

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT**  
**Longmont, Colorado**

**BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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**RECEIVED**

Office of the State Auditor

July 17, 2018

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This report is for the Mountain View Fire Protection District for the year ending December 31, 2017. The Management Discussion and Analysis (M D & A) is designed to provide an overview of the financial activities of the District during 2017 and the integration of those activities within the long-term financial programs and planning of the District. The M D & A should be read in conjunction with the District's financial statements.

### BACKGROUND INFORMATION

The Fire District was established in 1961. The predominate fund approach for the District is comprised of four basic funds, the General Fund, the Debt Service Fund which is used to account for expenditures funded by general obligation bonds for the District, the Capital Reserve Fund which is used to fund the capital improvement plan that may be funded over several years, and the Pension Fund, which is a fiduciary fund primarily for volunteer retirees' pension assets.

In 1991 the citizens of the District approved a 2.8 million-dollar bond issue to replace/add emergency equipment and build/remodel existing fire stations. In November, 1993 the District completed a bond refunding. The District's bonded indebtedness was fully retired in December, 2008.

A ballot issue was passed on November 4, 2008, allowing the District to increase the mil levy from 7.817 mills to 11.747 mills beginning in January 1, 2009. The mill levy has remained the same since the last increase in 2009.

### Overview of 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 comprise two components: 1) government-wide financial statements and fund financial statements, and 2) notes to the financial statements.

### Government-Wide and Fund 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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator on whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position has changed during the past 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 the cash flows. Therefore, the revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements are combined with the fund financial statements and can be found in this report.

**Fund Financial Statements.** A fund is a group of accounts used to maintain control over resources that have been set aside 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 funds of the District are comprised of three governmental funds and a fiduciary fund.

**Government 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 expendable resources, as well as the 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 government funds with similar information presented for governmental activities in the government-wide financial statements. The readers will have a better understanding of 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**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 in this report.

**Government-Wide Financial Analysis.**

The net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$22,225,811 at the close of the year. The largest portion of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding.

**Financial Efforts of 2017**

This section contains a condensed comparison of revenues and expenses and explanations for significant differences.

<b>District Net Position</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>Dollar Change</b>
Current & Other Assets	\$27,702,741	\$26,539,235	\$24,171,666	\$3,531,075
Capital Assets	15,372,399	14,916,537	11,875,580	3,496,819
<b>Total Assets</b>	<b>\$43,075,140</b>	<b>\$41,455,772</b>	<b>\$36,047,246</b>	<b>\$7,027,894</b>
Long-term Liabilities Outstanding	\$0	\$0	\$242,420	-\$242,420
Other Liabilities	20,849,329	19,848,431	18,789,469	2,059,860
<b>Total Liabilities</b>	<b>\$20,849,329</b>	<b>\$19,848,431</b>	<b>\$19,031,889</b>	<b>\$1,817,440</b>
Net Assets:				
Invested in Capital Assets	\$15,372,399	\$14,916,537	\$11,519,475	\$3,852,924
Restricted for Debt Service	\$0	\$0	\$0	\$0
Restricted for Capital Projects	\$0	\$0	\$0	\$0
Unrestricted	6,853,412	6,690,804	5,495,882	1,357,530
<b>Total Net Position</b>	<b>\$22,225,811</b>	<b>\$21,607,341</b>	<b>\$17,015,357</b>	<b>\$5,210,454</b>
<b>Total Liabilities and Net Position</b>	<b>\$43,075,140</b>	<b>\$41,455,772</b>	<b>\$36,047,246</b>	<b>\$7,027,894</b>

	2017	2016	2015	Dollar Change
<b>General Revenue:</b>				
General Property Taxes	\$15,176,596	\$15,981,496	\$11,112,400	\$4,064,196
Specific Ownership Taxes	1,097,722	931,539	699,721	398,001
Investment Earnings	83,286	27,131	2,857	80,429
Sale of Fixed Assets	\$0	\$0	\$0	\$0
Charges for Services	1,985,422	1,519,303	1,518,754	466,668
Grant Revenue	128,447	1,141,695	5,985	122,462
JRA Revenue	\$0	\$10,324	\$21,694	-\$21,694
Miscellaneous	95,505	39,260	421,225	(325,720)
<b>Total</b>	<b>\$18,566,978</b>	<b>\$19,650,748</b>	<b>\$13,782,636</b>	<b>\$4,784,342</b>
<b>Expenses:</b>				
Fire-Protection-Operations	\$16,731,379	\$14,221,951	\$12,153,379	\$4,578,000
Depreciation	828,520	833,521	805,562	22,958
Disposition of Assets	297,345	\$0	\$0	297,345
Debt Service	\$0	3,292	18,058	(18,058)
<b>Total</b>	<b>\$17,857,244</b>	<b>\$15,058,764</b>	<b>\$12,976,999</b>	<b>\$4,880,245</b>
<b>Changes in Net Position</b>	<b>\$709,734</b>	<b>\$4,591,984</b>	<b>\$805,637</b>	<b>-\$95,903</b>

### Material Changes:

The Fire District experienced a loss in general property tax revenue, primarily due to the drop in oil and gas production and prices. Tax increment financing plans implemented by the communities of the District further reduced property tax revenue for a total loss of (\$804,900) from 2016 to 2017.

The District didn't have as many grants available for specific projects it was involved in and, therefore, grant revenue decreased. In addition, the District did not spend grant funds that had expired for a new maintenance facility. The project was deemed unfeasible to complete due to title problems of the land planned for the project. A new location was chosen on donated land and it's possible that grant funds for the project will be acquired again in the future. There was a total loss of grant funds in 2017 of (\$1,013,248).

Due to the increase in purchases of personal vehicles and new oil and gas wells in 2017, the District had an increase in specific ownership taxes of \$166,183.

In September of 2017, the Board of Directors approved a fee increase of approximately 20% for ambulance transports that the District currently bills for. It was discovered that the District was not being adequately reimbursed for the increased costs associated with Advanced Life Support - level 2 (ALS—2) transports and began to collect for these transports at an increased rate. The District had several deployments for wildland firefighting late in the year that increased the reimbursement fees for these services in 2017. Charges for services increased by \$466,119 in 2017.

Increased staffing was required to accommodate increased demands for service and healthcare insurance costs continued to rise in 2017. In addition, several long term employees separated from the District in 2017 and the District realized a higher than usual cost in paying compensated absence balances. District staff also made a significant accounting change to recognize overtime hours worked in 2017 that were paid in January of 2018 as an expense of the year it was earned. Prior practice

involved recording all personnel costs when paid, rather than matching the expense to the time it occurred. All of the factors mentioned above caused the District to recognize an increase in personnel expense of \$1,871,900 from 2016 to 2017.

### **General Fund**

The general fund's purpose is to provide for the daily activities, salaries, expenses and operating costs of the District. This fund provides for functional areas of the organization – administration, emergency services, recruitment & retention, fire prevention, communications, training, fleet maintenance, wildland/rescue, stations & grounds, and firefighter health & safety. The general fund also provides for such other items as insurance, utilities and other costs the District incurs. The primary funding source for the general fund is taxation of real property. Other sources of income for the general fund include interest income on reserved funds, fees for plan reviews, fees for ambulance transports, specific ownership taxes and reimbursements for wildland deployments that cover some overhead costs. The primary projects or program efforts for establishing funding during 2017 were:

1. Maintaining the current service level of the District.
2. Competitive salary and benefits packages to attract and retain skilled employees. In addition, the District entered into a collective bargaining agreement with the local union, and the 2017 budget reflected increases necessary to maintain a level of competitiveness and fairness as required by the agreement.
3. Wildland deployment program continuation
4. Ambulance transport program continuation

### **General Fund Budgetary Highlights.**

The difference from the original budgeted expenditures and the actual expenditures was due to staffing changes resulting in expenses for wildland due to increased number of deployments; increased expenses for college reimbursement due to increased numbers of employees taking college courses; increased expenses in firefighter health & safety due to METS and PAT requirements for the wellness program; decreased expenses for public education/community outreach; decreased expenses for communications repair/maintenance; decreased expenses for fuel and oil due to decreased cost of the same; decreased expenses for stations & grounds maintenance due to new and remodeled stations; decreased expenses for utilities due to opening of new station later than expected.

### **Capital Assets and Debt Administration**

The Capital Reserve Fund was established and continually funded to provide for segregation and designation of funds for purposes of funding large ticket items that may take several years to save for. The primary funding areas include apparatus development or purchase, station and facility development or construction and other large capital purchases such as firefighting and communication equipment. The primary funding source for the Capital Reserve Fund is the transfer of funds from the General Fund as designated by the Board of Directors of the Fire District. Investment in capital assets includes land, buildings, improvements, equipment, vehicles and firefighting equipment.

Payments for the purchase of firefighting and EMS equipment, tech rescue and hazmat equipment; final payments for construction of new Station 8-Vista in Erie; final payments for two new pumpers and down payments for two additional engines and the payment for the new Communications Tower in Niwot are included in this fund.

Capital assets are classified as follows (net of depreciation) as of December 31, 2017:

Land - all stations	\$519,316
Buildings/Improvements - all stations	\$10,471,010
Medical Equipment	\$174,307
Furniture and Equipment	\$210,898
Machinery and Equipment	\$255,522
Firefighting vehicles	\$3,634,861
Vehicles - other	\$105,495
Loan Fees	\$990
<b>Total Assets</b>	<b>\$15,372,399</b>

### **Long-term Debt**

The Fire District General Obligation Bond which was approved by the taxpayers of the District in 1991, was refunded in 2003 by a new General Obligation Bond, and was fully retired in 2016.

### **Fiduciary Fund Activities**

#### **Pension Fund**

The Pension Fund was established and continually funded to provide for the provision of retirement pension benefits for volunteer firefighters of the District. The fund provides for the payment of benefits and the expenses of providing those benefits. The primary funding source for the pension fund is the transfer of amounts from the General Fund as designated by the Fire District Board of Directors. Additional funding is derived from the interest from previously invested assets of the fund and from a State of Colorado funding mechanism specifically developed for these benefit efforts.

1. The Pension Fund investments earnings were more than budgeted due to the economic conditions of the United States in general.
2. The Pension Fund maintained a normal course of activity.

### **Economic Factors and Next Year's Budgets and Rates**

In comparison, the 2018 budget year will show an increase in expenses due to continued comparison of salary and benefits packages together with the Collective Bargaining Agreement requirements, as well as continuing to fund the new and ongoing needs of the District, as identified in the District's Strategic Plan, and to honor the commitments of providing the level and quality of service which the District residents deserve and have come to expect.

The District's budget for 2017 anticipated general property tax revenue of \$15,124,230 (based on an assessed valuation for the District, as certified by the Assessors of Boulder County and Weld County, of \$1,290,476,827 and a mill levy rate of 11.747).

The District's budget for 2018 anticipates general property tax revenue of \$14,811,699 (based on an assessed valuation for the District, as certified by the Assessors of Boulder County and Weld County, of \$1,293,574,347 and a mill levy rate of 11.747).

The two year comparison of assessed valuation and general property taxes highlights an important factor facing the District in the future. While the actual value of real property in the District grew by over \$1.5 billion, the district lost property tax revenue. This is due to the lowering of the residential property assessment rate in Colorado from 7.96% to 7.2%. The residential rate had remained unchanged since 2003, so this is a significant difference for all local governments. It is anticipated to be lowered again in the next assessment year to 6.11%. In addition, oil and gas production in the Weld County portion of the District is unpredictable and causes shifting revenues year over year. The District has taken a conservative

approach to use increases in revenue from oil and gas to fund capital improvements and other one-time expenses and not on-going operation costs, such as hiring new personnel. The District managed to increase its fund balance at the end of 2017 to prepare, in the short term, for the reduction of tax revenue in the next year and to make sure it can pay its financial obligations when due at the start of 2018 before tax revenues are received in May and June.

**Summary**

The Mountain View Fire Protection District successfully placed into operation or completed all project or program efforts funded with the 2017 annual budget without going into a deficit.

**FEIS & COMPANY, P.C.**

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**INDEPENDENT AUDITORS' REPORT**

**Board of Directors  
Mountain View Fire Protection District  
Longmont, Colorado**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mountain View Fire Protection District (the 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 basic 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 Mountain View Fire Protection District as of December 31, 2017, and the respective changes in financial position thereof 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, General Fund budgetary comparison information, and pension plan historical information on pages i through vi and 30 through 36 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 Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information on pages 37 through 40 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Feis & Co., P.C.*

CERTIFIED PUBLIC ACCOUNTANTS  
Brighton, CO

July 16, 2018

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2017**

	General Fund	Other Funds	Total	Adjustments (Page 3)	Statement of Net Position
<u>Assets and deferred outflows of resources</u>					
<b>Assets:</b>					
Cash (Note 2)	\$ 757,424	\$ 158,984	\$ 916,408	\$ -	\$ 916,408
Investments (Note 2)	4,729,192	3,664,194	8,393,386	-	8,393,386
Accounts receivable	813,134	-	813,134	-	813,134
Accrued property taxes	14,859,699	-	14,859,699	-	14,859,699
Prepaid expenses	25,669	-	25,669	-	25,669
Land	-	-	-	519,316	519,316
Other capital assets, net of accumulated depreciation	-	-	-	14,853,083	14,853,083
Due from other funds	121,778	-	121,778	(121,778)	-
<b>Total assets</b>	<b>21,306,896</b>	<b>3,823,178</b>	<b>25,130,074</b>	<b>15,250,621</b>	<b>40,380,695</b>
<b>Deferred outflows of resources:</b>					
Deferred outflow - pensions	-	-	-	2,694,445	2,694,445
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,694,445</b>	<b>2,694,445</b>
<b>Total Assets and deferred outflows of resources</b>	<b>\$ 21,306,896</b>	<b>\$ 3,823,178</b>	<b>\$ 25,130,074</b>	<b>\$ 17,945,066</b>	<b>\$ 43,075,140</b>
<u>Liabilities and deferred inflows of resources</u>					
<b>Liabilities:</b>					
Accounts payable	\$ 578,992	\$ 58,502	\$ 637,494	\$ -	\$ 637,494
Accrued interest	-	-	-	-	-
Due to other funds	-	121,778	121,778	(121,778)	-
Accrued absences	-	-	-	1,666,280	1,666,280
<b>Long-term liabilities:</b>					
Due within one year	-	-	-	-	-
Due after one year	-	-	-	-	-
Net Pension Liability	-	-	-	3,301,284	3,301,284
<b>Total liabilities</b>	<b>578,992</b>	<b>180,280</b>	<b>759,272</b>	<b>4,845,786</b>	<b>5,605,058</b>
<b>Deferred inflows of resources:</b>					
Deferred inflow - pensions	-	-	-	384,572	384,572
Deferred property taxes	14,859,699	-	14,859,699	-	14,859,699
<b>Total deferred inflows of resources</b>	<b>14,859,699</b>	<b>-</b>	<b>14,859,699</b>	<b>384,572</b>	<b>15,244,271</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>15,438,691</b>	<b>180,280</b>	<b>15,618,971</b>	<b>5,230,358</b>	<b>20,849,329</b>
<u>Fund Balances/Net Position</u>					
<b>Fund Balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	500,502	-	500,502	(500,502)	-
Assigned	5,367,703	3,642,898	9,010,601	(9,010,601)	-
Unassigned	-	-	-	-	-
<b>Total fund balance/net position</b>	<b>5,868,205</b>	<b>3,642,898</b>	<b>9,511,103</b>	<b>(9,511,103)</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 21,306,896</b>	<b>\$ 3,823,178</b>	<b>\$ 25,130,074</b>		
<b>Net position:</b>					
Invested in capital assets, net of related debt				15,372,399	15,372,399
Unrestricted				6,853,412	6,853,412
<b>Total net position</b>				<b>\$ 22,225,811</b>	<b>\$ 22,225,811</b>

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

<b>Fund balance per Statement of Net Position</b>	<b>\$ 9,511,103</b>
<b>Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund balance sheet</b>	<b>15,372,399</b>
<b>Net asset or liability resulting from pension plans and related deferred inflows and outflows are not due and payable in the current period and therefore are not reported in the balance sheet</b>	<b>(991,411)</b>
<b>Some liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the balance sheet</b>	<b><u>(1,666,280)</u></b>
<b>Net position per Statement of Net Position</b>	<b><u><u>\$ 22,225,811</u></u></b>

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUE,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Other Funds	Total	Adjustments (Page 5)	Statement of Activities
<b>Revenues:</b>					
General property taxes	\$ 15,176,596	\$ -	\$ 15,176,596	\$ -	\$ 15,176,596
Specific ownership taxes	1,097,722	-	1,097,722	-	1,097,722
Investment earnings	57,331	25,955	83,286	-	83,286
Charges for services	1,985,422	-	1,985,422	-	1,985,422
Grant revenue	10,280	118,167	128,447	-	128,447
JRA revenue	-	-	-	-	-
Other	93,160	2,345	95,505	-	95,505
<b>Total revenues</b>	<u>18,420,511</u>	<u>146,467</u>	<u>18,566,978</u>	<u>-</u>	<u>18,566,978</u>
<b>Expenditures/expenses:</b>					
<b>Fire protection:</b>					
Administration	2,554,418	-	2,554,418	58,987	2,613,405
Fire fighting	8,260,601	-	8,260,601	660,976	8,921,577
Recruitment/retention	242,077	-	242,077	-	242,077
Fire prevention	191,065	-	191,065	-	191,065
Training	360,862	-	360,862	-	360,862
Emergency Services	2,916,916	-	2,916,916	-	2,916,916
Communications	44,419	-	44,419	-	44,419
Fleet operations	473,821	-	473,821	-	473,821
Stations and grounds	468,784	-	468,784	-	468,784
Willdland	374,609	-	374,609	-	374,609
Depreciation	-	-	-	828,520	828,520
Capital outlay	30,184	1,675,387	1,705,571	(1,581,727)	123,844
<b>Debt service:</b>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures/ expenses</b>	<u>15,917,756</u>	<u>1,675,387</u>	<u>17,593,143</u>	<u>(33,244)</u>	<u>17,559,899</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,502,755</u>	<u>(1,528,920)</u>	<u>973,835</u>	<u>33,244</u>	<u>1,007,079</u>
<b>Other financing sources/uses:</b>					
Disposition of assets	-	-	-	(297,345)	(297,345)
Transfers-internal activities	(1,050,000)	1,050,000	-	-	-
<b>Total other financing sources/ uses</b>	<u>(1,050,000)</u>	<u>1,050,000</u>	<u>-</u>	<u>(297,345)</u>	<u>(297,345)</u>
<b>Excess (deficiency) of revenues and transfers in over expenditures and transfers out</b>	<u>1,452,755</u>	<u>(478,920)</u>	<u>973,835</u>	<u>(973,835)</u>	<u>-</u>
<b>Change in net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>709,734</u>	<u>709,734</u>
<b>Fund balance/net position, beginning of year</b>	<u>4,415,450</u>	<u>4,121,818</u>	<u>8,537,268</u>	<u>12,978,809</u>	<u>21,516,077</u>
<b>Fund balance/net position, end of year</b>	<u>\$ 5,868,205</u>	<u>\$ 3,642,898</u>	<u>\$ 9,511,103</u>	<u>\$ 12,714,708</u>	<u>\$ 22,225,811</u>

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE,  
EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Excess of revenues and transfers in over expenditures and transfers  
out - governmental funds and other funds \$ 973,835

Governmental funds report capital outlay 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:

Capital outlay	1,581,727
Depreciation	(828,520)
Disposition of assets	(297,345)

Repayment of bond principal is reported as an expenditure in governmental  
funds and, thus, has the effect of reducing fund balance because current  
financial resources have been used. The principal payments reduce the  
liabilities in the statement of net assets and do not result in an expense  
in the statement of activities.

Principal payments made	-
-------------------------	---

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:

Adjustment for change in compensated absences	(58,987)
Adjustment for changes in pension assets and liabilities	(660,976)

Interest expense in the statement of activities differs from the amount  
reported in governmental funds. Additional accrued interest was  
calculated for bonds payable and capital lease obligations

Change in accrued interest	-
----------------------------	---

Change in Net Position	\$ 709,734
------------------------	------------

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. Summary of Significant Accounting Policies**

The Mountain View Fire Protection District was originally established as a special district to provide fire suppression, education and basic life medical support services to certain property owners within an area of Boulder and Weld Counties that covers approximately 240 square miles and includes portions of rural Longmont, Mead, Del Camino, Dacono, Erie, Brownsville and Niwot. On May 1, 1990, the District formally approved and adopted the name change to "Mountain View Fire Protection District" subsequent to the consolidation of the Longmont, Dacono and Erie volunteer fire departments.

The District operates under a governing Board of Directors and is considered a separate political subdivision of the State of Colorado providing fire protection services in portions of Boulder and Weld Counties.

The District's basic financial statements include the accounts and funds of all District operations. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

**A. Principles Determining Scope of Reporting Entity**

The financial statements of the District consist only of the funds and account groups of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and election of the respective governing board.

**B. Government-Wide and Fund Financial Statements**

The Government-Wide financial statements (i.e. the statement of activities) report information on all of the non-fiduciary activities of the government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

The Government-Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary.

The following funds were used by the District during 2017:

**GOVERNMENTAL FUNDS**

**General Fund - To account for all financial resources except those required to be accounted for in another fund.**

**Capital Reserve Fund - To account for resources used for the acquisition and/or construction of capital facilities.**

**Debt Service Fund - To account for the proceeds from the issuance of general obligation bonds and the servicing of the related general long-term debt.**

**FIDUCIARY FUNDS**

**Pension Trust Fund - To account for assets held by the District in a trustee capacity for the "Old Hire" and volunteer firefighters' retirement system. (Presented in other supplemental information.)**

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus and Basis of Accounting**

**Measurement Focus**

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when the payment is due. The major source of revenue susceptible to accrual is property tax. All revenue items are considered to be measurable and available only when cash is received by the District.

**Basis of Accounting**

The modified accrual basis of accounting is used for all governmental fund types. The following are modifications of the accrual basis method:

1. Expenditures other than accrued interest on general long-term debt are recognized at the same time the liabilities are incurred. Interest on long-term debt is recorded only when due.
2. Revenue is recorded when received in cash except for revenue that is not received but is measurable and available and therefore susceptible to accrual.

The accrual basis of accounting is used for reporting purposes of the Pension Trust Fund. Revenues are taken into account when they are earned, regardless of when they are collected; expenditures are reflected as soon as the liabilities are incurred, regardless of when they are paid.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. Summary of Significant Accounting Policies (continued)**

**D. Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgeting data reflected in the financial statements:

1. Prior to October 31, the fire chief submits to the Board of Directors a proposed operating budget for each fund for the fiscal year commencing the following January 1. The operating budget for each fund includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the District Board of Directors to obtain taxpayer comments.
3. Prior to December 1, the budget is legally enacted through passage of a resolution for each fund. The resolutions can be adjusted by the Board for unforeseen circumstances. Equal line item adjustments must be approved by the Board. The appropriation resolutions are reflected in each fund.
4. The Fire Chief is authorized to transfer amounts from contingency accounts, if any, to other accounts within the same fund.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The District Board of Directors approves all expenditures, including any revisions that alter the total expenditures of any fund.
8. All appropriations for all funds lapse at year-end.
9. Budgeted line items for the different expenditures are for management use only.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. Summary of Significant Accounting Policies (continued)**

**E. Encumbrances**

Encumbrance accounting is not used.

**F. Accrued Absences**

Accrued absences include unused vacation and sick leave earned by employees as of December 31, 2017. Full time employees earn vacation at varying rates based on years of employment up to a maximum annual benefit of 240 hours for administrative personal with 21 or more years of active service. Line employees are allowed a maximum annual benefit of 360 hours with 21 or more years of active service.

Sick leave is earned and accumulated at the rate of 96 hours per year by full time employees and is not paid upon termination or retirement.

**G. Interfund Transfers**

Transactions between funds that would be treated as revenues, expenditures or expenses if they involved external organizations are accounted for as revenues, expenditures or expenses in the funds involved. All other legally authorized fund transfers are treated as operating transfers and are included in the results of operations of governmental and trust type funds.

**H. Fund Equity**

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. Summary of Significant Accounting Policies (continued)**

**H. Fund Equity (continued)**

- **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 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 Board of directors or by an official or body to which the Board delegates the authority.**
- **Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.**

District's Board 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 District's Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The District considers funds as expended from restricted funds before unrestricted funds are reduced, when an expenditure can come from either category. Within unrestricted funds, the District reduces committed amounts first, followed by assigned, and unassigned last, when an expenditure can come from any of those categories.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**1. Summary of Significant Accounting Policies (continued)**

**I. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Cash Deposits and Investments**

**A. 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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral determined by the PDPA. The institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the District's deposits would not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end the District's bank balance was either insured or collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2017, the District had cash balances with maturities less than one year stated at cost as follows:

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**2. Cash Deposits and Investments (continued)**

**A. Cash Deposits (continued)**

Insured	\$ 408,984
Deposits Collateralized in single institution pool(s)	441,255
Uninsured: Required to be collateralized	<u>---</u>
 Total Cash Deposits	 850,239
 Cash on hand	 <u>66,169</u>
 Total Cash	 <u>\$ 916,408</u>

The bank balance of the deposits listed above are classified in three categories of credit risk as follows: a) Uncollateralized; b) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name; c) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

**B. Investments**

The District's investments are categorized as either (1) insured or registered, or for which the securities are held by the District or its agent in the District's name, (2) uninsured and unregistered for which the securities are held by the counterpart's trust department or agent in the District's name or (3) uninsured and unregistered for which the securities are held by the counterpart or by its trust department or agent but not in the District's name. As of December 31, 2017, all investments, other than Pension trust investments, are considered category 1.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**2. Cash Deposits and Investments (continued)**

**B. Investments (continued)**

As of December 31, 2017, the District has \$8,393,386 invested in Colorado Local Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S Title 24, Article 75, Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form. COLOTRUST is rated AAA from Standard and Poor's Corporation.

<u>Investments</u>	<u>Maturity Year</u>	<u>Fair Value</u>	<u>Credit Ratings</u>
COLOTRUST	Variable	\$ 8,393,386	AAA
Pension Trust	N/A	<u>2,636,080</u>	N/A
<b>Total Investments</b>		<b>\$ <u>11,029,466</u></b>	

The District's investments in the pension trust are held by the plan administrator, but not in the District's name.

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

Repurchase Agreements,

Obligations of the United States or obligations unconditionally guaranteed by the United States, federally insured mortgages and student loans. Participation with other local governments in pooled investment funds (trusts), these trusts are supervised by participating governments, and must comply with the same restrictions on cash deposits and investments.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**2. Cash Deposits and Investments (continued)**

**B. Investments (continued)**

**Credit Risk – State law limits investments for fire districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institution have assets in excess of \$1 billion or the highest credit rating from one or more nationally recognized rating agency.**

**Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval.**

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**2. Cash Deposits and Investments (continued)**

**C. Reconciliation of Cash, Cash Equivalents, and Investments**

The following is a reconciliation between the cash and investments recorded in the financial statements and the amounts reported in this footnote:

<b>Financial Statements</b>	
Total Cash and Short-term	
Investments – Governmental Funds	\$ 9,309,794
Total Cash Fiduciary Funds	---
Trust Investments	<u>2,636,080</u>
Total Cash Deposits and	
Investments (Book Balance)	\$ <u>11,945,874</u>
<b>Footnote</b>	
Cash	\$ 916,408
Trust Investments	<u>11,029,466</u>
Total Cash Deposits and	
Investments (Footnote)	\$ <u>11,945,874</u>

**3. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are due and payable at that time. All unpaid taxes levied January 1 become delinquent April 30 or June 15 of the current year. The District is permitted to levy taxes for general governmental services, bond retirement and pension payments for volunteer firefighters. The combined tax rate to finance these services for the year ended December 31, 2017 was \$11.747 per \$1,000 of assessed valuation. This raised \$15,176,596 on an assessed valuation of \$1,290,476,827. Tax revenues for the District are recognized as they become available and are collected the following month.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**4. Capital Assets**

Capital assets are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which are as follows:

Building/Improvements	10-25
Firefighting Equipment	7
Furniture and Equipment	5-10
Firefighting Vehicles	25
Vehicles – Other	7

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

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Deletions &amp;</u> <u>Adjustments</u>	<u>Balance</u> <u>12/31/17</u>
<b>Governmental activities:</b>				
Land – all stations	\$ 519,316	\$ ---	\$ ---	\$ 519,316
Buildings/Improvements all stations	11,383,141	2,808,022	---	14,191,163
Medical Equipment	460,852	15,032	---	475,884
Furniture & equipment	1,321,053	22,166	---	1,343,219
Machinery & equipment	638,534	79,498	---	718,032
Firefighting vehicles	5,668,622	1,183,761	(521,186)	6,331,197
Vehicles – other	747,186	---	(69,880)	677,306
Loan Fees	19,783	---	---	19,783
Construction in progress	<u>2,526,752</u>	<u>---</u>	<u>(2,526,752)</u>	<u>---</u>
<b>Totals at Historical Cost</b>	<b><u>23,285,239</u></b>	<b><u>4,108,479</u></b>	<b><u>(3,117,818)</u></b>	<b><u>24,275,900</u></b>
<b>Less Accumulated Depreciation for:</b>				
Buildings/Improvements	(3,182,287)	(537,866)	---	(3,720,153)
Medical Equipment	(256,327)	(45,250)	---	(301,577)
Furniture & equipment	(1,086,523)	(45,798)	---	(1,132,321)
Machinery & equipment	(426,597)	(35,913)	---	(462,510)
Firefighting vehicles	(2,808,765)	(111,412)	223,841	(2,696,336)
Vehicles – other	(591,388)	(50,303)	69,880	(571,811)
Loan Fees	<u>(16,815)</u>	<u>(1,978)</u>	<u>---</u>	<u>(18,793)</u>
<b>Total Accumulated Depreciation</b>	<b><u>(8,368,702)</u></b>	<b><u>(828,520)</u></b>	<b><u>293,721</u></b>	<b><u>(8,903,501)</u></b>
<b>Governmental Activities Capital Assets, Net of Accum. Depreciation</b>	<b>\$ <u>14,916,537</u></b>	<b>\$ <u>3,279,959</u></b>	<b>\$ <u>(2,824,097)</u></b>	<b>\$ <u>15,372,399</u></b>

Depreciation expense for the year ended December 31, 2017 was \$828,520.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**5. Long-Term Debt**

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

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/17</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
<b>Compensated</b>					
Absences	\$ <u>1,607,293</u>	\$ <u>58,987</u>	\$ <u>---</u>	\$ <u>1,666,280</u>	\$ <u>---</u>
<b>Totals</b>	\$ <u>1,607,293</u>	\$ <u>58,987</u>	\$ <u>---</u>	\$ <u>1,666,280</u>	\$ <u>---</u>

**6. Due to/from Other Funds**

As of December 31, 2017, the Capital Reserve Fund owes the General fund \$84,744 for capital purchases. The Debt Service Fund owes the Capital Reserve Fund \$1,561 for funds advanced for debt service obligations. In addition, the Debt Service Fund owes the General Fund \$37,034 for funds advanced for debt service obligations.

**7. Risk Management**

The District is exposed to various risks of loss related to various torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments**

The District currently maintains four (4) separate pension and retirement plans. The plans cover paid participating firefighters hired prior to associating with FPPA ("Old Hires" prior to January 1, 1993), new hires, paid administrative personnel and all volunteer firefighters. On January 1, 1993, the District's local volunteer and "old hire" Pension Fund affiliated with the Fire and Police Pension Associations' (FPPA) Fire and Police Members' Benefit Fund under the Colorado Revised Statutes, 31-30-005(1)(k), as amended, at which time all plan assets were transferred to FPPA for administrative purposes. Under the FPPA affiliation agreement, the District is responsible for the collection and transmission of all contributions to the local Pension Fund. The FPPA is responsible for the physical safekeeping and investing of such contributions as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the plan.

As of December 31, 2017, the assets and liabilities from pension plans are as follows:

	<u>Net Pension Liability/(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Volunteer Plan	\$ 384,627	\$ 150,841	\$ ---
Old Hire Plan	32,924	18,475	---
FPPA Plan	442,771	2,173,516	20,710
PERA Plan	<u>2,440,962</u>	<u>351,613</u>	<u>363,862</u>
Total	\$ <u>3,301,284</u>	\$ <u>2,694,445</u>	\$ <u>384,572</u>

As of December 31, 2017, the deferred inflows and outflows of resources resulting from all pension plans are comprised as follows:

<b>Deferred outflows of resources:</b>	
Difference between actual and projected investment earnings	\$1,153,394
Difference between actual and expected experience	353,980
Changes in assumptions	286,866
Changes in allocation percentages	41,589
Contributions received after measurement date	<u>858,616</u>
Total deferred outflows of resources	<u>\$2,694,445</u>

<b>Deferred inflows of resources:</b>	
Difference between actual and expected experience	\$ 19,535
Changes in allocation percentages	<u>365,037</u>
Total deferred inflows of resources	<u>\$ 384,572</u>

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments (continued)**

Deferred inflows and outflows of resources will be recognized in pension expense in future years as follows:

December 31, 2018	\$1,407,889
2019	473,805
2020	135,731
2021	18,194
2022	80,204
Thereafter	<u>194,050</u>
Total	<u>\$2,309,873</u>

Volunteer Plan - The District's active volunteer firefighters participate in a non-contributing pension plan administered by a Board of Trustees, which includes District Board members and volunteer firefighters.

The benefit provisions and plan requirements were established by Colorado Revised Statutes and the Board of Trustees has adopted the following schedule of monthly benefits which was in effect at December 31, 2017:

Age and service retirement after age 50 with 20 years of credit service (Effective January 1, 2002).	\$300-\$500
<b>Surviving spouse death benefit:</b>	
After age and service retirement (maximum)	\$150-\$250
Lump-sum death benefit	\$100

Total covered payroll for this plan for 2017 was \$0. In 2017, the District contributions were \$24,081 towards meeting the unfunded liability. In addition, the State contribution was \$33,630.

An actuarial valuation is performed every two years to determine the pension benefit obligation. The latest available actuarial valuation was performed as of January 1, 2017. The measurement date was December 31, 2016. The following assumptions were used in computing the pension benefit obligation for this plan:

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments (continued)**

- (1) Rate of return on investments and discount rate      7.5%
- (2) Actuarial Method - Entry Age Normal.
- (3) Amortization Method - Level Dollar, Open.  
    Remaining period: 20 years.
- (4) Mortality: RP-2014 Mortality Tables for Blue Collar Employees.
- (5) Projected earnings increases for all ages due to inflation: 2.50%

Plan membership as of December 31, 2017 was as follows:

Active Members	1
Inactive Members receiving benefits	69
Inactive Members not yet receiving benefits	<u>13</u>
Total	<u>83</u>

The pension plan expense for 2017 was \$159,486 and the money-weighted rate of return on investments was 11.0%. The net pension liability is impacted by a change in the discount rate as follows:

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 632,946	\$ 384,627	\$ 173,496

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Changes in Net Pension Liability for the year ended December 31, 2016:**

<b>Total Pension Liability:</b>	
Service cost	\$ 4,783
Interest	183,755
Change in benefit terms	---
Difference between actual and expected experience	41,849
Changes in assumptions	86,085
Benefit payments	<u>(226,160)</u>
Net change in total pension liability	90,312
Total pension liability – beginning	<u>2,558,749</u>
Total pension liability – ending (a)	\$ <u>2,649,061</u>
<b>Plan Fiduciary Net Position:</b>	
Contributions – employer	\$ 37,367
Net investment income	116,767
Benefit payments	(226,160)
Administrative expense	(3,704)
State of Colorado supplemental discretionary payment	<u>33,630</u>
Net change in plan fiduciary net position	(42,100)
Plan fiduciary net position – beginning	<u>2,306,534</u>
Plan fiduciary net position – ending (b)	\$ <u>2,264,434</u>
Net pension liability – ending (a)-(b)	\$ <u>384,627</u>
Plan fiduciary net position as a percentage of total pension liability	85.48%

**"Old Hire" Employee Plan** - The District's paid employees, hired prior to associating with FPPA, participate in a contributing pension plan administered by the Board of Trustees. At December 31, 2017 there were no active paid firefighters, and one retired paid firefighter receiving monthly pension benefits from the plan.

Participants are eligible for retirement benefits upon reaching age 50 with 20 or more years of credit service, including partial credit for volunteer service. Retirement benefits are equal to 50% of the amount of the retiree's monthly regular salary as of the date of retirement plus, if the Board of Trustees authorizes such additional benefits, 50% of any increase in salary and longevity or additional pay based on length of service granted during the period of retirement to the rank occupied by the retiree. These benefits are established by State statute.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments (continued)**

Total covered payroll for this plan for 2017 was \$0. In 2017, the District contribution was \$3,295 towards meeting the unfunded liability.

An actuarial valuation is performed every two years to determine the pension benefit obligation. The latest available actuarial valuation was performed as of January 1, 2016. The measurement date was December 31, 2016. The following assumptions were used in computing the pension benefit obligation for this plan:

- (1) Rate of return on investments and discount rate      7.5%
- (2) Actuarial Method - Entry Age Normal.
- (3) Amortization Method - Level Dollar, Open.  
    Remaining period: 9 years.
- (4) Mortality: RP-2014 Mortality Tables for Blue Collar Employees.
- (5) Projected earnings increases for all ages due to inflation: 2.50%

Plan membership as of December 31, 2017 was as follows:

Active Members	---
Inactive Members receiving benefits	1
Inactive Members not yet receiving benefits	<u>---</u>
Total	<u><u>1</u></u>

The pension plan expense for 2017 was \$10,024 and the money-weighted rate of return on investments was 11.0%. The net pension liability is impacted by a change in the discount rate as follows:

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 48,621	\$ 32,924	\$ 18,550

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments (continued)**

**Changes in Net Pension Liability for the year ended December 31, 2016:**

**Total Pension Liability:**

Service cost	\$	---
Interest		24,111
Change in benefit terms		---
Difference between actual and expected experience		---
Changes in assumptions		---
Benefit payments		<u>(50,063)</u>
Net change in total pension liability		<u>(25,952)</u>
Total pension liability – beginning		<u>346,062</u>
Total pension liability – ending (a)	\$	<u>320,110</u>

**Plan Fiduciary Net Position:**

Contributions – employer	\$	---
Net investment income		15,451
Benefit payments		(50,063)
Administrative expense		(2,347)
State of Colorado supplemental discretionary payment		<u>---</u>
Net change in plan fiduciary net position		<u>(36,959)</u>
Plan fiduciary net position – beginning		<u>324,145</u>
Plan fiduciary net position – ending (b)	\$	<u>287,186</u>
Net pension liability – ending (a)-(b)	\$	<u>32,924</u>
Plan fiduciary net position as a percentage of total pension liability		89.71%

**Paid Fire Personnel Plan** - The District contributes to the Statewide Defined Benefit Plan, cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. 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 the Plan, which is available, by directly contacting the FPPA.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments (continued)**

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Disability and survivor benefits with respect to death and disability are funded by the State and are disbursed by FPPA according to State statute. Participants' contributions are fully refundable with simple interest of 5% upon request or termination of employment. Employer contributions remain with the plan to help provide benefits to remaining participants.

Covered employees are required by State statute to contribute 9.5% of their salary (excluding paid overtime and comp time) to the plan. The District is required to contribute an additional or matching 8% of covered salary. For the year ended December 31, 2017, covered employees contributed \$698,204 on a base salary of \$7,349,516. The District contributed an additional \$587,961 to the plan on covered employees' behalf. Total salaries for the year ended December 31, 2017 were \$10,153,846.

The following is based on an actuarial study completed as of January 1, 2017. The measurement date is December 31, 2016. The following assumptions were used in computing the pension benefit obligation for this plan:

- (1) Rate of return on investments and discount rate      7.5%
- (2) Actuarial Method - Entry Age Normal.
- (3) Amortization Method - Level % of payroll, open.  
    Remaining period: 5 years, up to a maximum of 30 years.
- (4) Mortality: RP-2014 Mortality Tables for Blue Collar Employees.
- (5) Projected earnings increases for all ages due to  
    inflation and merit or seniority:              4%-14%

The employer share of net pension liability/(asset) as of December 31, 2016 was \$442,771. The employer proportion was 1.23% based on Employer Contributions, an increase from the prior year, when the proportion was 1.14%. The pension expense for 2016 was 683,417.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments (continued)**

The net pension liability of the plan is impacted by a change in the discount rate as follows:

	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 307,440,992	\$ 36,133,840	\$ (189,200,101)

**Administrative Personnel Plan** - The District provides and contributes to the Statewide Defined Benefit Plan, cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement Association (PERA) for administrative and non-firefighting personnel. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Colorado statutes assign the authority to establish benefit provisions to the state legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan, which is available by directly contacting PERA.

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan investments are presented at fair value except for short-term investments, which are recorded at cost and approximate fair value.

Covered employees are required by State statute to contribute 8% of their salary (excluding paid overtime and comp time) to the plan. The District contributes an additional or matching 11% of covered salary. For the year ended December 31, 2017, covered employees contributed \$81,903 on a base salary of \$1,023,788. The District contributed an additional \$112,617 to the plan on covered employee's behalf.

The following is based on an actuarial study completed as of December 31, 2015. The measurement date is December 31, 2016. The following assumptions were used in computing the pension benefit obligation for this plan:

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**8. Retirement Plans and Commitments (continued)**

- (1) Rate of return on investments and discount rate      7.25%
- (2) Actuarial Method - Entry Age Normal.
- (3) Amortization Method - Level amount closed.  
    Remaining period: 5 years, up to a maximum of 40 years.
- (4) Mortality: RP-2000 Combined Mortality Table for Males and Females.
- (5) Projected earnings increases for all ages due to  
    inflation and merit or seniority:              3.5%-10.45%

The employer share of net pension liability/(asset) as of December 31, 2016 was \$2,440,962. The employer proportion was 0.18% based on Employer Contributions, a decrease from the prior year, when the proportion was 0.21%. The pension expense for 2016 was 444,553.

The net pension liability for the plan is impacted by a change in the discount rate as follows:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 1,991,016,000	\$ 1,350,341,000	\$ 819,792,000

**9. Tax, Spending and Debt Limitations**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The District's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. In effect, it has been generally interpreted that fiscal year spending approximates nonexempt revenue or receipts.

Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves. The District considers \$500,502 as designated for the TABOR's three percent Reserved for Emergency for 2017.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**9. Tax, Spending and Debt Limitations (continued)**

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

The District levied 7.817 mills for property taxes to be collected in 2008.

On November 4, 2008, district voters approved an increase in the existing mill levy by 3.93 mills, resulting in a new mill levy of 11.747 mills. The revenue from the increase will be used to hire additional fire fighters, purchase additional medical and rescue equipment, and to meet increasing vehicle maintenance costs.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, the Amendment specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

On November 4, 1997, District voters approved a ballot issue removing the related revenue and spending limitations of the TABOR Amendment without raising the existing mill levy of the general fund commencing fiscal year 1996 and continuing thereafter, as may be provided by law, for the purposes of defraying the costs of providing fire protection, rescue and emergency medical services.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations in the amendment's language in order to determine its compliance.

**10. Prior Period Adjustment**

The fund balance in the General Fund as of December 31, 2016 has been reduced by \$91,264 to reflect additional contributions due to FPPA for the Paid Fire Personnel Plan. This adjustment is due to an error in the calculation of pensionable salaries for purposes of determining required contributions to the Plan. This adjustment impacts the expenses for 2015 and 2016.

See independent auditors' report.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**11. Subsequent Events**

For the year ended December 31, 2017, the District has evaluated subsequent events for potential recognition and disclosure through the date of the Independent Auditor's Report, the date of the financial statements issuance. No events that would require adjustment to or disclosure in the financial statements were identified.

See independent auditors' report.

**REQUIRED  
SUPPLEMENTAL INFORMATION**

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017			Variance favorable (unfavorable)	Actual 2016 Memorandum only
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
General property taxes	\$ 15,124,230	\$ 15,124,230	\$ 15,176,596	\$ 52,366	\$ 15,981,496
Specific ownership taxes	904,800	904,800	1,097,722	192,922	931,539
Investment earnings	18,000	18,000	57,331	39,331	20,885
Charges for services	1,135,870	1,135,870	1,985,422	849,552	1,519,303
Grant revenue	-	-	10,280	10,280	40,864
JRA revenue	-	-	-	-	10,324
Other	6,500	6,500	93,160	86,660	39,260
Total revenues	<u>17,189,400</u>	<u>17,189,400</u>	<u>18,420,511</u>	<u>1,231,111</u>	<u>18,543,671</u>
<b>Expenditures:</b>					
Administration	2,408,623	2,408,623	2,554,418	(145,795)	2,209,954
Fire fighting	7,965,969	7,965,969	8,260,601	(294,632)	7,189,924
Recruitment and retention	530,699	530,699	242,077	288,622	252,684
Fire Prevention	205,333	205,333	191,065	14,268	129,334
Training	457,377	457,377	360,862	96,515	362,867
Emergency services	3,270,599	3,270,599	2,916,916	353,683	2,575,906
Communications	68,400	68,400	44,419	23,981	32,970
Fleet operations	518,719	518,719	473,821	44,898	407,646
Stations and grounds	574,500	574,500	468,784	105,716	426,728
Capital outlay	27,500	27,500	30,184	(2,684)	1,815
Wildland	98,400	98,400	374,609	(276,209)	238,539
Total expenditures/expenses	<u>16,126,119</u>	<u>16,126,119</u>	<u>15,917,756</u>	<u>208,363</u>	<u>13,828,367</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,063,281</u>	<u>1,063,281</u>	<u>2,502,755</u>	<u>1,439,474</u>	<u>4,715,304</u>
<b>Other financing sources/uses:</b>					
Transfers-internal activities	(1,050,000)	(1,050,000)	(1,050,000)	-	(3,975,000)
Total other sources (uses):	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>-</u>	<u>(3,975,000)</u>
<b>Excess (deficiency) of revenues and and other financing sources over expenditures</b>	13,281	13,281	1,452,755	1,439,474	740,304
<b>Fund balance/net position, beginning of year</b>	<u>4,415,450</u>	<u>4,415,450</u>	<u>4,415,450</u>	<u>-</u>	<u>3,766,410</u>
<b>Fund balance/net position, end of year</b>	<u>\$ 4,428,731</u>	<u>\$ 4,428,731</u>	<u>\$ 5,868,205</u>	<u>\$ 1,439,474</u>	<u>\$ 4,506,714</u>

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
HISTORICAL INFORMATION  
VOLUNTEER FIREFIGHTERS PENSION PLAN  
DECEMBER 31, 2017  
(Unaudited)

Year	Total Pension Liability	Plan Net Position	Net Pension Liability	Net Position as a % of Total Liability	Money- weighted Rate of Return
2013	\$ 2,628,938	\$ 2,425,337	\$ 203,601	92%	
2014	2,592,758	2,422,086	170,672	93%	7.17%
2015	2,558,749	2,306,534	252,215	90%	2.90%
2016	2,649,061	2,264,434	384,627	85%	5.90%

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Shortfall/(Excess)
2014	\$ 37,367	\$ 64,476	\$ (27,109)
2015	37,367	70,997	(33,630)
2016	24,081	70,997	(46,916)
2016	24,081	57,711	(33,630)

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
HISTORICAL INFORMATION  
VOLUNTEER FIREFIGHTERS PENSION PLAN  
DECEMBER 31, 2017  
(Unaudited)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Change in Net Pension Liability:</b>			
<b>Total Pension Liability:</b>			
Service Cost	\$ 4,783	\$ 4,783	\$ 6,642
Interest	183,755	186,343	189,244
Change in Benefit Terms	-	-	-
Difference Between Actual and Expected Experience	41,849	-	(10,160)
Change in Assumptions	86,085	-	-
Benefit Payments	<u>(226,160)</u>	<u>(225,135)</u>	<u>(221,906)</u>
Net Change in Total Pension Liability	90,312	(34,009)	(36,180)
Total Pension Liability - Beginning	2,558,749	2,592,758	2,628,938
Total Pension Liability - Ending	<u>\$ 2,649,061</u>	<u>\$ 2,558,749</u>	<u>\$ 2,592,758</u>
 <b>Plan Fiduciary Net Position:</b>			
Contributions - Employer	\$ 37,367	\$ 37,367	\$ 37,367
Net Investment Income	116,767	43,542	158,185
Benefit Payments	(226,160)	(225,135)	(221,906)
Administrative Expenses	(3,704)	(4,956)	(4,006)
State of Colorado supplemental discretionary payment	33,630	33,630	27,109
Net Change in Plan Fiduciary Net Position	<u>(42,100)</u>	<u>(115,552)</u>	<u>(3,251)</u>
Plan Fiduciary Net Position - Beginning	2,306,534	2,422,086	2,425,337
Plan Fiduciary Net Position - Ending	<u>2,264,434</u>	<u>2,306,534</u>	<u>2,422,086</u>
Net Pension Liability - Ending	<u>\$ 384,627</u>	<u>\$ 252,215</u>	<u>\$ 170,672</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	85.48%	90.14%	93.42%

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
HISTORICAL INFORMATION  
"OLD HIRE" PENSION PLAN  
DECEMBER 31, 2017  
(Unaudited)

Year	Total Pension Liability	Plan Net Position	Net Pension Liability	Net Position as a % of Total Liability	Money-weighted Rate of Return
2013	\$ 330,572	\$ 356,831	\$ (26,259)	108%	
2014	306,438	366,950	(60,512)	120%	7.17%
2015	346,062	324,145	21,917	94%	2.90%
2016	320,110	287,186	32,924	90%	5.90%

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Shortfall/(Excess)
2014	\$ 38,182	\$ 38,182	\$ -
2015	-	-	-
2016	-	-	-
2017	-	3,295	(3,295)

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
HISTORICAL INFORMATION  
"OLD HIRE" PENSION PLAN  
DECEMBER 31, 2017  
(Unaudited)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Change in Net Pension Liability:</b>			
<b>Total Pension Liability:</b>			
Service Cost	\$ -	\$ -	\$ -
Interest	24,111	21,193	23,055
Change in Benefit Terms	-	-	-
Difference Between Actual and Expected Experience	-	38,197	-
Change in Assumptions	-	28,839	-
Benefit Payments	<u>(50,063)</u>	<u>(48,605)</u>	<u>(47,189)</u>
Net Change in Total Pension Liability	<u>(25,952)</u>	<u>39,624</u>	<u>(24,134)</u>
Total Pension Liability - Beginning	<u>346,062</u>	<u>306,438</u>	<u>330,572</u>
Total Pension Liability - Ending	<u>\$ 320,110</u>	<u>\$ 346,062</u>	<u>\$ 306,438</u>
 <b>Plan Fiduciary Net Position:</b>			
Contributions - Employer	\$ -	\$ -	\$ 38,182
Net Investment Income	15,451	6,658	22,539
Benefit Payments	(50,063)	(48,605)	(47,189)
Administrative Expenses	<u>(2,347)</u>	<u>(858)</u>	<u>(3,413)</u>
Net Change in Plan Fiduciary Net Position	<u>(36,959)</u>	<u>(42,805)</u>	<u>10,119</u>
Plan Fiduciary Net Position - Beginning	<u>324,145</u>	<u>366,950</u>	<u>356,831</u>
Plan Fiduciary Net Position - Ending	<u>287,186</u>	<u>324,145</u>	<u>366,950</u>
Net Pension Liability - Ending	<u>\$ 32,924</u>	<u>\$ 21,917</u>	<u>\$ (60,512)</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	<u>89.71%</u>	<u>93.67%</u>	<u>119.75%</u>

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
HISTORICAL INFORMATION  
FPPA DEFINED BENEFIT PENSION PLAN  
DECEMBER 31, 2017  
(Unaudited)**

<b>Year</b>	<b>Employer's Portion of Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of Net Pension Liability (Asset)</b>	<b>Employer's Covered Payroll</b>	<b>Net Pension Liability as a % of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>
2015	1.20%	\$ (1,358,189)	\$ 5,901,675	-23.01%	106.80%
2016	1.14%	(20,132)	6,565,250	-0.31%	100.10%
2017	1.23%	442,771	7,349,516	6.02%	98.21%

<b>Year</b>	<b>Required Employer Contribution</b>	<b>Contributions in Relation to Required</b>	<b>Contribution Shortfall</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2015	\$ 472,134	\$ 472,134	\$ -	\$ 5,901,675	8.00%
2016	525,220	525,220	-	6,565,250	8.00%
2017	587,961	587,961	-	7,349,516	8.00%

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
HISTORICAL INFORMATION  
PERA DEFINED BENEFIT PENSION PLAN  
DECEMBER 31, 2017  
(Unaudited)**

<b>Year</b>	<b>Employer's Portion of Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of Net Pension Liability (Asset)</b>	<b>Employer's Covered Payroll</b>	<b>Net Pension Liability as a % of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>
2015	0.23%	\$ 2,036,520	\$ 1,246,364	163.40%	80.70%
2016	0.21%	2,357,172	1,150,400	204.90%	76.90%
2017	0.18%	2,440,962	1,023,788	238.42%	73.60%

<b>Year</b>	<b>Required Employer Contribution</b>	<b>Contributions in Relation to Required</b>	<b>Contribution Shortfall</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
2015	\$ 137,100	\$ 137,100	\$ -	\$ 1,246,364	11.00%
2016	126,544	126,544	-	1,150,400	11.00%
2017	112,617	112,617	-	1,023,788	11.00%

See independent auditors' report.  
The accompanying notes on pages 6 to 29 are an  
integral part of the financial statements.

**OTHER  
SUPPLEMENTAL INFORMATION**

MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
 CAPITAL RESERVE FUND  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				Actual 2016 Memorandum only
	Budget		Actual	Variance favorable (unfavorable)	
	Original	Final			
<b>Revenues:</b>					
Earnings on investments	\$ -	\$ -	\$ 25,936	\$ 25,936	\$ 6,227
Grant revenue	1,599,654	1,599,654	118,167	(1,481,487)	1,100,831
Other	-	-	2,345	2,345	-
Total revenues	<u>1,599,654</u>	<u>1,599,654</u>	<u>146,448</u>	<u>(1,453,206)</u>	<u>1,107,058</u>
<b>Expenditures:</b>					
Administrative	-	-	-	-	491
Capital outlay	4,748,267	4,748,267	1,675,387	3,072,880	4,093,411
Debt service	-	-	-	-	366,497
Total expenditures/expenses	<u>4,748,267</u>	<u>4,748,267</u>	<u>1,675,387</u>	<u>3,072,880</u>	<u>4,460,399</u>
Excess (deficiency) of revenues over expenditures	<u>(3,148,613)</u>	<u>(3,148,613)</u>	<u>(1,528,939)</u>	<u>1,619,674</u>	<u>(3,353,341)</u>
<b>Other financing sources/uses:</b>					
Transfers-internal activities	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>	-	<u>3,975,000</u>
Total other sources:	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>	-	<u>3,975,000</u>
Excess (deficiency) of revenues and and other financing sources over expenditures	<u>(2,098,613)</u>	<u>(2,098,613)</u>	<u>(478,939)</u>	<u>1,619,674</u>	<u>621,659</u>
Fund balance, beginning of year	<u>4,123,084</u>	<u>4,123,084</u>	<u>4,123,084</u>	-	<u>3,501,425</u>
Fund balance, end of year	<u>\$ 2,024,471</u>	<u>\$ 2,024,471</u>	<u>\$ 3,644,145</u>	<u>\$ 1,619,674</u>	<u>\$ 4,123,084</u>

See independent auditors' report.  
 The accompanying notes on pages 6 to 29 are an  
 integral part of the financial statements.

MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				Actual 2016 Memorandum only
	Budget		Actual	Variance favorable (unfavorable)	
	Original	Final			
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Specific ownership Taxes	-	-	-	-	-
Earnings on investments	19	19	19	-	19
Other	1,227	1,227	-	(1,227)	-
<b>Total revenues</b>	<u>1,246</u>	<u>1,246</u>	<u>19</u>	<u>(1,227)</u>	<u>19</u>
<b>Expenditures:</b>					
Administrative	-	-	-	-	20
Debt principal & interest	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,246</u>	<u>1,246</u>	<u>19</u>	<u>(1,227)</u>	<u>(1)</u>
<b>Other financing sources/uses:</b>					
Proceeds from general obligation bond	-	-	-	-	-
Transfers-internal activities	-	-	-	-	-
<b>Total other sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and and other financing sources over expenditures</b>	1,246	1,246	19	(1,227)	(1)
<b>Fund balance (deficit), beginning of year</b>	<u>(1,266)</u>	<u>(1,266)</u>	<u>(1,266)</u>	<u>-</u>	<u>(1,265)</u>
<b>Fund balance (deficit), end of year</b>	<u>\$ (20)</u>	<u>\$ (20)</u>	<u>\$ (1,247)</u>	<u>\$ (1,227)</u>	<u>\$ (1,266)</u>

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**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION -  
PENSION TRUST FUND  
DECEMBER 31, 2017**

		<u>2017</u>
	<u>Assets</u>	
Investments (Note 2)	\$	2,636,080
Accounts receivable		33,630
<b>Total Assets</b>	<b>\$</b>	<b><u>2,669,710</u></b>
	<u>Liabilities</u>	
<b>Total Liabilities</b>	<b>\$</b>	<b><u>-</u></b>
	<u>Net Position</u>	
<b>Net Position - reserved</b>		
Reserved for retirement benefits		<u>2,669,710</u>
<b>Total Net Position</b>		<b><u>2,669,710</u></b>
<b>Total Liabilities and Net Position</b>	<b>\$</b>	<b><u>2,669,710</u></b>

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**MOUNTAIN VIEW FIRE PROTECTION DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY  
NET POSITION - PENSION TRUST FUND  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Pension Trust Fund				Actual 2016 Memorandum only
	Budget		Actual	Variance- favorable (unfavorable)	
	Original	Final			
<b>Additions:</b>					
Contributions , District Volunteer fund	\$ 40,662	\$ 40,662	\$ 27,376	\$ (13,286)	\$ 37,367
Contributions from the State of Colorado	33,630	33,630	33,630	-	33,630
Earnings on investments	50,000	50,000	48,808	(1,192)	36,642
Gain (loss) on sale of investments	86,101	86,101	114,991	28,890	55,351
Other income	-	-	-	-	-
<b>Totals</b>	<u>210,393</u>	<u>210,393</u>	<u>224,805</u>	<u>14,412</u>	<u>162,990</u>
<b>Deductions:</b>					
Benefits paid to retirees	351,564	351,564	278,685	72,879	276,223
Administration of fund	31,000	31,000	41,997	(10,997)	26,671
Insurance benefits	15,000	15,000	-	15,000	-
<b>Totals</b>	<u>397,564</u>	<u>397,564</u>	<u>320,682</u>	<u>76,882</u>	<u>302,894</u>
<b>Other Additions (Deductions):</b>					
Unrealized gain (loss) on investments	-	-	213,967	213,967	60,846
Changes in plan net position	(187,171)	(187,171)	118,090	305,261	(79,058)
Net position, beginning of year	<u>2,551,620</u>	<u>2,551,620</u>	<u>2,551,620</u>	<u>-</u>	<u>2,630,678</u>
Net position, end of year	<u>\$ 2,364,449</u>	<u>\$ 2,364,449</u>	<u>\$ 2,669,710</u>	<u>\$ 305,261</u>	<u>\$ 2,551,620</u>

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