

Annual Financial Report

Nunn Fire Protection District

Nunn, Colorado

For the Year Ended December 31, 2017



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Office of the State Auditor

July 12, 2018



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NUNN FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nunn Fire Protection District
Nunn, Colorado

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Nunn Fire Protection District, State of Colorado as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6, budgetary comparison information on pages 23-24, the Schedule of Changes in Net Position Liability / Asset and Related Ratios on page 25 and the Schedule of Contributions on page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Greeley, Colorado
July 2, 2018

Tim Chavies & Associates, Inc.
Tim Chavies & Associates, Inc.
Certified Public Accountants

NUNN FIRE PROTECTION DISTRICT
P.O. Box 250
Nunn, Colorado 80648-0250

Management's Discussion and Analysis
December 31, 2017

The management's discussion and analysis (MD&A) of the Nunn Fire Protection District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year. It should be read in conjunction with the accompanying basic financial statements. When available, the District has included comparative analysis of such data.

Financial Highlights

- The District's total net position increased \$225,268 or 7.73% between 2017 and 2016.
- Total revenues were \$443,392 in 2017 compared to \$512,406 in 2016, a decrease of \$69,014 or 13.47%.
- Total expenditures were \$263,560 in 2017 compared to \$264,943 in 2016, a decrease of \$1,383 or 0.69%.
- Equipment purchases were \$543,840 in 2017 compared to \$18,646 in 2016.

Overview of the Financial Statements

This management discussion and analysis serves as an introduction to the Nunn Fire Protection District's basic financial statements which are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the basic financial statements, and 4) required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements are designed to provide readers with a broad overview of the District's finances utilizing the full accrual method of accounting.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful Indicator of whether the financial position of the District is improving or deteriorating.

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

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

Fund Financial Statements focus on current available resources and are organized and operated on the basis of funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District can be divided into three categories: 1) governmental funds, 2) proprietary funds and 3) fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize the modified accrual basis of accounting, which focuses on near-term inflow and outflow of spendable resources, as well as on balances on spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

The District only maintains one governmental fund (general) and adopts an annually appropriated budget for this governmental fund. Budgetary comparison statements for the governmental fund are required to be presented and are included as part of the required supplemental information of this report.

The District does not have any **Proprietary Funds or Fiduciary Funds**.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information includes certain required supplementary information containing budgetary comparison schedules of revenues, expenditures and changes in fund balances for all funds and pension fund disclosures.

Government-Wide Financial AnalysisCondensed financial information from the **Statement of Net Position** at December 31:

	2017	2016
Assets		
Current	\$ 1,958,599	\$ 1,915,273
Noncurrent	584,139	522,613
Capital assets, net	1,357,888	915,696
Total Assets	3,900,626	3,353,582
Deferred Outflows	57,829	43,436
Liabilities		
Long-term debt outstanding	-	-
Other liabilities	339,246	56,585
Total Liabilities	339,246	56,585
Deferred Inflows	478,437	424,929
Net Position:		
Net investment in capital assets	1,357,888	915,696
Restricted	13,302	15,372
Unrestricted	1,769,582	1,984,436
Total Net Position	\$ 3,140,772	\$ 2,915,504

Net position of the District increased by \$225,268, the increase was due to property taxes being more than prior year, and an increase in capital assets purchased.

Condensed financial information from the **Statement of Activities** at December 31:

	2017	2016
Revenues:		
Operating revenues	\$ 422,046	\$ 384,451
Investment income	13,593	16,898
Miscellaneous revenues	7,753	111,057
Total Revenues	443,392	512,406
Other Financing Sources (Uses)		
Pension net asset	45,436	35,212
Total Other Financing Sources (Uses)	45,436	35,212
Expenses:		
Fire administration	97,944	125,335
Fire fighting	63,968	33,749
Depreciation	101,648	105,859
Total Expenses	263,560	264,943
Net Change in Net Position	225,268	282,675
Net Position - beginning of year	2,915,504	2,632,829
Net Position - end of year	\$ 3,140,772	\$ 2,915,504

During 2017, the District's net position increased by \$225,268. Fire administration was lower due to repairs needed from hail storm in 2016 and Fire fighting was higher due to supplies and repairs.

Governmental Funds Financial Analysis

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

Proprietary funds. As mentioned earlier, the District does not have any of these types of funds.

Fiduciary funds. As mentioned earlier, the District does not have any of these types of funds.

Budgetary Highlights

The budget is prepared in accordance with accounting principles generally accepted in the United States of America. Budget and actual comparison schedules are provided in the other supplementary information section of this report. The budget and actual comparison schedules show the original adopted budget, the final revised budget, actual results, and variance between the final budget and actual results for the general (operating) fund.

There were no differences from the original adopted and the final revised budget.

Capital Assets

Capital Assets (Net of Depreciation)

	2017	2016
Land	\$ 223,075	\$ 223,075
Building	295,859	295,859
Equipment	1,443,606	1,429,196
Construction in progress	529,430	-
Total Capital Assets	2,491,970	1,948,130
Less: Accumulated depreciation	(1,134,082)	(1,032,434)
Net Capital Assets	\$ 1,357,888	\$ 915,696

Capital assets – net of depreciation increased during 2017 due to capital outlay of \$543,840 (assets acquired) and depreciation of \$101,648. See Note 4 for further discussion.

Economic Factors

The District's revenues are not generally dependent on economic factors. Approximately 88.25% of the District's revenues for 2017 were from property taxes levied upon all real property within the District. Other revenues are comprised of earnings on investments, miscellaneous donations and insurance proceeds from hail storm.

Financial Contact

This financial report is designed to provide a general overview of the District's finances for those who have an interest in the District. If you have any questions about the report or need additional financial information, please contact the District's office at PO Box 250, Nunn, Colorado 80648-0250.

BASIC FINANCIAL STATEMENTS

NUNN FIRE PROTECTION DISTRICT

Statement of Net Position

December 31, 2017 and 2016

	2017	2016
ASSETS		
Current Assets		
Cash in checking	\$ 188,518	\$ 162,214
Cash in savings	-	101,184
Cash with Weld County Treasurer	2,130	1,697
Investments:		
Cash in money market	382,922	289,287
Certificates of deposit	966,210	965,399
Accounts receivable - property taxes	414,716	391,691
Accrued interest receivable	3,398	3,088
Prepaid expenditures	705	713
Total Current Assets	1,958,599	1,915,273
Noncurrent Assets		
Net pension asset	584,139	522,613
Capital Assets:		
Land	223,075	223,075
Building	295,859	295,859
Equipment	1,443,606	1,429,196
Construction in progress	529,430	-
Total Capital Assets	2,491,970	1,948,130
Less: accumulated depreciation	(1,134,082)	(1,032,434)
Net Capital Assets	1,357,888	915,696
Total Noncurrent Assets	1,942,027	1,438,309
Total Assets	3,900,626	3,353,582
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	57,829	43,436
LIABILITIES		
Current Liabilities:		
Accounts payable	339,246	56,585
Total Current Liabilities	339,246	56,585
Total Liabilities	339,246	56,585
DEFERRED INFLOWS		
Unearned revenue - property taxes	414,716	391,691
Deferred inflows related to pensions	63,721	33,238
Total Deferred Inflows	478,437	424,929
NET POSITION		
Net investment in capital assets	1,357,888	915,696
Restricted	13,302	15,372
Unrestricted	1,769,582	1,984,436
Total Net Position	\$ 3,140,772	\$ 2,915,504

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT*Statement of Activities*

For the Years Ended December 31, 2017 and 2016

	2017	2016
Expenses:		
Fire administration	\$ 97,944	\$ 125,335
Fire fighting	63,968	33,749
Depreciation	101,648	105,859
Total Expenses	263,560	264,943
Revenues:		
Operating revenues	422,046	384,451
Investment income	13,593	16,898
Miscellaneous Revenues	7,753	111,057
Total Revenues	443,392	512,406
Other Financing Sources (Uses):		
Proceeds from sale of assets	-	-
Transfers in	-	-
Transfers out	-	-
Pension net increase	45,436	35,212
Total Other Financing Sources (Uses)	45,436	35,212
Net Change in Net Position	225,268	282,675
Net Position - beginning of year	2,915,504	2,632,829
Net Position - end of year	\$ 3,140,772	\$ 2,915,504

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT

Governmental Funds

Balance Sheet

December 31, 2017 and 2016

	Total Governmental Funds		
	General Fund	2017	2016
ASSETS			
Current Assets			
Cash in checking	\$ 188,518	\$ 188,518	\$ 162,214
Cash in savings	-	-	101,184
Cash with Weld County Treasurer	2,130	2,130	1,697
Investments:			
Cash in money market	382,922	382,922	289,287
Certificates of deposit	966,210	966,210	965,399
Accounts receivable - property taxes	414,716	414,716	391,691
Accrued interest receivable	3,398	3,398	3,088
Prepaid expenditures	705	705	713
Total Current Assets	1,958,599	1,958,599	1,915,273
Total Assets	1,958,599	1,958,599	1,915,273
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	-
Total Assets & Deferred Outflows	\$ 1,958,599	\$ 1,958,599	\$ 1,915,273
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 339,246	\$ 339,246	\$ 56,585
Total Current Liabilities	339,246	339,246	56,585
Total Liabilities	339,246	339,246	56,585
DEFERRED INFLOWS			
Unearned revenue - property taxes	414,716	414,716	391,691
Total Liabilities & Deferred Inflows	753,962	753,962	448,276
FUND BALANCE			
Nonspendable - prepaid	705	705	713
Restricted - labor	13,302	13,302	15,372
Committed - subsequent year's expenditures	-	-	-
Assigned	-	-	-
Unassigned	1,190,630	1,190,630	1,450,912
Total Fund Balance	1,204,637	1,204,637	1,466,997
Total Liabilities, Deferred Inflows & Fund Balance	\$ 1,958,599	\$ 1,958,599	\$ 1,915,273
Reconciliation of the Balance Sheet to the Statement of Net Position			
Total Governmental Fund Balance		\$ 1,204,637	\$ 1,466,997
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>			
Net pension asset and deferred outflows/inflows of resources related to participation in FPPA retirement plan is not recorded in the governmental fund but is recorded in the statement of net position		578,247	532,811
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund:			
Capital assets		2,491,970	1,948,130
Less: accumulated depreciation		(1,134,082)	(1,032,434)
		1,357,888	915,696
Net Position of Governmental Activities		\$ 3,140,772	\$ 2,915,504

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Years Ended December 31, 2017 and 2016

	Total Governmental Funds		
	General Fund	2017	2016
Revenues			
Operating revenues	\$ 422,046	\$ 422,046	\$ 384,451
Investment income	13,593	13,593	16,898
Miscellaneous Revenues	7,753	7,753	111,057
Total Revenues	443,392	443,392	512,406
Expenditures:			
Fire administration	97,944	97,944	125,335
Fire fighting	63,968	63,968	33,749
Capital outlay	543,840	543,840	18,646
Contingency reserve	-	-	-
Total Expenditures	705,752	705,752	177,730
Excess (Deficiency) of Revenues over Expenditures	(262,360)	(262,360)	334,676
Other Financing Sources (Uses):			
Proceeds from sale of assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(262,360)	(262,360)	334,676
Fund balance - beginning of year	1,466,997	1,466,997	1,132,321
Fund balance - end of year	\$ 1,204,637	\$ 1,204,637	\$ 1,466,997
<i>Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities</i>			
Net change in fund balance - total governmental funds		\$ (262,360)	\$ 334,676
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:			
Capital asset purchases capitalized		543,840	18,646
Depreciation expense		(101,648)	(105,859)
Net pension asset and deferred outflows/inflows of resources related to participation in FPPA retirement plan is not recorded in the governmental fund but is recorded in the statement of net position		45,436	35,212
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:			
Donated capital assets		-	-
Change in Net Position of Governmental Activities		\$ 225,268	\$ 282,675

See accompanying notes to basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nunn Fire Protection District (District) was created in the District Court in and for the County of Weld, State of Colorado, on July 20, 1951.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities

Reporting Entity

The District is a primary government that has a separately elected governing board and is legally separate, as well as financially independent of other state and local governments. The primary government may appoint a simple majority of the organization's governing board or have the ability to impose its will on the organization. A component unit may be a financial benefit or burden to the primary government and which is a legally separate organization of which the elected officials of the primary government are financially accountable. The District does not have any component units.

New Accounting Pronouncements

GASB Statement No 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement address accounting and reporting for other postemployment benefits (OPEB) plans, which include postemployment healthcare benefits including medical, dental, vision, hearing, and other benefits such as death benefits, life insurance, disability, and long-term care. The District has no OPEB plans, therefore, for year ended December 31, 2017 implementation had no impact to the District's financial statements.

GASB Statement No 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No 14*. This statement clarifies the financial statement presentation requirements for certain component units and enhances comparability of financial statements among state and local governments. The District has no component units, therefore, for year ended December 31, 2017 implementation had no impact to the District's financial statements.

GASB Statement No 81, *Irrevocable Split-Interest Agreements*. This statement improves the accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements. The District has no irrevocable split-interest agreements, therefore, for year ended December 31, 2017 implementation had no impact to the District's financial statements.

GASB Statement No 82, *Pension Issues – an amendment of GASB Statements No 67, No 68, and No 73*. This statement addresses implementation issues that arose during the implementation of the GASB pension suite (Nos. 67, 68, and 73). The District implemented this statement for year ending December 31, 2017 and had no impact to the District's financial statements.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements

Government-Wide Financial Statements are presented on an economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Funds. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in which the liability is incurred, regardless of the timing of the related cash flows. Government-Wide Financial Statements consist of Statement of Net Position and Statement of Activities. The Statement of Net Position includes assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District.

Governmental Fund Financial Statements are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collected within the current period or soon enough thereafter (generally 60 days after year-end) to pay liabilities of the current period.

The District reports the following fund financial statements:

General Fund is the District's operating fund. It is used to account for day-to-day operations of the District which are financed from property taxes and other general revenues. When both restricted and unrestricted resources are available for use, it is the District's policy to use the restricted resources first, then the unrestricted resources as they are needed.

The District does not have any **Proprietary Funds or Fiduciary Funds**.

Required supplementary information includes Management's Discussion and Analysis which includes an analytical overview of the District's financial activities and a budgetary comparison statement that compares the adopted and modified budget with actual results.

Budgets and Budgetary Accounting

An annual budget and appropriation resolution is adopted by the District in accordance with the Colorado State Statutes. The budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles, except capital outlays are treated as expenditures.

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

- On or about November 1, the board submits a proposed General Fund budget for the fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments. Prior to December 15, the District certifies the levy to the Board of County Commissioners.
- Prior to December 31, the budget is legally adopted by the District. Colorado law requires that the General Fund have a legally adopted budget and total expenditures cannot exceed the amount appropriated. Appropriations lapse at the end of the fiscal year, but appropriations may be increased prior to the end of the fiscal year provided that the increase is offset by unanticipated resources.

The Town incurred expenditures in excess of appropriations in the General Fund for the year ended December 31, 2017, which may be in violation of the Local Government Budget Law.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

Encumbrances are commitments under purchase orders, contracts, and other commitments (as opposed to expenditures) and are shown in the governmental fund types as a designated portion of fund balance for subsequent fiscal year's expenditures.

Cash and Cash Equivalents

For purposes of the basic financial statements, the District considers cash equivalents to be highly liquid short-term investments that are readily convertible to known amounts of cash and mature within three months of the date they are acquired.

Investments

Investments in Money Market Account and Certificate of Deposits are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. See Note 3 for further discussion.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The District records its property and equipment at historical cost. The District capitalizes property and equipment with a unit value of \$500 or more. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During years ended December 31, 2017 and 2016, no interest was capitalized.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	30
Equipment	7 to 10

As a result of the implementation of Statement No. 34, the District is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. (1) Nonspendable fund balance cannot be spent because of its form. (2) Restricted fund balance has limitations imposed by creditors, grantors, contributors or by enabling legislation or constitutional provisions. (3) Committed fund balance is a limitation imposed by the District's board through approval of resolutions. (4) Assigned fund balance is a limitation imposed by a designee of the District's board. (5) Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Article X, Section 20, of the Colorado Constitution contains several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes that it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

At an election on May 5, 1998, District voters approved a ballot issue allowing the District to be governed by prior State law regarding retention and limitation of revenues to a five and one-half (5 ½) percent increase per year as determined by the division of local governments for year 1999, also to be effective for all years thereafter.

The Amendment also requires the local government to reserve three (3) percent of total expenditures for emergencies in 1995 and years thereafter. (The definition of an "emergency", under the Amendment is restricted to natural events, but excludes "economic conditions, revenue shortfalls, District salary or fringe benefit increase.") Accordingly, the District has reviewed the existing reserves and determined that a minimum of three (3) percent or \$13,302 and \$15,372 existed at December 31, 2017 and 2016, respectively, to comply with the provision of the Amendment.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

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

NUNN FIRE PROTECTION DISTRICT*Notes to the Basic Financial Statements*

December 31, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)**Cash Deposits (continued)**

Total cash deposits at December 31, were as follows:

	2017	2016
Cash in Checking	\$ 188,518	\$ 162,214
Cash in Savings	-	101,184
Cash with County Treasurer	2,130	1,697
Total Cash Deposits	\$ 190,648	\$ 265,095

The State Regulatory Commissions for banks are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

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

Total investments at December 31, were as follows:

	2017	2016
Cash in Money Market	\$ 382,922	\$ 289,287
Certificates of Deposit	966,210	965,399
Investments at Fair Value	-	-
Total Investments	\$ 1,349,132	\$ 1,254,686

Maturities of investments at December 31, 2017 were as follows:

	Investment Maturities in Years				Total
	Less than 1	1 to 5	6 to 10	More than 10	
Cash in Money Market	\$ 382,922	\$ -	\$ -	\$ -	\$ 382,922
Certificates of Deposit	569,020	397,190	-	-	966,210
Investments at Fair Value	-	-	-	-	-
Total Investments	\$ 951,942	\$ 397,190	\$ -	\$ -	\$ 1,349,132

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

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 fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level:				
US Treasury Bond/Note	\$ -	\$ -	\$ -	\$ -
Federal Agency Obligations	-	-	-	-
Equities	382,922	-	-	382,922
Mutual Funds	-	-	-	-
Subtotal	382,922	-	-	382,922
Investments measured at Amortized Cost:				
Certificates of Deposit	-	-	-	966,210
Total Investments	\$ 382,922	\$ -	\$ -	\$ 1,349,132

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 are valued using discounted cash flow techniques or valued using consensus pricing.

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investment (or related collateral securities that are held by an outside party). The District had no custodial credit risk for its investments at December 31, 2017 and 2016.

Credit Risk is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The District's investment policy follows Colorado Revised State Statutes.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District can minimize the interest rate risk of its investments by holding the investment until maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District has no such policy limiting how much can be with one financial institution due to the Colorado Public Deposit Protection Act (PDPA).

Foreign Currency Risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The District has no policy for foreign currency risk since all are in the form of U.S. Securities.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Summary

Total cash deposits and investments at December 31:

	2017	2016
Cash Deposits	\$ 190,648	\$ 265,095
Investments	1,349,132	1,254,686
Total Cash Deposits & Investments	\$ 1,539,780	\$ 1,519,781

Investment Income

	2017	2016
Earnings on investments	\$ 18,559	\$ 14,806
Net increase (decrease) in the fair value of investments	(4,966)	2,092
Total Investment Income	\$ 13,593	\$ 16,898

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next. This figure will vary year to year depending on the fair market value of the investments at year end and is not a budgetary item.

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital assets as of December 31, 2017:

	Beginning Balance	Additions	Retirements	Ending Balance
<u>Governmental Activities</u>				
Non-Depreciable Assets:				
Land	\$ 223,075	\$ -	\$ -	\$ 223,075
Depreciable Assets:				
Building	295,859	-	-	295,859
Equipment	1,429,196	14,410	-	1,443,606
Construction in progress	-	529,430	-	529,430
Total Assets at Historical Cost	1,948,130	543,840	-	2,491,970
Less: Accumulated Depreciation for:				
Building	(133,716)	(10,222)	-	(143,938)
Equipment	(898,718)	(91,426)	-	(990,144)
Total Accumulated Depreciation	(1,032,434)	(101,648)	-	(1,134,082)
Capital Assets - Net	\$ 915,696	\$ 442,192	\$ -	\$ 1,357,888

Depreciation expense was charged to governmental functions as follows:

Administration and general	\$ 101,648
Total Depreciation Expense	\$ 101,648

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 5 - ASSESSMENTS

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are certified by Weld County, Colorado. Weld County also bills and collects the District's property taxes. Property taxes are recognized as receivables and deferred revenues when levied and as revenue when due for collection in the following year.

The fiscal year assessments calendar is as follows:

Lien Date	January 1
Assessment Date	November 1
Assessment bills mailed	January 1
First installment due	February 28
Second installment due	June 15
If paid in full, due	April 30
Tax sale – delinquent assessments	November 15

NOTE 6 - RISK FINANCING

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 subcontractors, and natural disasters. The District purchases commercial insurance for most risks of loss. As of December 31, 2017, and 2016, the District did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 7 - CONTINGENCIES

The District had no material pending or threatened litigation, claims, and assessments. Furthermore, the District is unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification No. 450 as of December 31, 2017 and 2016.

NOTE 8 – FIREMEN'S PENSION

Plan Description

The District contributes to the Statewide Defined Benefit Plan, a cost sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by the FPPA. This is a non-contributory plan. All volunteers of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan.

Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111 or by calling FPPA at 303-770-3772 in the Denver metro area, or 1-800-332-FPPA (3772) from outside the metro area.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Plan Description (continued)

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair value.

System Description

The FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at: http://www.fppaco.org/pdfs/annual_audit_actuarial_reports/annual%20reports/2014%20cafr.pdf

Membership

Plan membership at December 31, consisted of the following:

	2017	2016
Inactive members or beneficiaries currently receiving benefits	4	4
Inactive members entitled to but not yet receiving benefits	1	-
Active members not entitled to benefits	12	14
	17	18
Covered Payroll	N/A	N/A

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2017, using the following key actuarial assumptions:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open *
Remaining amortization period	20 years *
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2014 mortality tables for blue collar employees adjustment, 55% multiplier of off-duty mortality. Post-retirement: RP-2014 mortality tables for blue collar employees Disabled: RP-2014 disabled generational mortality table All tables projected with Scale BB.
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year

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

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Investments

The FPPA Board Members serve as the fiduciaries for the Funds and are responsible for the investment of the Funds, or the selection of investment options available to defined contribution, deferred compensation and self-directed DROP plan members. As fiduciaries, the FPPA Board Members are required to discharge their duties solely in the interest of fund participants and beneficiaries. The Board has established investment policies and allocates assets, or selects investment options, based upon member characteristics, plan provisions, and the financial requirements of the Funds, in addition to considering the risk/reward trade-offs of various investments.

The Association has established long range statements of investment objectives and policies for managing and monitoring the Funds. The investment policies establish investment objectives and define the responsibilities of the fiduciaries with respect to the Funds, their investment authority under Colorado law, the level of acceptable risk for investments, investment allocation targets, investment performance objectives, and guidelines within which outside investment managers must operate.

The assets in the Fire & Police Members’ Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation plan members are typically pooled investment vehicles managed by professional money managers. Best estimates of arithmetic real rates of return for each major asset class included in the plans target asset allocation are as follow:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	36.0%	9.25%
Equity long / short	10.0%	7.35%
Illiquid alternatives	23.0%	10.75%
Fixed income	15.0%	4.10%
Absolute return	10.0%	6.55%
Managed futures	4.0%	5.50%
Cash	2.0%	0.00%
Total	100.0%	

Plan Contributions

Funding of accrued pension benefits is accomplished primarily through the State of Colorado supplemental discretionary payment and the District contributions. Volunteer participant’s contributions are not permitted or required. Colorado statutes provide that benefits are payable only to the extent of assets available in the Firemen’s Pension Plan.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2017

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Changes in Net Pension Liability / (Asset)

	Total Pension Liability (a.)	Increase (Decrease)	
		Plan Fidiciary Net Position (b.)	Net Pension Liability (Asset) (a.) - (b.)
Changes for the year:			
Service cost	\$ 4,037	\$ -	\$ 4,037
Interest on the total pension liability	24,940	-	24,940
Effect of plan changes	58,629	-	58,629
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	12,735	-	12,735
Diffence between expected and actual experience	(48,147)	-	(48,147)
Benefit payments	(14,418)	(14,418)	-
Employer contributions	-	20,890	(20,890)
Member contributions	-	-	-
State supplemental discretionary payment	-	17,771	(17,771)
Net investment income	-	48,321	(48,321)
Adminstrative expenses	-	(3,262)	3,262
Net change in total pension liability	37,776	69,302	(31,526)
Total pension liability - beginning	337,631	890,244	(552,613)
Total pension liability - ending	\$ 375,407	\$ 959,546	\$ (584,139)

Plan fidiciary net position as a % of total pension liability	255.60%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

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 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. The long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting Single Discount Rate is 7.50%.

Sensitivity to Single Discount Rate Assumption

The following presents the plan’s net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan’s net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Pension Plan's Net Pension Liability / (Asset)	\$ (537,608)	\$ (584,139)	\$ (622,797)

NUNN FIRE PROTECTION DISTRICT*Notes to the Basic Financial Statements*

December 31, 2017

NOTE 8 – FIREMEN’S PENSION (CONTINUED)**Deferred Outflows/Inflows of Resources by Source**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Contributions subsequent to measurement date	\$ 22,770	\$ -	\$ 22,770
Difference between expected and actual experiences	-	63,721	(63,721)
Assumption changes	10,188	-	10,188
Net difference between projected and actual earnings on pension plan investments	47,641	-	47,641
Total	\$ 80,599	\$ 63,721	\$ 16,878

The \$22,770 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Deferred Outflows/Inflows of Resources by Year to be recognized in Future

Year Ending December 31.	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ (102)
2019	(104)
2020	(1,348)
2021	(4,338)
2022	-
Thereafter	-
Total	\$ (5,892)

NOTE 10 – SUBSEQUENT EVENTS

The District has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 2, 2018, the date on which the financial statements were issued, and did not identify any events or transactions that would have a material impact on the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

NUNN FIRE PROTECTION DISTRICT

Schedule of Revenues & Expenditures

*Budget to Actual - **General Fund** (unaudited)*

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

<i>Non-GAAP Budgetary Basis</i>	2017			2016 Actual
	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:				
Operating Revenues:				
Property taxes	\$ 391,691	\$ 391,628	\$ (63)	\$ 361,558
Specific ownership taxes	23,000	30,418	7,418	22,893
Total Operating Revenues	414,691	422,046	7,355	384,451
Investment Income:				
Interest income	15,000	18,559	3,559	14,806
Net increase (decrease) in the fair value of investments	-	(4,966)	(4,966)	2,092
Sale of assets	-	-	-	-
Total Investment Income	15,000	13,593	(1,407)	16,898
Miscellaneous Revenues:				
Other revenues	7,000	7,753	753	7,254
Insurance proceeds	-	-	-	103,803
Total Miscellaneous Revenues	7,000	7,753	753	111,057
Total Revenues	436,691	443,392	6,701	512,406
EXPENDITURES:				
Fire Administration:				
Treasurer's fee	6,000	5,877	123	5,426
Dues and meetings	700	357	343	475
Telephone and communications	12,500	25,951	(13,451)	8,734
Repairs and maintenance - building	-	-	-	51,653
Insurance	17,000	17,853	(853)	17,330
Utilities	12,000	14,886	(2,886)	11,113
Office expense	800	1,095	(295)	484
Fire department fee	2,000	2,000	-	2,000
Professional services	8,000	7,155	845	7,230
Medical supplies	-	-	-	-
Election expense	-	-	-	-
Support expense	22,770	22,770	-	20,890
Total Fire Administration	81,770	97,944	(16,174)	125,335
Fire Fighting:				
Supplies	18,000	35,022	(17,022)	17,563
Education and training	6,200	4,645	1,555	5,287
Repairs, maintenance and fuel	15,000	24,301	(9,301)	10,899
Total Fire Fighting	39,200	63,968	(24,768)	33,749
Capital Outlay	110,000	543,840	(433,840)	18,646
Contingency Reserve	-	-	-	-
Total Expenditures	230,970	705,752	(474,782)	177,730
Excess (Deficiency) of Revenues over Expenditures	\$ 205,721	(262,360)	\$ (468,081)	334,676
Fund Balance - beginning of Year		1,466,997		1,132,321
Fund Balance - End of Year		\$ 1,204,637		\$ 1,466,997

NUNN FIRE PROTECTION DISTRICT

Reconciliation of Budgetary Basis to GAAP Basis

*Budget to Actual - **General Fund** (unaudited)*

Year Ended December 31, 2017

With Comparative Actual Amounts For the Year Ended December 31, 2016

Non-GAAP Budgetary Basis	2017			2016 Actual
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Operating revenues	\$ 414,691	\$ 422,046	\$ 7,355	\$ 384,451
Investment income	15,000	13,593	(1,407)	16,898
Miscellaneous Revenues	7,000	7,753	753	111,057
Total Revenues	436,691	443,392	6,701	512,406
Expenditures:				
Fire administration	81,770	97,944	(16,174)	125,335
Fire fighting	39,200	63,968	(24,768)	33,749
Capital outlay	110,000	543,840	(433,840)	18,646
Contingency reserve	-	-	-	-
Total Expenditures	230,970	705,752	(474,782)	177,730
Excess (Deficiency) of Revenues over Expenditures	\$ 205,721	(262,360)	\$ (468,081)	334,676
Reconciliation of Budgetary Basis to GAAP Basis:				
Capital asset purchases capitalized		543,840		18,646
Depreciation expense		(101,648)		(105,859)
Net pension asset		45,436		35,212
Net Change in Net Position		\$ 225,268		\$ 282,675

NUNN FIRE PROTECTION DISTRICT

Schedule of Changes in Net Position Liability / (Asset) and Related Ratios

For The Last 10 Years (to be built prospectively)

Measurement Date Ending December 31,	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service Cost	4,037	4,037	5,191							
Interest on the Total Pension Liability	24,940	23,875	26,303							
Benefit Changes	58,629	-	-							
Difference between Expected and Actual Experience	(48,147)	-	(49,308)							
Assumption Changes	12,735	-	-							
Benefit Payments	(14,418)	(13,035)	(14,898)							
Net Change in Total Pension Liability	37,776	14,877	(32,712)	-	-	-	-	-	-	-
Total Pension Liability - Beginning	337,631	322,754	355,466							
Total Pension Liability - Ending (a)	375,407	337,631	322,754	-	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	20,890	19,745	18,698							
Pension Plan Net Investment Income	48,321	15,297	53,390							
Benefit Payments	(14,418)	(13,035)	(14,898)							
Pension Plan Administrative Expense	(3,262)	(5,235)	(3,266)							
State Supplemental Discretionary Payment	17,771	16,828	15,876							
Net Change in Plan Fiduciary Net Position	69,302	33,600	69,800	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	890,244	856,644	786,844							
Plan Fiduciary Net Position - Ending (b)	959,546	890,244	856,644	-	-	-	-	-	-	-
Net Pension Liability/(Asset) -Ending (a)-(b)	(584,139)	(552,613)	(533,890)							
Plan Fiduciary Net Position as a										
Percentage of Total Pension Liability	255.60%	263.67%	265.42%							
Covered Employee Payroll (1)	N/A	N/A	N/A							
Net Pension Liability as a Percentage										
of Covered Employee Payroll (1)	N/A	N/A	N/A							

(1) The plan participants are unpaid volunteers, so payroll is not applicable.

NUNN FIRE PROTECTION DISTRICT

Schedule of Contributions

For The Last 10 Years (to be built prospectively)

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution (1) *	Contribution Deficiency (Excess) (d.) = (b.) - (c.)	Covered Payroll (2) **	Actual Contribution as a % of Covered Payroll (f.)
(a.)	(b.)	(c.)		(e.)	(f.)
2016	\$ -	\$ 38,661	\$ (38,661)	N/A	N/A
2015	\$ -	\$ 36,573	\$ (36,573)	N/A	N/A
2014	\$ -	\$ 34,574	\$ (34,574)	N/A	N/A
2013					
2012					
2011					
2010					
2009					
2008					
2007					

* Includes both District and State of Colorado Supplemental Discretionary Payment.
 ** The plan participants are unpaid volunteers, so payroll is not applicable.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag:
 Actuarial valuation as of January 1, 2013 determines contributions amounts for 2014 and 2015.
 Actuarial valuation as of January 1, 2015 determines contributions amounts for 2016 and 2017.
 Actuarial valuation as of January 1, 2017 determines contributions amounts for 2018 and 2019.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open *
Remaining Amortization Period	20 years *
Asset Valuation Method	5-Year smoothed market
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2014 Mortality Table for Blue Collar Employees, 55% multiplier for off-duty mortality. Post-retirement: RP-2014 Mortality Table for Blue Collar Employees less than 55, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants All tables projected with Scale BB.

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

FPPA SYSTEM DESCRIPTION

The Fire & Protection Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:

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