities is as follows:

| | |
|--|-------------------------|
| Net change in fund balance - General Fund | <u>\$ 179,813</u> |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:</p> | |
| Depreciation | <u>(97,629)</u> |
| | <u>(97,629)</u> |
| <p>Some expenditures reported in the governmental fund statements were made subsequent to the measurement date for the net pension asset calculation and will therefore be reported as expenses in the subsequent fiscal year.</p> | |
| District contributions subsequent to the measurement date - SWDBP | <u>12,389</u> |
| | <u>12,389</u> |
| <p>Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p> | |
| <p>Net change in deferred inflows and outflows of resources related to pensions and in net pension assets and liabilities:</p> | |
| Pension expense - SWDBP | (43,321) |
| Pension income - VFPP | 44,348 |
| | <u>1,027</u> |
| Change in net position | <u><u>\$ 95,600</u></u> |

These financial statements should be read only in connection with the accompanying notes to financial statements.

JEFFERSON-COMO FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2017

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--|---------------------------|---|
| REVENUES | | | |
| Property taxes | \$ 632,632 | \$ 629,830 | \$ (2,802) |
| Specific ownership taxes | 70,000 | 89,825 | 19,825 |
| Payment in lieu of taxes | 12,000 | 2,347 | (9,653) |
| Mitigation impact fees | 8,000 | 12,500 | 4,500 |
| Grants | 225,000 | 5,957 | (219,043) |
| Net investment earnings | 2,000 | 7,628 | 5,628 |
| Miscellaneous income/donations | 5,000 | 6,097 | 1,097 |
| Total revenues | 954,632 | 754,184 | (200,448) |
| EXPENDITURES | | | |
| Administration | 573,976 | 465,874 | 108,102 |
| Firefighting | 44,900 | 27,935 | 16,965 |
| Communications | 10,000 | 4,454 | 5,546 |
| Equipment | 75,000 | 40,870 | 34,130 |
| Medical services | 3,000 | 436 | 2,564 |
| Building | 56,260 | 29,227 | 27,033 |
| Capital outlay - Firefighter Protective Clothing | 340,000 | 5,575 | 334,425 |
| Pension fund contribution | 31,454 | - | 31,454 |
| Contingency | 334,291 | - | 334,291 |
| Total expenditures | 1,468,881 | 574,371 | 894,510 |
| NET CHANGE IN FUND BALANCE | (514,249) | 179,813 | 694,062 |
| FUND BALANCE - BEGINNING OF YEAR | 514,249 | 508,929 | (5,320) |
| FUND BALANCE - END OF YEAR | \$ - | \$ 688,742 | \$ 688,742 |

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Jefferson-Como Fire Protection District (District), a quasi-municipal corporation, was organized June 6, 1960 and is governed pursuant to the provisions of the Colorado Special District Act. The District was established to provide fire protection services to its citizens located in Jefferson and Como, Colorado and several surrounding subdivisions. The District operates under the control of an elected five member Board of Directors.

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

The Jefferson-Como Fire Department (Department) is reported as a blended component unit in the District's financial statements. More specifically, the Department is included as a blended component unit of the District because it is fiscally dependent on the District and the nature and significance of their relationship are such that the exclusion would cause the financial statements to be incomplete. The purpose of the Department is to preserve life, protect property and the environment through firefighting and rescue activity, and to provide mutual aid to other agencies, as necessary. The Department is comprised of volunteer members and paid District employees. Financial statements for the Department may be obtained from the District.

The District is not a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

The statement of activities demonstrates the degree to which the direct and indirect 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

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particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects

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the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. 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.

Capital Assets

Capital assets, which include land, buildings and improvements, fire trucks and accessories, equipment, and furniture and fixtures are reported in the governmental activities column 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 in excess of 2 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Buildings and improvements; vehicles and equipment; and furniture and fixtures of the District are depreciated using the straight-line method over the following estimated useful lives:

| | | |
|----------------------------|------|-------|
| Buildings and improvements | 40 | years |
| Vehicles and equipment | 7-12 | years |
| Furniture and fixtures | 5 | years |

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 that time. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB 68* (GASB 71).

In addition to liabilities, the statement of net position and fund balance sheets 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/fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The District has also recognized deferred

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inflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB 68 and GASB 71.

Fund Balances – Governmental Funds

The District’s governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the 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 the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance—amounts that are available for any purpose.

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

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2017 consist of the following:

| | |
|--------------------------------------|------------|
| Cash on hand | \$ 250 |
| Deposits with financial institutions | 16,921 |
| Investments | 682,405 |
| Total cash and investments | \$ 699,576 |

Cash Deposits

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

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maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2017, the District's cash deposits had a bank balance of \$19,990 and a carrying balance of \$16,921.

Investments

Credit Risk

The District has not adopted a formal investment policy, however, the District follows Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to three to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirement.

As of December 31, 2017, the District had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|--|--------------------------------|----------------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST) | Weighted average under 60 days | <u>\$ 682,405</u> |

COLOTRUST

At December 31, 2017, the District has invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust

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offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. Both the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard and Poor's.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

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NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

| | <u>Balance at December 31, 2016</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance December 31, 2017</u> |
|--|---|--------------------|------------------|--|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 16,331 | \$ - | \$ - | \$ 16,331 |
| Total capital assets, not being depreciated | <u>16,331</u> | <u>-</u> | <u>-</u> | <u>16,331</u> |
| Capital assets, being depreciated | | | | |
| Buildings and improvements | 792,419 | - | - | 792,419 |
| Vehicles and equipment | 2,154,074 | - | - | 2,154,074 |
| Furniture and fixtures | 5,805 | - | - | 5,805 |
| Total capital assets, being depreciated | <u>2,952,298</u> | <u>-</u> | <u>-</u> | <u>2,952,298</u> |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | (304,479) | (19,792) | - | (324,271) |
| Vehicles and equipment | (1,570,702) | (77,837) | - | (1,648,539) |
| Furniture and fixtures | (5,805) | - | - | (5,805) |
| Total accumulated depreciation | <u>(1,880,986)</u> | <u>(97,629)</u> | <u>-</u> | <u>(1,978,615)</u> |
| Total capital assets, being depreciated, net | <u>1,071,312</u> | <u>(97,629)</u> | <u>-</u> | <u>973,683</u> |
| Government capital assets, net | <u>\$ 1,087,643</u> | <u>\$ (97,629)</u> | <u>\$ -</u> | <u>\$ 990,014</u> |

Depreciation of \$97,629 was charged to the public safety function in the statement of activities.

NOTE 5 - LONG-TERM OBLIGATIONS

As of December 31, 2017, the District does not have any authorized but unissued indebtedness.

Operating Leases

The District leases land for three fire stations, and two water storage units. The five leases have annual terms with renewal options between 30 and 99 successive one-year terms from inception. The annual rental payments are nominal amounts. The District is responsible for utilities and normal maintenance for these leased facilities. The District also leases a wildland truck from the US Forest Service on a year-to-year basis for a nominal amount.

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NOTE 6 – FIRE AND POLICE PENSION ASSOCIATION OF COLORADO

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. FPPA provides retirement and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement.

The following types of retirement are available under the SWDBP:

- **Normal:** 25 years of service and age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years’ base salary (as defined in FPPA Rule 101.05).
- **Early:** 30 years of service or age 50 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years’ base salary (as defined in FPPA Rule 101.05). The early retirement benefit that the member would have received at normal retirement (age 55) is reduced on an actuarial equivalent basis to reflect the receipt of the benefit.

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- Vested: 5 years of service payable at age 55 with a 2% benefit for each year of service for the first ten years, then a 2.5% benefit for each year of service thereafter. Benefits are based on the average of the highest 3 years' base salary (as defined in FPPA Rule 101.05).
- Deferred: Members who qualify for a normal or vested retirement, may defer the receipt of their benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit. (as defined in FPPA Rule 101.05).

The SWDBP has a deferred retirement option plan (DROP) that allows members to enter the program if they meet one of the following criteria: 1) member is eligible for normal retirement or 2) member is vested or 3) member is eligible for early retirement. The DROP plan allows a member to choose to continue employment for a maximum of five years. During this period of continued employment, the member's retirement benefits as well as employee contributions are paid into a member's DROP account. At the end of the DROP period, the member ceases employment and receives the amount accumulated in the DROP account either in a periodic, lump sum or a monthly lifetime benefit.

Each member must elect a payment option for retirement benefits shortly before benefit payments are paid to ensure that the beneficiary and payment option factors are accurate. The member has six payment options. The payment options allow the member to receive full retirement benefits during the member's lifetime or receive reduced retirement benefits so that a designated beneficiary may receive a portion of the retirement benefit either during the member's lifetime or after the member's death depending on the option selected.

Vested members with more than 5 years of service and non-vested members with less than 5 years of service may elect to withdraw their member contribution accounts upon termination of employment with all FPPA employers; waiving rights to any lifetime retirement benefits earned. The member's contributions plus 5% interest may be refunded to the member with all other contributions being forfeited. If a refund is chosen, stabilization reserve account monies and all employer contributions are forfeited.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement benefit adjustments (formerly referred to as COLAs). Benefit adjustments are not guaranteed and are determined annually by the FPPA Board of Directors based on the most recent actuarial study. The amount of the benefit adjustment can be 0% to 3%, or the greater of the Consumer Price Index (CPI) per year. Benefit adjustments may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Contributions. Eligible employees and the District are required to contribute to the SWDBP at a rate set by Colorado statute. Employer contribution rates can only be amended by state statute and are 8% of the employee's base salary. Member contribution rates can be amended by statute or by election of the membership. In 2017, eligible employees were required to contribute 9.5% of their FPPA base salary, and as a result of the 2014 Member Contributions Election, the plan member contribution rate will increase by 0.5% of covered salary each year through 2022. Contributions to the SWDBP from the District were \$12,389 for the year ended December 31, 2017.

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Annually, at the discretion of the Board of Directors of FPPA, the difference between the combined member/employer contributions and the actuarially determined contribution rate may be allocated to the stabilization reserve account (SRA). If the cost of the SWDBP exceeds the combined member/employer contribution rate, funds from the SRA may be used to make up the shortfall. Amounts set aside in the SRA are allocated to individual accounts for each member. A member may receive the amounts in this individual account upon election of Normal, Early or Vested retirement.

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

At December 31, 2017, the District reported net pension liability of \$10,323 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The District's proportion of the net pension liability was based on District contributions to the SWDBP for the calendar year 2016 relative to the total contributions of participating employers to the SWDBP.

At December 31, 2016, the District's proportion was 0.0285692 percent, which was a decrease of 0.0217032 percent from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District recognized pension expense of \$43,321. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Difference between expected and actual experience | \$ 9,217 | \$ 525 |
| Change of assumptions or other inputs | 7,052 | |
| Net difference between projected and actual earnings on pension plan investments | 27,864 | - |
| Change in proportion and differences between contributions recognized and proportionate share of contributions | - | 5,265 |
| Contributions subsequent to the measurement date | 12,389 | - |
| Total | <u>\$ 56,522</u> | <u>\$ 5,790</u> |

\$12,389 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an decrease of the net pension liability in the year ending December 31, 2018.

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

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Year Ending December 31

| | |
|------------|------------------|
| 2018 | \$ 9,895 |
| 2019 | 9,895 |
| 2020 | 9,259 |
| 2021 | 3,328 |
| 2022 | 1,128 |
| Thereafter | 4,838 |
| | <u>\$ 38,343</u> |

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

| | |
|---------------------------------------|--------------------------|
| Actuarial Method | Entry Age Normal |
| Amortization Method | Level % of Payroll, Open |
| Amortization Period | 30 years |
| Long-term Investment Rate of Return * | 7.5% |
| Projected Salary Increases | 4.0%-14.0% |
| Cost of Living Adjustments (COLA) | 0.0% |
| * Includes Inflation at | 2.5% |

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

The SWDBP's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

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| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Rate of Return</u> |
|-----------------------|--------------------------|--|
| Global Equity | 36% | 9.25% |
| Equity Long/Short | 10% | 7.35% |
| Illiquid Alternatives | 23% | 10.75% |
| Fixed Income | 15% | 4.10% |
| Absolute Return | 10% | 6.55% |
| Managed Futures | 4% | 5.50% |
| Cash | 2% | 0.00% * |
| Total | <u>100%</u> | |

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

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

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

| | <u>6.50%</u> | <u>7.50%</u> | <u>8.50%</u> |
|---|------------------|------------------|--------------------|
| Proportionate share of the net pension (asset) liability | <u>\$ 87,834</u> | <u>\$ 10,323</u> | <u>\$ (54,053)</u> |

Pension plan fiduciary net position. Detailed information about the SWDBP's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org.

NOTE 7 – STATEWIDE DEATH AND DISABILITY PLAN

Plan Description – The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer death and disability plan administered by FPPA. The SWD&DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD&DP may include part-time police and fire employees. Contributions to the SWD&DP are used solely for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the Plan. The Plan was established in 1098 pursuant to Colorado Revised Statutes. FPPA issues a

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publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD&DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 2.7% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 2.7% contribution may be paid entirely by the employer or the member, or it may be split between the employer and the member. Currently, the District is making the full 2.7% contribution on behalf of the members. For the years ending December 31, 2017, 2016, and 2015, the District's contributions to the SWD&DP were \$4,714, \$4,826 and \$6,514, respectively, equal to their required contributions for each year.

NOTE 8 – DEFERRED COMPENSATION PLAN

All paid firefighters and certain administrative employees are eligible to participate in a deferred compensation plan created in accordance with Internal Revenue Code section 457 (Deferred Compensation Plan). The Deferred Compensation Plan, which is administered by FPPA, allows all paid firefighters the opportunity to defer a portion of their salary until future years. All compensation deferred under the Deferred Compensation Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefits of the participants and their beneficiaries. Amounts contributed to the Deferred Compensation Plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

Participants may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Employers may also contribute to this plan on behalf of its employees provided that the combined employee and employer contributions do not exceed the aforementioned limits.

Deferred Compensation Plan investment purchases are determined by the individual participants and therefore, the Deferred Compensation Plan's investment concentration varies between participants.

The District has no liability for losses under the Deferred Compensation Plan. Accordingly, the Deferred Compensation Plan is not part of the District's financial statements.

NOTE 9 – STATEWIDE MONEY PURCHASE PENSION PLAN

The District contributes to the Statewide Money Purchase Pension Plan for the part-time firefighters, a defined contribution pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Money Purchase Pension Plan. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time, paid firefighters of the District are members of the Statewide Money Purchase Pension Plan and the Statewide Death and Disability Plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Money Purchase Pension Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

The contribution requirements of plan members and the District are established by FPPA. The contribution rate to the Statewide Money Purchase Pension Plan for plan members is 8.0% of covered salary and for the District is 8.0% of covered salary. The plan members are 100% vested in their contributions to the plan from the first day of membership. The plan members vest in the employer contributions as follows:

| | |
|--|------|
| Upon death or disability retirement | 100% |
| Upon attaining age 55 (regardless of years of service) | 100% |
| Otherwise based on years of service: | |
| Less than 1 year | 0% |
| 1 but less than 2 years | 20% |
| 2 but less than 3 years | 40% |
| 3 but less than 4 years | 60% |
| 4 but less than 5 years | 80% |
| 5 or more years | 100% |

The plan members and the District contributed \$6,474 and \$6,474, respectively to the Statewide Money Purchase Pension Plan for the year ending December 31, 2017, equal to the required contributions for the year.

NOTE 10 – VOLUNTEER FIREFIGHTERS’ PENSION PLAN

Volunteer Firefighters’ Pension Plan

General Information about the Pension Plan

Plan description. The District, on behalf of its volunteer firefighters, contributes to the Volunteer Firefighters’ Pension Plan (VFPP), a defined benefit pension plan which is affiliated with the FPPA. The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the VFPP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Assets of the plan are commingled for investment purposes in the Fire and Police Member’s Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The Volunteer Firefighters’ Pension Plan Board of Trustees is comprised of the five Directors of the District and two District volunteer firefighters. The Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available comprehensive annual financial report that includes the assets of the volunteer plan. That report may be obtained at www.fppaco.org.

Volunteers covered and benefits provided. The retirement benefit provisions and plan requirements were established by the District under Colorado Revised Statutes. The plan provides for a monthly pension of \$1,000 for volunteers with 20 years of service that are at least 50 years of age. Firefighters that have attained both the age of 50 and that have completed 10 years of service are eligible for a prorated monthly pension benefit based on the number of active service years worked. This plan further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. At December 31, 2017, there are 6 retired volunteers and 1 beneficiary receiving benefits and 13 active volunteers, of which 5 are vested in the plan.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Contributions. The District makes contributions based upon District established benefits and funding requirements based upon an actuarial study. Plan members do not make contributions. The State of Colorado also contributes to the plan in an amount set by statute. The District did not make any contributions to the plan for the year ended December 31, 2017.

Net Pension Liability/(Asset)

Actuarial assumptions. The District's net pension asset was based on an actuarial valuation performed as of January 1, 2017 and a measurement date of December 31, 2016. The total pension asset in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Dollar, Open * |
| Remaining amortization period | 20 years * |
| Asset valuation method | 5 - year smoothed fair value |
| Investment rate of return | 7.5% |
| Projected salary increases | N/A |
| Inflation | 2.5% |
| Cost-of-living adjustments | None |
| Retirement age | 50 years of age with 20 years of service |

Mortality: Pre-retirement mortality was based on the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality, increased by .00020 for on-duty related Fire and Police experience. Post-retirement mortality for ages less than 55 was based on the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, mortality was based on a blend of previous tables. All tables are projected with Scale BB. Mortality of disabled retirees was based on the RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. Best estimates of arithmetic real rates of return which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation are summarized in the following table:

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Rate of Return</u> |
|-----------------------|--------------------------|--|
| Global Equity | 36% | 6.75% |
| Equity Long/Short | 10% | 4.85% |
| Illiquid Alternatives | 23% | 8.25% |
| Fixed Income | 15% | 0.50% |
| Absolute Return | 10% | 4.05% |
| Managed Futures | 4% | 3.00% |
| Cash | 2% | 0.00% * |
| Total | <u>100%</u> | |

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

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Changes in the Net Pension Liability/(Asset)

Changes in the District's net pension liability/(asset) liability for the year ended December 31, 2017 were as follows:

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**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|---------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability(Asset) |
| | (a) | (b) | (a) - (b) |
| Balances at 12/31/16 | \$ 512,260 | \$ 1,068,380 | \$ (556,120) |
| Changes for the year: | | | |
| Service cost | 22,602 | - | 22,602 |
| Interest on the total pension liability | 37,861 | - | 37,861 |
| Difference between expected and actual experience | 10,233 | - | 10,233 |
| Changes in assumptions or other inputs | 17,209 | - | 17,209 |
| Benefit payments | (37,780) | (37,780) | - |
| District contributions * | - | 61,744 | (61,744) |
| State of Colorado contributions | - | 8,550 | (8,550) |
| Pension plan net investment income | - | 58,673 | (58,673) |
| Administrative expense | - | (2,473) | 2,473 |
| Net Changes | <u>50,125</u> | <u>88,714</u> | <u>(38,589)</u> |
| Balances at 12/31/17 | <u>\$ 562,385</u> | <u>\$ 1,157,094</u> | <u>\$ (594,709)</u> |

* - The District's contribution for the fiscal year ended December 31, 2015 of \$30,695 was submitted in FPPA's system on December 15, 2015 by the District. FPPA did not process the ACH contribution until January 2016. The District accrued the contribution for financial statement reporting purposes as of December 31, 2015. Due to the delay by FPPA, the contribution was not included in the measurement period ended December 31, 2015, but has been included with the contribution for the measurement period ended December 31, 2016.

Sensitivity of the District's Net Pension (Asset) Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

| | 6.50% | 7.50% | 8.50% |
|--|---------------------|---------------------|---------------------|
| Proportionate share of the net pension (asset) liability | <u>\$ (534,270)</u> | <u>\$ (594,709)</u> | <u>\$ (645,662)</u> |

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the District recognized pension income of \$44,348.

At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Difference between expected and actual experience | \$ 7,405 | \$ 16,982 |
| Assumption changes | 12,454 | |
| Net difference between projected and actual earnings on pension plan investments | 57,270 | - |
| Total | \$ 77,129 | \$ 16,982 |

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

Year Ending December 31

| | |
|------|-------------|
| 2018 | \$ (13,196) |
| 2019 | (21,117) |
| 2020 | (21,320) |
| 2021 | (4,514) |
| | \$ (60,147) |

NOTE 11 - FUND EQUITY

At December 31, 2017, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$4,195 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$22,700 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 14).

Assigned Fund Balance

The assigned fund balance in the General Fund in the amount of \$217,598 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

NOTE 12 - NET POSITION

The District's net position consists of three components – net investment in capital assets, restricted, and unrestricted.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

The net investment in capital assets, net of accumulated depreciation is reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2017, investment in capital assets was \$990,014.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District's restricted net position of \$22,700 as of December 31, 2017 as required by Article X, Section 20 of the Constitution of the State of Colorado (See Note 14).

NOTE 13 - 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 and volunteers, or acts of God. The District maintains commercial insurance for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability, and public official bond. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 14 - 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 that 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 requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

On May 7, 1996, a majority of the District's electors approved the following TABOR ballot question:

Without imposing any new taxes or increases in tax rates, shall the Jefferson-Como Fire Protection District be authorized to retain all revenues from all sources, including grants, in 1996 and subsequent years, and spend the same as a voter-approved revenue change and an exception to limits which would otherwise apply for each of said years?

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST FOUR FISCAL YEARS(1)

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|----------------------|-----------------------|-------------------------|------------------------|
| District's Proportion of the Net Pension Liability/(Asset) | 0.0285693% | 0.0502725% | 0.0542845% | 0.0398313% |
| District's Proportionate Share of the Net Pension Liability/(Asset) | \$ 10,323 | \$ (886) | \$ (61,264) | \$ (35,617) |
| District's Covered Employee Payroll | \$ 146,212 | \$ 243,707 | \$ 244,118 | \$ 173,003 |
| Proportionate Share of Net Pension Liability/(Asset) as a Percentage of its Covered Employee Payroll | -7.1% | 0.4% | 25.1% | 20.6% |
| Calculation of Collective Net Pension Liability/(Asset): | | | | |
| Total Pension Liability | \$ 2,021,526,883 | \$ 1,846,961,999 | \$ 1,652,901,084 | \$ 1,533,631,141 |
| Plan Fiduciary Net Position | 1,985,393,043 | 1,848,724,853 | 1,765,758,630 | 1,623,049,809 |
| Net Pension Liability/(Asset) | <u>\$ 36,133,840</u> | <u>\$ (1,762,854)</u> | <u>\$ (112,857,546)</u> | <u>\$ (89,418,668)</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset) | 98.2% | 100.1% | 106.8% | 105.8% |

(1) - The amounts presented for each fiscal year were determined as of 12/31.

NOTE: Information for the prior six years was not available to report.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION - STATEWIDE DEFINED BENEFIT PLAN
LAST FIVE FISCAL YEARS**

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | \$ 12,389 | \$ 11,697 | \$ 19,497 | \$ 19,529 | \$ 13,840 |
| Contributions in Relation to the Contractually Required Contribution | (12,389) | (11,697) | (19,497) | (19,529) | (13,840) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Employee Payroll | \$ 154,867 | \$ 146,212 | \$ 243,707 | \$ 244,118 | \$ 173,003 |
| Contributions as a Percentage of Covered Employee Payroll | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% |

NOTE: Information for the prior five years was not available to report.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST THREE FISCAL YEARS**

| Measurement period ending December 31, | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|
| Total Pension Liability | | | |
| Service cost | \$ 22,602 | \$ 22,602 | \$ 25,820 |
| Interest on the total pension liability | 37,861 | 36,482 | 38,967 |
| Changes in benefit terms | - | - | - |
| Difference between expected and actual experience | 10,233 | - | (54,338) |
| Changes in assumptions or other inputs | 17,209 | - | - |
| Benefit payments | <u>(37,780)</u> | <u>(43,530)</u> | <u>(40,530)</u> |
| Net Change in Total Pension Liability | 50,125 | 15,554 | (30,081) |
| Total Pension Liability - Beginning | 512,260 | 496,706 | 526,787 |
| Total Pension Liability - Ending (a) | <u>\$ 562,385</u> | <u>\$ 512,260</u> | <u>\$ 496,706</u> |
| Plan Fiduciary Net Position | | | |
| District contributions | \$ 61,744 | \$ - * | \$ 30,972 |
| State of Colorado contributions | 8,550 | 8,550 | 8,550 |
| Pension plan net investment income | 58,673 | 19,575 | 69,350 |
| Benefit payments | (37,780) | (43,530) | (40,530) |
| Administrative expense | <u>(2,473)</u> | <u>(4,026)</u> | <u>(3,040)</u> |
| Net Change in Plan Fiduciary Net Position | 88,714 | (19,431) | 65,302 |
| Plan Fiduciary Net Position - Beginning | 1,068,380 | 1,087,811 | 1,022,509 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 1,157,094</u> | <u>\$ 1,068,380</u> | <u>\$ 1,087,811</u> |
| Net Pension Liability/(Asset) - Ending (a)-(b) | <u>\$ (594,709)</u> | <u>\$ (556,120)</u> | <u>\$ (591,105)</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 205.75% | 208.56% | 219.01% |
| Covered Employee Payroll | N/A | N/A | N/A |
| Contributions as a Percentage of Covered Employee Payroll | N/A | N/A | N/A |

* - The District's contribution for the fiscal year ended December 31, 2015 of \$30,695 was submitted in FPPA's system on December 15, 2015 by the District. FPPA did not process the ACH contribution until January 2016. The District accrued the contribution for financial statement reporting purposes as of December 31, 2015. Due to the delay by FPPA, the contribution was not included in the measurement period ended December 31, 2015.

NOTE: Information for the prior seven years was not available to report.

**JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST FIVE YEARS**

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the actuarially required contribution: | | | | | |
| District contribution | - | (31,049) | (30,695) | (30,972) | (33,324) |
| State of Colorado contribution | - | (8,550) | (8,550) | (8,550) | (8,550) |
| Tota contributions | <u>\$ -</u> | <u>\$ (39,599)</u> | <u>\$ (39,245)</u> | <u>\$ (39,522)</u> | <u>\$ (41,874)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ (39,599)</u> | <u>\$ (39,245)</u> | <u>\$ (39,522)</u> | <u>\$ (41,874)</u> |
| Covered employee payroll | N/A | N/A | N/A | N/A | N/A |
| Contributions as a percentage of covered employee payroll | N/A | N/A | N/A | N/A | N/A |

NOTE: Information for the prior five years was not available to report.

Notes to Schedule

Methods and assumptions used to determine contribution rates (December 31, 2016 Measurement Date):

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Dollar, Open * |
| Remaining amortization period | 20 years * |
| Asset valuation method | 5 - year smoothed fair value |
| Investment rate of return | 7.5% |
| Projected salary increases | N/A |
| Inflation | 3.0% |
| Cost-of-living adjustments | None |
| Retirement age | 50 years of age with 20 years of service |
| Mortality | Pre-retirement mortality was based on the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality, increased by .00020 for on-duty related Fire and Police experience. Post-retirement mortality for ages less than 55 was based on the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, mortality was based on a blend of previous tables. All tales are projected with Scale BB. Mortality of disabled retirees was based on the RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females. |

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

SUPPLEMENTAL INFORMATION

JEFFERSON-COMO FIRE PROTECTION DISTRICT
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
Year Ended December 31, 2017

| | Original and Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--|---------------------------|---|
| EXPENDITURES | | | |
| Administration: | | | |
| Salaries | \$ 357,976 | \$ 260,861 | \$ 97,115 |
| Taxes and benefits | 95,000 | 97,022 | (2,022) |
| Auditing | 6,000 | 5,900 | 100 |
| Legal | 10,000 | 17,101 | (7,101) |
| Insurance | 70,000 | 52,694 | 17,306 |
| Office expenses | 11,000 | 11,187 | (187) |
| Telephones | 4,000 | 2,105 | 1,895 |
| County Treasurer's fees | 20,000 | 18,792 | 1,208 |
| Other | - | 212 | (212) |
| Total administration | <u>573,976</u> | <u>465,874</u> | <u>108,102</u> |
| Firefighting: | | | |
| Supplies | 15,000 | 16,766 | (1,766) |
| Support | 13,400 | 4,701 | 8,699 |
| Training | 16,500 | 6,468 | 10,032 |
| Total firefighting | <u>44,900</u> | <u>27,935</u> | <u>16,965</u> |
| Communications - Radios | <u>10,000</u> | <u>4,454</u> | <u>5,546</u> |
| Equipment: | | | |
| Fuel | 50,000 | 25,307 | 24,693 |
| Truck supplies/repair and maintenance | 25,000 | 15,563 | 9,437 |
| Total equipment | <u>75,000</u> | <u>40,870</u> | <u>34,130</u> |
| Medical services - EMS supplies | <u>3,000</u> | <u>436</u> | <u>2,564</u> |
| Building: | | | |
| Propane | 30,000 | 17,331 | 12,669 |
| Utilities - Electrical | 6,000 | 4,153 | 1,847 |
| Stations and shop | 20,000 | 7,503 | 12,497 |
| Lease fees | 260 | 240 | 20 |
| Total building | <u>56,260</u> | <u>29,227</u> | <u>27,033</u> |
| Capital outlay: | | | |
| Truck Repairs and maintenance | 50,000 | | 50,000 |
| Firefighter Protective Clothing | 50,000 | - | 50,000 |
| Building and improvements | 20,000 | 5,575 | 14,425 |
| Communications | 5,000 | - | 5,000 |
| Capital improvements and contingencies | 215,000 | - | 215,000 |
| Total capital outlay | <u>340,000</u> | <u>5,575</u> | <u>334,425</u> |
| Pension fund contribution | <u>31,454</u> | - | <u>31,454</u> |
| Contingency | <u>334,291</u> | - | <u>334,291</u> |
| TOTAL EXPENDITURES | <u><u>\$ 1,468,881</u></u> | <u><u>\$ 574,371</u></u> | <u><u>\$ 894,510</u></u> |