
**ADAMS COUNTY FIRE
PROTECTION DISTRICT**
FINANCIAL STATEMENTS
DECEMBER 31, 2017

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August 20 , 2018

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Independent Auditors' Report

Board of Directors
Adams County Fire Protection District
Denver, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Adams County 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.

Auditors' 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the 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 on pages i through iv, the budgetary comparison schedule, pension schedules and notes to required supplementary information on pages 50 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

RubinBrown LLP

June 22, 2018

ADAMS COUNTY FIRE PROTECTION DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS FOR YEAR 2017

This Management Discussion and Analysis of the Adams County Fire Protection District provides an overall review of the District's financial activities for the year ended December 31, 2017. The purpose of this Management Discussion and Analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements and the notes to the financial statements to broaden their understanding of the District's financial performance.

Overview of Financial Statements: The basic financials are introduced in this Management and Discussion Analysis. Three components comprise these basic financial statements: 1) Statement of Net Position; 2) Statement of Activities; 3) Financial Notes. This report contains other supplemental information in addition to the basic financial statements.

Using the Basic Financial Statements: These financial statements consist of management's discussion and analysis (this section) and a series of financial statements including notes to those statements. The statements are organized to enable the reader to understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position is the delta between both the short-term and the long-term position of the District's assets, deferred inflows/outflows and liabilities. Increases or decreases in the net position may be useful as an indicator if the District is improving or deteriorating in its financial position.

Statement of Activities shows how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event gives rise as the change occurs, regardless of the timing of related cash flows.

Governmental-wide Financial Statements: The government-wide financial statements detail District operations principally supported by property tax revenues, and charges for services. The governmental activity of the District is public safety, consisting of all hazards, fire, and EMS services. The District's government-wide financial statements can be found on pages 4 and 5 of this report.

Fund Financial Statements: Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances on current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balance. Fund financial statements are presented on pages 6 through 11.

Notes to Financial Statements: The notes to the financial statements provide additional information to the reader to fully understand the data provided aforementioned statements and funds. The notes are found on pages 12 – 49 of this report.

Financial Analysis for the District as a Whole: The total net position for the District as of December 31, 2017 realized a decrease of \$733,589, however it is important to note that the starting balance was in the favorable category at \$638,174. The predominate contributors are GASB 68 pension liabilities (\$482,379) and the compensated absences of non-vested employees liability (\$219,864)

which contribute \$702,243 of the net decrease.

Condensed statement of net position and statement of activities comparisons for 2016 and 2017 are as follows:

Condensed Statement of Net Position

	FY 2016		FY 2017	
Current Assets	\$	21,619,606	\$	24,326,867
Capital Assets, Net		12,065,804		12,195,507
Pension Assets, Net		131,554		117,023
Other Assets		89,505		41,450
Total Assets		33,906,469		36,680,847
Deferred Outflows of Resources		2,827,947		3,092,150
Current Liabilities		2,185,990		1,761,585
Long-term Liabilities		6,711,571		8,404,767
Total Liabilities		8,897,561		10,166,352
Deferred Inflows of Resources		14,045,270		16,548,649
Net Position:				
Net Investment in Capital Assets		8,679,856		8,030,856
Restricted		830,677		1,070,575
Unrestricted		4,281,052		3,956,565
Total Net Position	\$	13,791,585	\$	13,057,996

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Condensed Statement of Activities

	FY 2016		FY 2017
Program Revenues:			
Charges for Services	\$ 1,691,955	\$	1,268,259
Capital Grants and Contributions	148,156		3,302
Total Program Revenues	<u>1,840,111</u>		<u>1,271,561</u>
General Revenues:			
Taxes	13,708,688		15,011,371
Interest	61,747		108,730
Miscellaneous	194,661		248,004
Total General Revenues	<u>13,965,096</u>		<u>15,368,105</u>
Total Revenues	<u>15,805,207</u>		<u>16,639,666</u>
Expenses:			
Firefighting and Admin	14,521,161		17,202,079
Interest	144,872		171,176
Total Expenses	<u>14,666,033</u>		<u>17,373,255</u>
Change in Net Position	1,139,174		(733,589)
Net Position – Beginning of year	12,652,411		13,791,585
Net Position – End of Year	<u>\$ 13,791,585</u>	\$	<u>13,057,996</u>

Financial Analysis of District Funds:

NONSPENDABLE FUND BALANCE:

The District does not have any non-spendable funds.

RESTRICTED FUND BALANCE:

This restricted fund is entitled TABOR reserve. This fund was established to adhere to Tabor’s requirement that an emergency reserve of 3% of expenditures be set aside. This reserve at the end of year 2017 has a balance of \$528,860. The District is funding the new Station 11 with a lease purchase which will add a restricted fund balance for 2019.

COMMITTED TO:

As of December 31, 2017 there are no committed fund balances. The Board of Directors may alter or remove the constraints placed upon these resources.

ASSIGNED TO:

The District maintains a reserve fund of \$857,900 for future purchase of major equipment. Radio equipment has an assignment of \$174,732. Funds to cover vested vacation and sick leave amount to \$1,000,000. Stations and grounds \$100,000 and the Health benefit \$100,000. The remaining funds are assigned to future years operating and capital expenditures.

General Fund Budget Highlights: Actual revenues exceeded expenditures in 2017. The total budget revenues actual had a favorable variance of \$189,639 where the expenditures also had a favorable variance of \$297,109 for a total of \$486,748. The fund balance at year end was favorable in the amount of \$336,080. These monies will be allocated to the assigned funds as needed.

Capital Assets Highlights:

The District increased its total Capital Assets by \$1,147,822 with a total depreciation of (\$1,037,813) These additions were a result of two station remodels and purchases of apparatus and equipment. The total net capital assets as of December 31, 2017 is \$12,195,507. See Note 5 for further information on the District's capital assets.

Long-Term Debt:

The General Obligation Bond principal debt, as of December 31, 2017, is \$2,290,000. See Note 6 for further details on the District's long-term debt.

Economic Factors and Next Year's Budget and Rates:

The District's property tax remains at 16.207 mills. The Gallagher bill will ratchet down the revenues for 2018 by \$389,980 which was a 3% decrease in the general fund. This was a direct result of the residential assessment rate decreasing from 7.96% to 7.2%. The District may see another decrease in the RAR (residential assessment rate) in 2020 from 7.2% to 6.1% such decrease would once again ratchet down the revenues for the District which could be as much as 10%. Management is planning to explore potential options in 2018 to minimize the loss in revenue in addition to the anticipated increase in assessed values as well as growth. A new station is planned to be built in 2018/2019, construction to begin June of 2018. The District funded this \$10,000,000 project with existing budget monies utilizing a lease purchase option. Management was successful implementing impact fees through Adams County for new developments in the District to assist with Capital expenses effective January 2018. The District could realize a significant amount from these fee's, management anticipates the sum will pay for the Station 11 lease purchase payment in 2018 and possibly in the future with the urban renewal plans in the SW corner of the District.

Requests 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 District's finances. Questions concerning any of the information in the report or requests for additional information should be addressed to:

Adams County Fire Protection District
8055 Washington Street
Denver, Colorado 80229.

ADAMS COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2017

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and investments	\$ 7,314,723
Cash with County Treasurer	113,383
Receivables:	
Property taxes	16,239,601
Medical billings accounts, net	657,309
Receivable from Pension Trust Fund	1,851
Other	41,450
Capital assets:	
Nondepreciable	1,111,328
Depreciable, net	11,084,179
Net pension asset - Volunteer Plan	117,023
Total Assets	<u>36,680,847</u>
Deferred Outflows Of Resources	
Deferred charge on refunding	171,314
Deferred outflows pension - SWDBP	2,493,719
Deferred outflows pension - Old Hire	323,955
Deferred outflows pension - Volunteer Plan	8,514
Deferred outflows pension - SWAC Volunteer Plan	94,648
Total Deferred Outflows Of Resources	<u>3,092,150</u>
Liabilities	
Accounts payable	138,311
Accrued liabilities	29
Claims payable	116,607
Accrued interest payable	45,473
Noncurrent liabilities:	
Due within one year	1,461,165
Due in more than one year	5,495,823
Net pension liability - Old Hire	1,361,221
Net pension liability - SWDBP	456,067
Net pension liability - SWAC Volunteer Plan	1,091,656
Total Liabilities	<u>10,166,352</u>
Deferred Inflows Of Resources	
Unearned revenue - property taxes	16,239,601
Deferred inflows pension - SWDBP	236,854
Deferred inflows pension - SWAC Volunteer Plan	72,194
Total Deferred Inflows Of Resources	<u>16,548,649</u>
Net Position	
Net investment in capital assets	8,030,856
Restricted for:	
Debt service	305,552
Emergencies	528,860
Pension benefits	236,163
Unrestricted	3,956,565
Total Net Position	<u>\$ 13,057,996</u>

ADAMS COUNTY FIRE PROTECTION DISTRICT

**STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2017**

Function/Program	Expenses	Program Revenues			Net Revenue (Expense) And Changes In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Primary Government					
Governmental Activities					
Firefighting	\$ 12,640,388	\$ 30,019	\$ —	\$ —	\$ (12,610,369)
Administration	1,030,484	200,679	—	—	(829,805)
Communications	488,957	—	—	—	(488,957)
Medical	1,584,241	—	—	—	(1,584,241)
Station and grounds maintenance	344,511	—	—	—	(344,511)
Information technology	141,409	—	—	—	(141,409)
Ambulance	140,242	1,034,651	—	3,302	897,711
Training	120,404	2,910	—	—	(117,494)
Fire prevention	30,890	—	—	—	(30,890)
Truck and equipment maintenance	444,507	—	—	—	(444,507)
Special operations	236,046	—	—	—	(236,046)
Interest	171,176	—	—	—	(171,176)
Total - Primary Government	\$ 17,373,255	\$ 1,268,259	\$ —	\$ 3,302	(16,101,694)
		General Revenues			
		Property taxes			13,685,946
		Specific ownership taxes			1,325,425
		Interest			108,730
		Miscellaneous			248,004
		Total General Revenues			15,368,105
		Change In Net Position			(733,589)
		Net Position, Beginning Of Year			13,791,585
		Net Position, End Of Year			\$ 13,057,996

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

ADAMS COUNTY FIRE PROTECTION DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2017

Assets				
	General	Capital Reserve	Bond	Total Governmental Funds
Assets				
Cash, cash equivalents and investments	\$ 6,844,007	\$ 165,164	\$ 305,552	\$ 7,314,723
Cash with County Treasurer	113,383	—	—	113,383
Receivables:				
Property taxes	15,728,876	—	510,725	16,239,601
Medical billing accounts (net)	657,309	—	—	657,309
Due from Pension Trust Fund	1,851	—	—	1,851
Other receivables	41,450	—	—	41,450
Total Assets	\$ 23,386,876	\$ 165,164	\$ 816,277	\$ 24,368,317
Liabilities, Deferred Inflows Of Resources And Fund Balance				
Liabilities				
Accounts payable	\$ 92,608	\$ 45,703	\$ —	\$ 138,311
Accrued liabilities	29	—	—	29
Claims payable	116,607	—	—	116,607
Total Liabilities	209,244	45,703	—	254,947
Deferred Inflows Of Resources				
Unavailable revenue - property taxes	15,728,876	—	510,725	16,239,601
Fund Balances				
Restricted:				
Debt service	—	—	305,552	305,552
Emergencies - TABOR reserve	528,860	—	—	528,860
Pension benefits	236,163	—	—	236,163
Assigned:				
Radios	233,000	—	—	233,000
Major equipment	775,000	—	—	775,000
Station and grounds	100,000	—	—	100,000
Health	100,000	—	—	100,000
Sick leave	1,000,000	—	—	1,000,000
Unassigned	4,475,733	119,461	—	4,595,194
Total Fund Balance	7,448,756	119,461	305,552	7,873,769
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	\$ 23,386,876	\$ 165,164	\$ 816,277	\$ 24,368,317

ADAMS COUNTY FIRE PROTECTION DISTRICT

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

Total Governmental Fund Balances \$ 7,873,769

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

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the funds. However, in the statement of net position, the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets	\$ 20,930,150	
Accumulated depreciation	<u>(8,734,643)</u>	12,195,507

Pension plan accounts, such as deferred inflows/outflows and net pension assets (liabilities), are not current financial resources and, therefore, are not reported in the government funds. However, in the statement of net position, the deferred inflows and outflows for pensions are amortized into pension expense in future periods.

Net pension assets	117,023	
Net pension liabilities	(2,908,944)	
Deferred outflows of resources	2,920,836	
Deferred inflows of resources	<u>(309,048)</u>	(180,133)

Charges on advance refunding are not current financial resources and, therefore, not reported in the funds. However, in the statement of net position, the amounts are deferred outflows of resources and are amortized over the life of the debt.

171,314

Liabilities, including bonds, accrued interest and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(2,290,000)	
Bond premium	(44,390)	
Bond discount	13,165	
Capital leases	(2,014,136)	
Accrued interest payable	(45,473)	
Compensated absences payable	<u>(2,621,627)</u>	(7,002,461)

Net Position Of Governmental Activities \$ 13,057,996

ADAMS COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended December 31, 2017

	General	Capital Reserve	Bond	Total Governmental Funds
Revenues				
Property taxes	\$ 13,164,694	\$ —	\$ 521,252	\$ 13,685,946
Specific ownership taxes	1,325,425	—	—	1,325,425
Grant revenue	3,302	—	—	3,302
Charges for services	1,035,071	—	—	1,035,071
Permit fees	200,679	—	—	200,679
Rental income	2,850	—	—	2,850
Insurance reimbursement	5,457	—	—	5,457
Interest	107,892	435	403	108,730
Miscellaneous	272,206	—	—	272,206
Total Revenues	16,117,576	435	521,655	16,639,666
Expenditures				
Current:				
Firefighting	10,900,332	—	—	10,900,332
Administration	1,043,111	—	—	1,043,111
Communications	488,957	—	—	488,957
Medical	1,584,241	—	—	1,584,241
Station and grounds maintenance	347,372	—	—	347,372
Information technology	125,921	—	—	125,921
Ambulance	140,242	—	—	140,242
Training	120,404	—	—	120,404
Fire prevention	30,890	—	—	30,890
Trucks and equipment	417,125	—	—	417,125
Special operations	236,046	—	—	236,046
Repairs and maintenance'	—	27,381	—	27,381
Capital outlay	143,486	1,024,030	—	1,167,516
Debt service:				
Principal	—	329,919	420,000	749,919
Interest	—	29,009	93,026	122,035
Total Expenditures	15,578,127	1,410,339	513,026	17,501,492
Excess (Deficiency) Of Revenues Over (Under) Expenditures	539,449	(1,409,904)	8,629	(861,826)
Other Financing Sources (Uses)				
Proceeds from lease purchase agreement	—	1,500,000	—	1,500,000
Transfer in	—	29,365	174,004	203,369
Transfer out	(203,369)	—	—	(203,369)
Total Other Financing Sources (Uses)	(203,369)	1,529,365	174,004	1,500,000
Net Change In Fund Balance	336,080	119,461	182,633	638,174
Fund Balance, Beginning Of Year	7,112,676	—	122,919	7,235,595
Fund Balance, End Of Year	\$ 7,448,756	\$ 119,461	\$ 305,552	\$ 7,873,769

ADAMS COUNTY FIRE PROTECTION DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2017

Net Change In Fund Balances - Total Governmental Funds		\$	638,174
Amounts reported for governmental activities in the statement of activities are different because:			
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 as depreciation expenses. This is the amount by which capital outlay exceeded depreciation expense in the current period.			
Capital outlay		\$	1,167,516
Depreciation expense			(1,037,813)
			<u>129,703</u>
Interest expense accrued and reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.			
Liability at December 31, 2015			24,349
Liability at December 31, 2016			(45,473)
			<u>(21,124)</u>
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Proceeds from capital lease issuance			(1,500,000)
Principal payments made			749,919
Amortization of premium, discount and deferred charge on refunding, net			(28,018)
			<u>(778,099)</u>
Pension (expense) income relates to changes the pension assets, liabilities and deferred outflows/inflows that are not receivable or payable in the current period and, therefore, are not reported in the governmental funds.			
			(482,379)
Compensated absences for nonvested employees 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:			
Liability at December 31, 2016			2,401,763
Liability at December 31, 2017			(2,621,627)
			<u>(219,864)</u>
Change In Net Position Of Governmental Activities		\$	<u><u>(733,589)</u></u>

ADAMS COUNTY FIRE PROTECTION DISTRICT

**STATEMENT OF PLAN NET POSITION -
PENSION TRUST FUND
December 31, 2017**

	Pension Trust Fund
Assets	
Cash	\$ 63,569
Investments	1,449,760
Accounts receivable	8,100
Total Assets	<u>1,521,429</u>
Liabilities	
Accounts payable	855
Interfund payable	1,851
Total Liabilities	<u>2,706</u>
Net Position Held In Trust For Pension Benefits	<u>\$ 1,518,723</u>

ADAMS COUNTY FIRE PROTECTION DISTRICT

**STATEMENT OF CHANGES IN PLAN NET POSITION -
PENSION TRUST FUND**

For The Year Ended December 31, 2017

	<u>Pension Trust Fund</u>
Additions	
Investment income	\$ 199,145
State contribution	8,100
Other income	68,827
Total Additions	<u>276,072</u>
Deductions	
Benefit payments	249,680
Administration	5,443
Miscellaneous	7,802
Total Deductions	<u>262,925</u>
Net Change In Net Position Held In Trust For Pension Benefits	13,147
Net Position Held In Trust For Pension Benefits - Beginning Of Year	<u>1,505,576</u>
Net Position Held In Trust For Pension Benefits - End Of Year	<u><u>\$ 1,518,723</u></u>

ADAMS COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. Summary Of Significant Accounting Policies

Organization

The Adams County Fire Protection District (the District) provides emergency services to the northeast metro area of Denver, Colorado. Effective May 7, 2014, the District's legal name changed from North Washington Fire Protection District to Adams County Fire Protection District, also doing business as Adams County Fire Rescue. The name change occurred in connection with a merger between the District and the Southwest Adams County Fire Protection District (SWAC), effective January 1, 2015.

Reporting Entity

For financial reporting purposes, management has considered all potential component units in defining the District. The basic criterion for including a potential component unit is the District's ability to exercise significant operational control or financial accountability over the potential component unit. Financial relationship or operational control is determined on the basis of the District's obligation to fund deficits, responsibility for debt, budgetary authority, fiscal management, selection of governing authority and/or management and the ability to significantly influence operations.

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

Basis Of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities. The government-wide financial statements report information for the District as a whole.

Individual funds are not displayed at this financial reporting level. Internal balances and activity are eliminated at the government-wide level.

The statement of net position presents the financial position of the governmental activities of the District. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The District uses funds to maintain its financial records during the year.

A fund is a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. The District reports the difference between governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balances. The following are the District's major governmental funds:

General - This fund accounts for general operations and for financial resources of the District that are not accounted for in other funds. Primary sources of revenue are property taxes and interest on deposits. The major expenditures are for personnel and services. The General Fund also accounts for the District's health benefit activity.

Capital Reserve - This fund is used to account for the accumulation of resources for and the purchase of capital improvements and equipment. The primary source of revenues is transfers from the General Fund and grant revenue.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

Bond - This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The primary sources of revenues are property taxes levied specifically to retire general obligation bonds and interest on deposits.

Fiduciary Fund - This fund is used for assets held by the District in a trustee capacity.

Pension Trust - This fund accounts for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. This fund is accounted for on the accrual basis of accounting.

Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

All governmental funds are accounted for using a flow of current financial resources measurement focus. Within this measurement focus, only current assets, current liabilities and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and pension trust fund are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of certain deferred outflows of resources and in the presentation of expenses versus expenditures. Under 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. Under 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, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt and compensated absences, which are recognized when due.

Property Tax Revenue And Recognition

Property taxes are levied on December 15 and attach as an enforceable lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Adams and Denver Counties bill and collect property taxes for the District. The property tax receipts collected by the Counties are remitted to the District in the subsequent month. Property taxes receivable not collected within 60 days of year end have been recorded as a deferred inflow of resources in the fund financial statements. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as taxes receivable and a deferred inflow of resources in the government-wide financial statements.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations are at the total fund level and lapse at fiscal year end.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

The Fire Chief submits the proposed budget to the Board of Directors prior to the October 15 statutory deadline for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of a resolution. Formal budgetary integration is employed as a management control tool during the year for the District's funds.

Cash And Cash Equivalents

The District considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these instruments.

Investments

Investments are measured at fair value in accordance with the Governmental Accounting Standard Board Statement No. 72, *Fair Value Measurement and Application*.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for the goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. The interfund balances are eliminated at the government-wide level, except for the residual balances between the governmental activities and the Pension Trust Fund.

Capital Assets

General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the fund financial statements.

All capital assets are recorded at cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value on the date donated. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

All capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	10 - 30 years
Equipment and vehicles	5 - 20 years

Compensated Absences

Accrued vacation and sick leave represent amounts earned, but not paid or taken, as of year end. The District's sick leave policy allows accumulation of up to 2,160 hours. Sick leave is earned at the rate of 0.667 per day during a calendar year. Employees are 50% vested after 10 years and 100% vested after 20 years. Unused sick hours are paid upon retirement after a minimum of 10 years of employment. The vested portion of accrued sick leave is shown as a liability in the governmental statement of net position and is liquidated out of the general fund. Vacation time is accrued on January 1 and must be taken within 1 year of the accrued date; therefore, no accrual is made for unused vacation time.

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 deferred charge on advanced refunding is recorded as a deferred outflow. A deferred charge on advanced refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as a deferred inflow. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available, at both the governmental fund level and in the period the taxes are levied at the government-wide reporting level. The District has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for defined benefit pension plans.

Fund Balance/Net Position

Fund balance for governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. The following classifications describe the relative strength of the spending constraints.

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

Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation

Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to motions or resolutions passed by the Board of Directors, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through motions or resolutions approved by the Board of Directors.

Assigned - includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Fire Chief or designee.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

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. Although not included in a formal policy, the District considers decreases to fund balance to first reduce committed, then assigned and then unassigned balances, in that order.

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets, excluding unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Pensions

The District participates in four defined benefit pension plans. For purposes of measuring the net pension (assets) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension income/expense, information about the fiduciary net position of pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

2. Cash, Cash Equivalents And Investments

	<u>2017</u>
Cash, cash equivalents and investments	\$ 1,707,924
Investments	5,606,799
Cash with County Treasurer	<u>113,383</u>
Total Government Activities	<u>\$ 7,428,106</u>
Cash, Pension Trust, bank	\$ 63,569
Cash, Pension Trust, broker	10,295
Pension Trust Fund Investments	<u>1,439,465</u>
Total Pension Trust	<u>\$ 1,513,329</u>

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 specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must equal at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations 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 had bank deposits of \$1,621,565 collateralized with securities held by the financial institution's agent but not in the District's name.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2017, the District's deposits were not exposed to credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation or collateralized in accordance with PDPA.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

Investments

Colorado Revised Statutes (C.R.S.) and the District's deposit and investment policy permit District funds to be invested in the following types of securities and transactions:

- Fully collateralized or insured interest-bearing checking accounts, savings accounts and time certificates of deposit in state or national banks doing business in Colorado, which have been designated as eligible public depositories by the Colorado Banking Board
- Fully collateralized or insured interest-bearing accounts or time certificates of deposit at state-chartered or federally chartered savings and loan associations in Colorado, which have been designated as eligible public depositories by the Colorado Banking Board
- Local government investment pools that are organized in conformity with Part 7 of Article 57 of Title 24, of C.R.S., which provides specific authority for pooling of local government funds
- Securities and Exchange Commission-regulated money market funds which comply with Colorado state law
- U.S. Treasury obligations (Treasury bills, notes and bonds)

The District had invested \$5,606,799 in Colorado Government Liquid Asset Trust (COLOTRUST) as of December 31, 2017. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemptions notice periods.

COLOTRUST operates similarly to a money market fund, and each share is equal in value to \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST. COLOTRUST financial statements may be obtained at www.colotrust.com.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

The District had the following investments at December 31, 2017:

<u>Investment Type</u>	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 To 5 Years</u>
Local government investment pools	AAAm	\$ 5,606,799	\$ 5,606,799	\$ —
Total Government Activities		\$ 5,606,799	\$ 5,606,799	\$ —

The District also has the following investments reported in the Pension Trust Fund as of December 31, 2017:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Allocation</u>
Mutual funds	\$ 1,051,493	73%
Common Stocks	387,972	27%
Total	\$ 1,439,465	100%

Interest Rate Risk - The District's investment policy states that investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. The period from the date of purchase of an investment to its maturity date will be three years or less, or as authorized by the District Board, as a means of limiting exposure to fair value losses arising from prevailing market interest rates.

Credit Risk - The District's investment policy is to apply the prudent person rule, where investments are made as a prudent person would be expected to act. The District's investment policy requires that investments in local government investment pools and authorized money market fund investments must maintain an AAA rating from a nationally recognized independent rating agency.

Concentration Of Credit Risk - It is the policy of the District to diversify its use of investment instruments. Investments shall be diversified to avoid incurring unreasonable risks of loss inherent in over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. The asset allocation in the portfolio should, however, be flexible, depending on the outlook of the economy, the securities market and the District's anticipated cash flow needs.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments in the Pension Trust Fund have a Level 1 fair value measurement as of December 31, 2017.

<u>Investment Type</u>	<u>December 31,</u>		<u>Level 1</u>	<u>Total</u>
	<u>2017</u>			
Mutual funds	\$ 1,051,493	\$	1,051,493	\$ 1,051,493
Common Stocks	387,972		387,972	387,972
Total	\$ 1,439,465	\$	1,439,465	\$ 1,439,465

Mutual Funds - These are public investment vehicles, valued using the fair value per share (unit) provided by the administrator of the fund. The fair value per unit is based on the value of the underlying assets owned by the fund, minus the liabilities, and then divided by the number of shares outstanding. The fair value per unit is the quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Common Stocks - There are publically traded and valued at the per share closing price reported on the active market on which the individual securities are traded.

3. Interfund Transactions

The District had the following interfund receivables and payables in 2017.

	<u>Interfund</u>	<u>Interfund</u>
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,851	\$ —
Pension Trust Fund	—	1,851
Total	\$ 1,851	\$ 1,851

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

4. Accounts Receivable

The District considers all receivables, other than medical billing receivables, to be fully collectible. The allowance for doubtful medical billing accounts totaled \$605,702 as of December 31, 2017. The allowance is estimated using past collection rates and trends for emergency medical revenue billed, net of contractually adjusted write-offs.

5. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2017 is as follows:

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 217,725	\$ 755,463	\$ —	\$ 973,188
Construction in progress	30,804	107,336	—	138,140
Total Nondepreciable Capital Assets	248,529	862,799	—	1,111,328
Depreciable capital assets:				
Buildings and improvements	11,253,392	139,806	—	11,393,199
Transportation equipment	6,575,789	56,522	(19,694)	6,612,617
Furniture, fixtures and equipment	1,704,618	108,389	—	1,813,006
Total Depreciable Capital Assets	19,533,799	304,717	(19,694)	19,818,822
Accumulated depreciation	(7,716,524)	(1,037,813)	19,694	(8,734,643)
Total Depreciable Capital Assets - Net	11,817,275	(733,096)	—	11,084,179
Total Capital Assets - Net	\$ 12,065,804	\$ 129,703	\$ —	\$ 12,195,507

Depreciation expense for the year ended December 31, 2017 was charged to functions/programs of the primary government, as follows:

Governmental Activities	
Firefighting	\$ 1,037,813

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

6. Long-Term Liabilities

During the year ended December 31, 2017, the following changes occurred in long-term liabilities reported for governmental activities:

	Balance December 31, 2016			Balance December 31, 2017		Current
		Additions	Deletions			
G.O. Refunding Bonds Series 2011	\$ 2,710,000	\$ —	\$ (420,000)	\$ 2,290,000	\$ 435,000	
Premium	53,267	—	(8,877)	44,390	—	
Discount	(15,798)	—	2,633	(13,165)	—	
Fire apparatus capital lease	202,926	—	(30,941)	171,985	32,040	
Bunker gear capital lease	104,541	—	(33,882)	70,659	34,838	
PNC apparatus capital lease	303,517	—	(56,828)	246,689	59,151	
North Valley Bank lease	—	1,500,000	(150,000)	1,350,000	150,000	
Motorola radio equipment lease	233,071	—	(58,268)	174,803	58,268	
Net pension liability - Old Hire	1,395,980	—	(34,759)	1,361,221	—	
Net pension liability - SWDBP	—	456,067	—	456,067	—	
Net pension liability - SWAC Volunteer	814,826	276,830	—	1,091,656	—	
Compensated absences	2,401,763	473,715	(253,851)	2,621,627	691,868	
Total	\$ 8,204,093	\$ 2,706,612	\$ (1,044,773)	\$ 9,865,932	\$ 1,461,165	

General Obligation Bonds

In August 2002, the District issued \$5,500,000 General Obligation Bonds, Series 2002. The proceeds of the issue were placed in a project account to provide funds to improve fire safety and emergency response capabilities of the District, to purchase a municipal bond insurance policy and to pay the costs of issuing the bonds. The bonds pay 2.5% to 5.0% interest per annum. Principal payments are due semiannually on November 1 and May 1, and payments range from \$35,000 to \$500,000.

On February 22, 2011, the District issued General Obligation Refunding Bonds, Series 2011, in the amount of \$4,095,000, with interest rates ranging from 2% to 4%. The bonds were issued to advance refund a portion of the outstanding Series 2002 General Obligation Bonds.

The advance refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$376,886. This difference is reported in the statement of net position as a deferred outflow of resources and is amortized over the new debt's life using the effective interest method.

The bonds constitute general obligations of the District. All of the taxable property in the District is subject to the levy of a separate ad valorem property tax to pay the principal and interest on the bonds.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

As of December 31, 2017, debt service requirements through the maturity date of November 1, 2022 are as follows:

<u>Series 2011</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 435,000	\$ 75,725	\$ 510,725
2019	445,000	62,675	507,675
2020	455,000	48,213	503,213
2021	470,000	33,425	503,425
2022	485,000	16,975	501,975
Total	\$ 2,290,000	\$ 237,013	\$ 2,527,013

The District entered into a capital lease for fire apparatus dated September 7, 2012. Total acquisition cost of the fire apparatus was \$577,936, and the total amount financed was \$316,442. Payments are to be made in annual installments of \$38,145 beginning September 8, 2013, with final payment due September 8, 2022. The following is a summary of debt service principal and interest requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 32,040	\$ 6,105	\$ 38,145
2019	33,177	4,968	38,145
2020	34,356	3,789	38,145
2021	35,575	2,570	38,145
2022	36,837	1,308	38,145
Total	\$ 171,985	\$ 18,740	\$ 190,725

The District entered into a capital lease agreement for bunker gear on December 31, 2014. Total acquisition cost of the bunker gear is \$202,500, and the total amount financed is \$172,500. Payments are to be made in annual installments of \$36,830 beginning May 15, 2015, with final payment due May 15, 2019. The following is a summary of debt service principal and interest requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 34,838	\$ 1,992	\$ 36,830
2019	35,821	1,010	36,831
Total	\$ 70,659	\$ 3,002	\$ 73,661

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

The District entered into a capital lease agreement for a PNC apparatus on May 12, 2016. Total acquisition cost of the apparatus is \$588,517, and the total amount financed was \$305,517. Payments are to be made in annual installments of \$66,031 beginning June 12, 2017, with final payment due June 12, 2021. The following is a summary of debt service principal and interest requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 59,151	\$ 6,880	\$ 66,031
2019	60,801	5,230	66,031
2020	62,497	3,534	66,031
2021	64,240	1,791	66,031
Total	\$ 246,689	\$ 17,435	\$ 264,124

The District entered into a capital lease agreement for Motorola radio equipment on December 31, 2015, and took possession of the equipment in January 2016. Total acquisition cost of the equipment is \$291,339, and the total amount financed is \$291,339. Payments are to be made in annual installments of \$58,268 beginning December 15, 2016, with final payment due December 15, 2020. The lease has a 0% nominal annual rate of interest. The following is a summary of debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 58,268	\$ —	\$ 58,268
2019	58,268	—	58,268
2020	58,267	—	58,267
Total	\$ 174,803	\$ —	\$ 174,803

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

The District entered into a Lease-Purchase Agreement with North Valley Bank (the Bank) on February 8, 2017. The lease is secured by certain property of the District. In connection with the agreement, the District borrowed \$1,500,000 which will be paid back in annual installments beginning April 30, 2017, with final payment due April 30, 2026. Upon maturity of the lease, the District has an option to purchase the Bank's interest for \$1. The following is a summary of debt service requirements to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 150,000	\$ 39,150	\$ 189,150
2019	150,000	34,800	184,800
2020	150,000	30,534	180,534
2021	150,000	26,100	176,100
2022	150,000	21,250	171,250
Thereafter	600,000	43,536	643,536
Total	\$ 1,350,000	\$ 195,370	\$ 1,545,370

7. FPPA Statewide Cost-Sharing Defined Benefit Pension Plan

SWDBP Plan Description

Eligible employees of the District are provided with pensions through the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided

SWDBP provides retirement and disability, annual increases and death benefits for members or their beneficiaries. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

The annual normal retirement benefit is 2% of the average of the member's highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to SWDBP. Benefits paid to retired members are evaluated and may be redetermined every October 1. The amount of any increase is at the FPPA Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with SWDBP and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

Contributions

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates are established by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of SWDBP and their employers are contributing at the rate of 9.5% and 8%, respectively, of base salary for a total contribution rate of 17.5% in 2017. In 2014, the members elected to increase the member contribution rate to SWDBP beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8.0% resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers or departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5% of base salary through 2016. It is a local decision as to whether the member or employer pays the additional 4% contribution. Per the 2014 member election, the re-entry group could also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

The contribution rate for members and employers of affiliated Social Security employers is 4.5% and 4%, respectively, of base salary for a total contribution rate of 8.5% through 2016. Per the 2014 member election, members of the affiliate Social Security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

Employer contributions are recognized by SWDBP in the period in which the compensation becomes payable to the member, and the District is statutorily committed to pay the contributions to SWDBP. Employer contributions recognized by SWDBP from the District were \$563,443 for the year ended December 31, 2017.

Pension Assets, Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

At December 31, 2017, the District reported a net pension liability of \$456,067 or its proportionate share of the plan's net pension liability. The net pension liability was measured as of December 31, 2016, and the total 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 SWDBP for the calendar year 2016, relative to the total contributions of participating employers.

At December 31, 2016, the District's proportion was 1.262159%, which was an increase of 0.01058% from its proportion measured as of December 31, 2015.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

For the year ended December 31, 2017, the District recognized pension expense of \$695,810. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to SWDBP from the following sources:

Deferred Outflows Of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 1,215,489
Changes of assumptions	308,919
Differences between expected and actual experience	405,868
Contributions subsequent to measurement date	<u>563,443</u>
Total Deferred Outflows Of Resources	<u>\$ 2,493,719</u>
Deferred Inflows Of Resources	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 217,351
Differences between expected and actual experience	<u>19,503</u>
Total Deferred Inflows Of Resources	<u>\$ 236,854</u>

The amount of \$563,443 was reported as deferred outflows of resources related to SWDBP, resulting from contributions subsequent to the measurement date, and will be recognized as a decrease of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWDBP will be recognized in pension expense as follows:

For The Year	
<u>Ended December 31,</u>	
2018	\$ 439,563
2019	439,863
2020	536,265
2021	137,029
2022	39,647
Thereafter	<u>101,055</u>
Total	<u>\$ 1,693,422</u>

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Actuarial Assumptions

The actuarial valuations for SWDBP were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2016. The valuations used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarially Determined Contributions</u>
Valuation date	December 31, 2016	January 1, 2017
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level % Payroll, Open	Level % Payroll, Open
Remaining amortization period	30 Years	30 Years
Actuarial assumptions:		
Investment rate of return*	7.5%	7.5%
Projected salary increases*	4.0% - 14.0%	4.0% - 14.0%
Cost of living adjustments	0.0%	0.0%
* Includes inflation at:	2.5%	2.5%

Effective January 1, 2016, the post-retirement mortality tables for nondisabled 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 a 2% mortality probability for females is included to reflect substantial impairment for this population. The preretirement off-duty Mortality Tables are adjusted to 55% of the RP-2014 Mortality Tables for active employees. The on-duty mortality rate is 0.02%.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the fund's target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Global equity	36.00%	9.3%
Equity long/short	10.00%	7.4%
Illiquid alternatives	23.00%	10.8%
Fixed income	15.00%	4.1%
Absolute return	10.00%	6.6%
Managed futures	4.00%	5.5%
Cash	2.00%	0.0%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension asset was 7.5%. 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 establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDBP plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond 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).

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

For the purpose of the valuation, the 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 and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.5%.

Sensitivity Of The District's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability (asset) to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (6.5%) or one percent higher (8.5%):

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension (asset) liability	\$ 3,880,396	\$ 456,067	\$ (2,388,007)

Pension Plan Fiduciary Net Position

Detailed information about SWDBP's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

8. Old Hire Defined Benefit Pension Plan (Hired Prior To April 8, 1978)

Plan Description

The Old Hire Defined Benefit Pension Plan (the Old Hire Plan) is an agent multiple-employer defined benefit pension plan, established by resolution of the District. All assets are held and invested by FPPA. Firefighters hired prior to April 8, 1978 who elected not to SWDBP are covered by this plan. Any changes to this plan are referred to the membership by the Pension Trustee Board and voted upon. The Old Hire Plan is closed to new entrants as of April 8, 1978.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

Benefits Provided

The member's normal retirement date for the Old Hire Plan is based on the date a member has completed 20 years of credited service and attained the age of 50. A member that retires after the normal retirement date shall be eligible for a monthly pension equal to one-half of the monthly salary at the date of retirement. For each full year a member continues working past eligibility for normal retirement, the member's benefit increases by 4% of the monthly salary.

There is no maximum benefit. Severance benefits are offered for contributions plus interest, up to 5% per annum, to members who terminate employment prior to being eligible for retirement. If a retired member dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one-third of the salary of a firefighter of the same rank held by the deceased firefighter including rank escalation.

Members Covered By Benefit Terms

Membership of the Old Hire Plan consists of the following at December 31, 2017:

	<u>Old Hire Plan</u>
Retirees and beneficiaries receiving benefits	10

Contributions

The District is required by statute to contribute the remaining amounts necessary to pay benefits when due using the actuarial basis specified by statute. In 2009, legislation was adopted to defer the State of Colorado contributions for the Old Hire Plan for 2009 through 2011 and resume in 2012 through 2015. In 2011, legislation was adopted to change payment dates to 2012 until 2019. Senate Bill 13-234 authorized the State of Colorado to fulfill its obligation during 2013. A payment of \$1,456,060 was made into the Old Hire Plan during 2013. As a result, the Old Hire Plan will receive no further payments from the State of Colorado, and all future funding is the requirement of the District. Legislation passed during 2014 requires the District to begin funding an actuarially appropriate amount annually beginning no later than 2016, calculated by the actuary as \$180,163 for 2017.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

Net Pension Liability

The District's Old Hire Plan net pension liability measurement date is December 31, 2016, and the total pension liability was determined by an actuarial valuation as of January 1, 2016. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2017 and may be used for December 31, 2017 reporting purposes.

Actuarial Methods And Assumptions

The actuarial valuations for the Old Hire Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2017. The valuations used the following actuarial assumption and other inputs:

Valuation date	January 1, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	11 Years
Asset valuation method	5-Year Smoothed Fair Value
Actuarial assumptions	
Investment rate of return*	7.5%
Projected salary increase*	N/A
Cost of living	None
* Includes inflation at:	3.0%

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond 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 and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.5%. Projected cash flows used in determining the single discount rate are available upon request.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Sensitivity Of The District's Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (6.5%) or one percent higher (8.5%):

	1% Decrease (6.5%)	Current (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 1,579,431	\$ 1,361,221	\$ 1,165,699

Change In Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances At December 31, 2016	\$ 3,865,552	\$ 2,469,572	\$ 1,395,980
Changes For The Year			
Service cost	—	—	—
Interest	271,496	—	271,496
Differences between expected and actual experience	—	—	—
Changes of assumptions	—	—	—
Contributions - employer	—	196,745	(196,745)
Contributions - member	—	—	—
Net investment income	—	115,263	(115,263)
Benefit payments	(500,243)	(500,243)	—
Administrative expense	—	(5,753)	5,753
Net Changes	(228,747)	(193,988)	(34,759)
Balances At December 31, 2017	\$ 3,636,805	\$ 2,275,584	\$ 1,361,221

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended December 31, 2017, the District recognized pension expense of \$148,881. At December 31, 2017, the District reported deferred outflows of resources related to the Old Hire Plan from the following sources:

Deferred Outflows Of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 143,792
Contributions subsequent to measurement date	<u>180,163</u>
Total Deferred Outflows Of Resources	<u><u>\$ 323,955</u></u>

The amount of \$180,163 reported as deferred outflows of resources related to the Old Hire Plan, resulting from contributions subsequent to the measurement date, will be recognized as a decrease in the net pension liability for the year ended December 31, 2017. Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

For The Year	
<u>Ended December 31,</u>	
2018	\$ 45,463
2019	45,463
2020	41,154
2021	<u>11,712</u>
Total	<u><u>\$ 143,792</u></u>

Pension Plan Fiduciary Net Position

Detailed information about Old Hire Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

9. Volunteer Firefighters Defined Benefit Pension Plan

Plan Description

The District established the Volunteer Firefighters Pension Plan (the Volunteer Plan) in 1964. In January 1990, the District funded its Volunteer Plan through FPPA as an agent multiple-employer defined benefit noncontributing pension plan. The Volunteer Plan was closed to new members in 1974. The Volunteer Plan is administered by a seven-member Board of Trustees that includes the District's Board of Directors and two volunteer firefighters. Investment decisions are made by FPPA. The District Board has the authority to establish or amend benefit provisions, including contribution levels, in accordance with the biennial actuarial study.

Benefits Provided

The benefit provisions and the Volunteer Plan requirements were established according to C.R.S. The Board of Trustees has adopted the following schedule of monthly benefits that was in effect at December 31, 2017:

Normal Retirement Benefit Age 50 With 20 Years Of Service	
Regular, monthly benefit	\$ 100
Survivor Benefits	
After age and service retirement	50
Following death after vested retirement with 10 to 20 years of service amount per year of service per minimum vesting years	2.50
Vested Retirement Benefit	
With 10 to 20 years of service amount per year of service per minimum 10 vesting years	5.00
Funeral Benefits	
Lump-sum benefit, one time	100

Members Covered By Benefit Terms

Membership of the Volunteer Plan consists of the following at December 31, 2017:

	Volunteer Firefighters Plan
Retirees and beneficiaries receiving benefits	<hr/> 9

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Contributions

There are no paid employees within the Volunteer Plan, and employees do not contribute to the plan. The District is required by statute to contribute the amounts remaining necessary to pay benefits when due using the actuarial basis specified by statute.

Net Pension Asset

The District's Volunteer Plan net pension asset was measured as of December 31, 2016, and the total pension asset was determined by an actuarial valuation as of January 1, 2017. This measurement date is within one year of the plan sponsors fiscal year end of December 31, 2017 and may be used for December 31, 2017 reporting purposes.

Actuarial Methods And Assumptions

The total pension asset in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied in all periods included in the measurement:

Valuation date	January 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	12 Years
Asset valuation method	5-Year Smoothed Fair Value
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increase*	N/A
Cost of living adjustments	None
* Includes inflation at:	3.0%

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond 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 and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.5%. Projected cash flows used in determining the single discount rate are available upon request.

Sensitivity Of The District's Net Pension Asset To Changes In The Discount Rate

Regarding the sensitivity of the net pension asset to changes in the single discount rate, the following presents the plan's net pension asset, calculated using a single discount rate of 7.5%, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is one percent lower (6.5%) or one percent higher (8.5%):

	1% Decrease (6.5%)	Current (7.5%)	1% Increase (8.5%)
Net pension asset	\$ (114,544)	\$ (117,023)	\$ (119,254)

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Change In Net Pension Asset

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances At December 31, 2016	\$ 50,143	\$ 159,634	\$ (109,491)
Changes For The Year			
Service cost	—	—	—
Interest	3,504	—	3,504
Differences between expected and actual experience	(6,029)	—	(6,029)
Changes of assumptions	2,859	—	2,859
Contributions - employer	—	—	—
Contributions - member	—	—	—
Net investment income	—	8,393	(8,393)
Benefit payments	(6,960)	(6,960)	—
Administrative expense	—	(527)	527
Net Changes	(6,626)	906	(7,532)
Balances At December 31, 2017	\$ 43,517	\$ 160,540	\$ (117,023)

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended December 31, 2017, the District recognized a pension benefit of \$8,151. At December 31, 2017, the District reported deferred outflows of resources related to the Volunteer Plan from the following sources:

	Governmental Activities
Deferred Outflows Of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 8,514
Total Deferred Outflows Of Resources	\$ 8,514

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

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

For The Year Ended December 31,	
2018	\$ 2,685
2019	2,686
2020	2,483
2021	660
Total	\$ 8,514

Pension Plan Fiduciary Net Position

Detailed information about the Volunteer Plan's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

10. Southwest Adams County Volunteer Firefighters Pension Plan

Plan Description

The Southwest Adams County Volunteer Firefighters Pension Plan (the SWAC Volunteer Plan) is a single-employer defined benefit pension plan. The SWAC Volunteer Plan is administered by the Volunteer Pension Board of Trustees. Assets are held and administered by an independent third party.

Benefits Provided

The SWAC Volunteer Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted by the Board of Directors of SWAC (now part of the District). C.R.S., as amended, establishes basic benefit provisions. Retirees are eligible to receive full retirement benefits of \$800 per month after 20 years of service and reaching the age of 50. Retirees may also receive 50% of retirement benefits after 10 years of service and reaching the age of 50. Pro-rated pension can be vested between 10 and 20 years of eligible volunteer service.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Members Covered By Benefit Terms

Membership of the SWAC Volunteer Plan consists of the following at December 31, 2017:

	<u>SWAC Volunteer Plan</u>
Retirees and beneficiaries receiving benefits	38
Terminated vested members	1

Contributions

There are no paid employees within the SWAC Volunteer Plan, and employees do not contribute to the plan. Contributions consist of contributions determined by the District Board of Directors and a matching contribution by the State of Colorado based on statute.

Net Pension Liability

The SWAC Volunteer Plan total pension liability was measured as of December 31, 2016 and was based on an actuarial valuation performed as of January 1, 2017. The total pension liability measurement date of December 31, 2016, The measurement date is within one year of the plan sponsors fiscal year end of December 31, 2017 and may be used for December 31, 2017 reporting purposes.

Actuarial Methods And Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied in all periods included in the measurement:

Valuation date	January 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	23 Years
Asset valuation method	5-Year Closed Fair Value
Actuarial assumptions:	
Investment rate of return*	6.5%
Projected salary increase*	N/A
Cost of living adjustments	None
* Includes inflation at	2.5%

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Single Discount Rate

A single discount rate of 6.5% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 6.5%. The projection of cash flows used to determine this single discount rate assumed that contributions from both the District and the State will be made at the current contribution levels. The projection of cash flows also includes an estimate of life insurance proceeds expected to be payable to the plan as named beneficiary of certain life insurance policies held in the name of some current retirees of the plan. Based on these assumptions, the pension plan'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 Net Pension Liability To Changes In The Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.5%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower (5.5%) or one percent higher (7.5%):

	1% Decrease (5.5%)	Current (6.5%)	1% Increase (7.5%)
Net pension liability	\$ 1,333,447	\$ 1,091,656	\$ 884,533

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

Change In Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances At December 31, 2016	\$ 2,320,402	\$ 1,505,576	\$ 814,826
Changes For The Year			
Service cost	—	—	—
Interest	423,411	—	423,411
Differences between expected and actual experience	(56,558)	—	(56,558)
Changes of assumptions	276,961	—	276,961
Contributions - employer	—	56,000	(56,000)
Contributions - state	—	8,100	(8,100)
Contributions - member	—	—	—
Net investment income	—	196,091	(196,091)
Benefit payments	(269,026)	(269,026)	—
Professional fees	—	(18,292)	18,292
Other	—	125,085	(125,085)
Net Changes	374,788	97,958	276,830
Balances At December 31, 2017	\$ 2,695,190	\$ 1,603,534	\$ 1,091,656

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended December 31, 2017, the District recognized a pension expense of \$445,445. At December 31, 2017, the District reported deferred outflows and deferred inflows of resources related to the SWAC Volunteer Plan from the following sources:

	<u>Governmental Activities</u>
Deferred Outflows Of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 94,648
Total Deferred Outflows Of Resources	<u>\$ 94,648</u>
Deferred Inflows Of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 72,194
Total Deferred Inflows Of Resources	<u>\$ 72,194</u>

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

There were no contributions subsequent to the measurement date of December 31, 2017. Amounts reported as deferred outflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

For The Year	
Ended December 31,	
2018	\$ 22,372
2019	22,372
2020	13,806
2021	(36,096)
Total	\$ 22,454

11. Deferred Compensation Plans

The District participates in a deferred compensation plan (the 457 Plan) as defined under the Internal Revenue Code Section 457, which allows employees to make an elective deferral of a portion of earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan administered by FPPA. Amendments to the 457 Plan may be made by the plan trustee. The District does not match employee contributions to the 457 Plan. For the years ended December 31, 2017 and 2016, participating employees contributed \$283,246 and \$242,516, respectively.

The District provides a money purchase pension plan for full-time firefighting, prevention and maintenance SWAC personnel who elected to stay with the plan as part of the merger with the District. The District contributes 8% of covered salary to the money purchase pension plan. There are no employee voluntary contributions. The District contributed \$131,529 to the plan during 2017.

12. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District carries commercial insurance for the risks of loss, including worker's compensation and employee accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Limits of insurance coverage remain unchanged in the past three years.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (Continued)

The District administers a self-insurance program for medical and dental insurance that covers the premiums for District employees and medical claims up to \$30,000 per year per person. Amounts over \$30,000 per year are covered by the District's re-insurance policy. The estimated liability for pending and incurred but not reported claims at December 31, 2017 are reported as claims payable in the financial statements. Claims incurred but not reported for the past two years are as follows:

<u>Year Ended December 31,</u>	<u>Claims Payable January 1,</u>	<u>Claims And Changes In Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable December 31,</u>
2016	\$ 141,952	\$ 917,898	\$ 966,114	\$ 93,736
2017	93,736	1,419,566	1,396,695	116,607

13. Tax, Spending And Debt Limitations

In November 1992, Colorado voters passed the Taxpayer Bill of Rights (TABOR), which limits the revenue-raising and spending abilities of state and local governments. The limits on property taxes, revenue and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances).

TABOR requires voter approval for any increase in mill levies or tax rates, new taxes or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves of 1% of 1993 fiscal year spending, excluding bonded debt service, be established for declared emergencies, with 2% of fiscal year spending required in 1994 and 3% thereafter.

As of December 31, 2017, the District reported \$528,860 as restricted net position and restricted fund balance in the governmental activities and General Fund, respectively, to comply with the reserve for emergencies.

ADAMS COUNTY FIRE PROTECTION DISTRICT

Notes To Financial Statements (*Continued*)

In 2002, the voters of the District approved a ballot issue to authorize the District to collect, retain and spend all revenue generated by its existing mill levy, which cannot be increased without voter approval, and from all other sources of revenue in excess of the limitations provided in TABOR for the general operations and capital construction. The District's management believes that it has legally removed itself from TABOR's revenue and spending limitations. However, TABOR is complex and subject to future judicial interpretation.

14. Related Party Transactions

The District entered into a contract for purchase of land with the Adams County School District 50. The purchase price of the property is \$750,000. The real estate agent is a family member of the District's Fire Chief, the fact of which was disclosed to and authorized by the District's Board of Directors. The purchase of the property occurred during 2017.

15. Subsequent Event

On April 30, 2018, the Certificates of Participation, Series 2018, were issued to finance certain capital improvements for the District. The 2018 COPs were issued in the amount of \$8,545,000 and mature in December 2047.

Required Supplementary Information

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND

For The Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 13,322,569	\$ 13,322,569	\$ 13,164,694	\$ (157,875)
Specific ownership taxes	1,100,000	1,100,000	1,325,425	225,425
Grant revenue	—	—	3,302	3,302
Charges for services	1,200,000	1,200,000	1,035,071	(164,929)
Permit fees	100,000	100,000	200,679	100,679
Rental income	—	—	2,850	2,850
Insurance reimbursement	—	—	5,457	5,457
Interest	35,000	35,000	107,892	72,892
Miscellaneous	170,368	170,368	272,206	101,838
Total Revenues	15,927,937	15,927,937	16,117,576	189,639
Expenditures				
Current:				
Firefighting	10,666,811	10,666,811	10,900,332	(233,521)
Administration	1,245,518	1,245,518	1,043,111	202,407
Communications	500,000	500,000	488,957	11,043
Medical payments	1,768,500	1,768,500	1,584,241	184,259
Stations and grounds maintenance	338,805	338,805	347,372	(8,567)
Information technology	—	—	125,921	(125,921)
Ambulance	146,390	146,390	140,242	6,148
Training	145,302	145,302	120,404	24,898
Fire prevention	36,150	36,150	30,890	5,260
Truck and equipment maintenance	412,655	412,655	417,125	(4,470)
Special projects	235,105	235,105	236,046	(941)
Capital outlay	380,000	380,000	143,486	236,514
Total Expenditures	15,875,236	15,875,236	15,578,127	297,109
Excess Of Revenues Over Expenditures	52,701	52,701	539,449	486,748
Other Financing Sources (Uses)				
Transfers out	(1,500,000)	(1,500,000)	(203,369)	1,296,631
Excess (Deficit) Of Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses				
	\$ (1,447,299)	\$ (1,447,299)	336,080	\$ 1,783,379
Fund Balance, Beginning Of Year			<u>7,112,676</u>	
Fund Balance, End Of Year			<u>\$ 7,448,756</u>	

Note to Required Supplementary Information:

This budgetary comparison schedule is presented on a basis in conformity with generally accepted accounting principles.

ADAMS COUNTY FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION (ASSET) LIABILITY - SWDBP
Employee Pension Plan
Last Three Measurement Periods¹**

Measurement Period Ending December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of the net pension asset (liability)	0.012621596	0.012515737	0.010612325
District's proportionate share of the net pension asset (liability)	\$ (456,067)	\$ 22,063	\$ 1,197,681
District's covered-employee payroll	\$ 6,459,505	\$ 6,071,376	\$ 4,611,454
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	-7.06%	0.36%	25.97%
Plan fiduciary net position as a percentage of the total pension asset (liability)	-98.2%	100.1%	106.8%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE PENSION PLAN - SWDBP Employee Pension Plan Last Four Fiscal Years¹

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 563,443	\$ 516,761	\$ 485,709	\$ 381,791
Contributions in relation to the contractually required contribution	563,443	516,761	485,709	381,791
Contribution (Excess) Deficiency	\$ —	\$ —	\$ —	\$ —
District's covered-employee payroll	\$ 7,043,039	\$ 6,459,505	\$ 6,071,376	\$ 4,611,454
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%	8.28%

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS - OLD HIRE PLAN

Last Three Measurement Periods¹

Measurement Period Ending December 31,	2016	2015	2014
Total Pension Liability			
Service cost	\$ —	\$ —	\$ —
Interest	271,496	307,681	324,580
Changes to benefit terms	—	—	—
Differences between expected and actual experience in the measurement of the total pension liability	—	(569,630)	—
Changes of assumptions	—	294,822	—
Benefit payments, including lump sums	(500,243)	(529,897)	(569,183)
Net Change In Total Pension Liability	(228,747)	(497,024)	(244,603)
Total Pension Liability - Beginning	3,865,552	4,362,576	4,607,179
Total Pension Liability - Ending {a}	\$ 3,636,805	\$ 3,865,552	\$ 4,362,576
Plan Fiduciary Net Position			
Contributions - employer	\$ 196,745	\$ 45,912	\$ 45,912
Contributions - employees	—	—	—
Net investment income	115,263	52,699	201,507
Benefit payments, including lump sums	(500,243)	(529,897)	(569,183)
Administrative expenses	(5,753)	(4,119)	(8,200)
Net Change In Fiduciary Net Position	(193,988)	(435,405)	(329,964)
Plan Fiduciary Net Position - Beginning	2,469,572	2,904,977	3,234,941
Plan Fiduciary Net Position - Ending {b}	\$ 2,275,584	\$ 2,469,572	\$ 2,904,977
Plan Fiduciary Net Pension Liability - Ending {a} - {b}	\$ 1,361,221	\$ 1,395,980	\$ 1,457,599
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability {b} / {a}	62.57%	63.89%	66.59%
Covered Employee Payroll	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage Of Covered Employee Payroll	N/A	N/A	N/A

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - OLD HIRE PLAN Last Four Fiscal Years¹

Fiscal Year Ending (a)	Actuarially Determined Contribution* (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution As A % Of Covered Payroll (f)
2014	\$ 375,468	\$ 45,912	\$ 329,556	N/A	N/A
2015	196,745	45,912	150,833	N/A	N/A
2016	196,745	196,745	—	N/A	N/A
2017	180,163	180,163	—	N/A	N/A

* Actuarially determined contribution is net of employee contributions, if any. Actual contribution is from the employer only and does not include employee amounts.

N/A = Information not applicable.

(1) This schedule will be completed prospectively until a full 10-year trend is compiled. The District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS - VOLUNTEER PLAN

Last Three Measurement Periods¹

Measurement Period Ending December 31,	2016	2015	2014
Total Pension Liability			
Service cost	\$ —	\$ —	\$ —
Interest	3,504	3,770	3,688
Changes to benefit terms	—	—	—
Differences between expected and actual experience in the measurement of the total pension liability	(6,029)	—	5,594
Changes of assumptions	2,859	—	—
Benefit payments, including lump sums	(6,960)	(7,660)	(8,685)
Net Change In Total Pension Liability	(6,626)	(3,890)	597
Total Pension Liability - Beginning	50,143	54,033	53,436
Total Pension Liability - Ending {a}	\$ 43,517	\$ 50,143	\$ 54,033
Plan Fiduciary Net Position			
Contributions - employer	\$ —	\$ —	\$ —
Net investment income	8,393	2,991	10,941
Benefit payments, including lump sums	(6,960)	(7,660)	(8,685)
Administrative expenses	(527)	(1,383)	(634)
Net Change In Fiduciary Net Position	906	(6,052)	1,622
Plan Fiduciary Net Position - Beginning	159,634	165,686	164,064
Plan Fiduciary Net Position - Ending {b}	\$ 160,540	\$ 159,634	\$ 165,686
Plan Fiduciary Net Pension Asset - Ending {a} - {b}	\$ (117,023)	\$ (109,491)	\$ (111,653)
Plan Fiduciary Net Position As A Percentage Of The Total Pension Asset {b} / {a}	368.91%	318.36%	306.64%
Covered Employee Payroll	N/A	N/A	N/A
Plan's Net Pension Asset As A Percentage Of Covered Employee Payroll	N/A	N/A	N/A

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - VOLUNTEER PLAN Last Four Fiscal Years¹

Fiscal Year Ending (a)	Actuarially Determined Contribution (b)	Actual Contribution (c)	Contribution Deficiency (Excess) (d) = (b) - (c)	Covered Payroll (e)	Actual Contribution As A % Of Covered Payroll (f)
2014	\$ —	\$ —	\$ —	N/A	N/A
2015	—	—	—	N/A	N/A
2016	—	—	—	N/A	N/A
2017	—	—	—	N/A	N/A

N/A = Information not applicable.

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.
The District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS - SWAC VOLUNTEER PLAN

Last Three Measurement Periods¹

Measurement Period Ending December 31,	2016	2015	2014
Total Pension Liability			
Service cost	\$ —	\$ —	\$ —
Interest	170,217	188,602	188,602
Changes to benefit terms	—	—	—
Differences between expected and actual experience in the measurement of the total pension liability	(56,558)	(92,587)	(92,587)
Changes of assumptions	276,961	—	—
Benefit payments, including lump sums	(254,214)	(269,026)	(277,441)
Net Change In Total Pension Liability	136,406	(173,011)	(181,426)
Total Pension Liability - Beginning	2,558,783	2,651,612	2,833,038
Total Pension Liability - Ending {a}	\$ 2,695,189	\$ 2,478,601	\$ 2,651,612
Plan Fiduciary Net Position			
Contributions - employer	\$ 56,000	\$ 56,000	\$ 46,000
Contributions - state	8,100	8,100	8,100
Contributions - employees	—	—	—
Net investment income	76,142	12,099	102,011
Benefit payments, including lump sums	(254,214)	(269,026)	(277,441)
Administrative expenses	(8,707)	(9,585)	(40,342)
Other	123,930	(6,946)	22,328
Net Change In Fiduciary Net Position	1,251	(209,358)	(139,344)
Plan Fiduciary Net Position - Beginning	1,602,282	1,811,640	1,950,984
Plan Fiduciary Net Position - Ending {b}	\$ 1,603,533	\$ 1,602,282	\$ 1,811,640
Plan Fiduciary Net Pension Liability - Ending {a} - {b}	\$ 1,091,656	\$ 956,501	839,972
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability {b} / {a}	59.50%	62.62%	68.32%
Covered Employee Payroll	N/A	N/A	N/A
Plan's Net Pension Liability As A Percentage Of Covered-Employee Payroll	N/A	N/A	N/A

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - SWAC VOLUNTEER PLAN Last Four Fiscal Years¹

Fiscal Year Ending (a)	Actuarially Determined Contribution (b)	Actual Contribution* (c)	Contribution Deficiency (Excess) (d) = (b)-(c)	Covered Payroll (e)	Actual Contribution As A % Of Covered Payroll (f)
2014	\$ 61,667	\$ 54,100	\$ 7,567	N/A	N/A
2015	48,178	56,000	(7,822)	N/A	N/A
2016	48,178	64,100	(15,922)	N/A	N/A
2017	63,502	64,100	(598)	N/A	N/A

N/A = Information not applicable.

* Includes employer and State of Colorado Supplementary Payment

(1) This schedule will be completed prospectively until a full 10-year trend is compiled.
The District is presenting information for those years for which information is available.

ADAMS COUNTY FIRE PROTECTION DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2017

1. Budgets And Budgetary Accounting

The District Board adopts an annual budget for all funds as required by C.R.S., as amended. Budgeted amounts for all funds are based on legally adopted budgets, including supplemental budget appropriations, if any, which are on a basis consistent with generally accepted accounting principles for each fund type. The Fire Chief is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter total expenditures for any of the funds must be approved by the District Board.

The budgetary comparison schedule included in the required supplementary information presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results.

Expenditures may not legally exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. After budget approval, the District Board may approve supplemental appropriations if an occurrence, condition or need exists which was not known at the time the budget was adopted.

On or before October 15 of each year, the District's budget officer must prepare and submit a proposed budget to the District Board for the next fiscal year. Thereupon, notice must be published stating, among other things, that the budget is open to inspection by the public and that interested electors may file or register any objection to the budget.

Subject to certain exceptions and exclusions discussed hereafter, the District must submit a request for property tax increases in excess of the statutory limitation to the Division of Local Government (if within TABOR limits) or submit the question of an increased level directly to the electors of the District at a general or special election. State law requires that the District adopt a budget prior to the certification of its mill levy to the County and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption.

Failure to do so can result in the County Treasurer's withholding future property tax revenues pending compliance by the District. Budget appropriations lapse at the end of each year. The encumbrance method is not used.

Supplementary Information

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CAPITAL RESERVE FUND

For The Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Interest income	\$ —	\$ —	\$ 435	\$ 435
Total Revenues	—	—	435	435
Expenditures				
Repairs and maintenance	—	—	27,382	(27,382)
Capital outlay	1,684,293	1,684,293	1,024,029	660,264
Debt service:				
Principal	594,856	594,856	329,920	264,936
Interest	—	—	29,008	(29,008)
Total Expenditures	2,279,149	2,279,149	1,410,339	868,810
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(2,279,149)	(2,279,149)	(1,409,904)	869,245
Other Financing Sources				
Proceeds from capital leases	—	—	1,500,000	1,500,000
Transfers in	1,500,000	1,500,000	29,365	(1,470,635)
Total Other Financing Sources	1,500,000	1,500,000	1,529,365	29,365
Net Change In Fund Balance	\$ (779,149)	\$ (779,149)	119,461	\$ 898,610
Fund Balance - Beginning Of Year			<u>—</u>	
Fund Balance - End Of Year			<u>\$ 119,461</u>	

ADAMS COUNTY FIRE PROTECTION DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL -
BOND FUND**

For The Year Ended December 31, 2017

	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 521,525	\$ 521,252	\$ (273)
Interest	500	403	(97)
Total Revenues	522,025	521,655	(370)
Expenditures			
Administration	9,000	—	9,000
Debt service:			
Principal	420,000	420,000	—
Interest	92,525	93,026	(501)
Total Expenditures	521,525	513,026	8,499
Other Financing Sources			
Transfer In	—	174,004	174,004
Excess Of Revenues And Other Net Change In Fund Balance	\$ 500	182,633	\$ 182,133
Fund Balance - Beginning Of Year		122,919	
Fund Balance - End Of Year		\$ 305,552	

ADAMS COUNTY FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET POSITION - BUDGET TO ACTUAL - PENSION TRUST FUND For The Year Ended December 31, 2017

	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
Additions			
General property taxes	\$ 56,000	\$ —	\$ (56,000)
Investment income	15,000	199,145	184,145
State contribution	8,100	8,100	—
Other	7,500	68,827	61,327
Total Additions	86,600	276,072	189,472
Deductions			
Benefit payments	241,026	249,680	(8,654)
Death benefit expense	3,200	—	3,200
Administration	12,000	5,443	6,557
Professional fees	14,000	—	14,000
Miscellaneous	2,000	7,802	(5,802)
Total Deductions	272,226	262,925	9,301
Net Increase (Decrease) In Net Position Held In Trust For Pension Benefits	\$ (185,626)	13,147	\$ 198,773
Net Position Held In Trust For Pension Benefits - Beginning Of Year		<u>1,505,576</u>	
Net Position Held In Trust For Pension Benefits - End Of Year		<u>\$ 1,518,723</u>	