

RIO BLANCO FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2017

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July 30, 2018

FINANCIAL STATEMENTS - 2017

RIO BLANCO FIRE PROTECTION DISTRICT

2017 BOARD OF DIRECTORS

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Mr. Douglas Overton, Vice Chair

Ms. Sherri Halandras, Treasurer

Mr. Rick Dodds

Ms. Stephanie Kobald

ADMINISTRATIVE STAFF

Ms. Patti Merriam, Office Administrator

Mr. Terry Skidmore, Chief

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rio Blanco Fire Protection District

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rio Blanco Fire Protection District, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in 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, budgetary comparison schedule – General Fund, schedule of contributions – volunteer firefighters' pension plan, schedule of changes in net pension liability (asset) and related ratios – volunteer firefighters' pension plan, schedule of the District proportionate share of the net pension liability (asset) – statewide FPPA pension plan, schedule of the District's proportionate share of the net pension liability – PERA pension plan, and schedule of the District's contributions – PERA pension plan on pages 3-8

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and 47-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rio Blanco Fire Protection District's basic financial statements. The budgetary comparison schedule - Meeker Ambulance Service and schedule of General Fund operating expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule - Meeker Ambulance Service and schedule of General Fund operating expenditures have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Calo CPA Services, PC

Rangely, Colorado
June 6, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

The discussion and analysis of the Rio Blanco Fire Protection District's (the "District") financial performance provides readers with an overall review of the financial activities of the District for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$12,031,135 at December 31, 2017.
- Total District's cash and investments decreased by \$147,055 or 2 percent from 2016.
- The December 31, 2017 General fund balance is \$455,760 less than the previous year. The total fund balance is 2,055 percent of 2017 General Fund operating expenditures.

USING THIS ANNUAL REPORT

This Annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at the District's specific financial conditions.

The Statement of Net Position and Statement of Activities provides information about the activities of the whole District, presenting both an aggregate view of the District's finances and a long-term view of those assets. The Statement of Activities shows a net (expense) revenue and changes to net position related to each department of the District. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

OVERVIEW OF THE DISTRICT'S FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the District's net position and the changes in those positions. This change in position is important because it tells the reader whether, for the District as a whole, the financial position of the District has improved or diminished. However, in evaluating the overall position of the District, non-financial information such as changes in the District's tax base and the condition of District capital assets will also need to be evaluated.

In the Statement of Net Position and Statement of Activities, the District's activities are reported as Governmental or Business-type Activities.

Fund Financial Statements

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

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

Proprietary Funds. Proprietary funds are reported in the fund financial statements and generally report services for which customers are charged a fee. The District uses an enterprise fund which essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to a customer external to the District organization which is the ambulance services.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail for the major enterprise fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 44 of this report.

Budgetary Comparisons. The District adopts an annual appropriated budget for the General Fund and Meeker Ambulance Service Fund. A budgetary comparison statement has been provided for the General Fund on pages 47 through 48 and for the Meeker Ambulance Service Fund on pages 57 through 58 of this report.

Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents a schedule of general fund operating expenditures for additional analysis of the District. This statement can be found on page 59 of this report.

REPORTING THE DISTRICT AS A WHOLE

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

The following table provides a summary of the District's net position for 2016 and 2017.

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Assets						
Current and other assets	\$11,179,325	\$10,525,528	\$ 85,036	\$409,576	\$11,264,361	\$10,935,104
Capital assets	<u>1,061,877</u>	<u>1,938,356</u>	<u>162,961</u>	<u>192,960</u>	<u>1,224,838</u>	<u>2,131,316</u>
Total assets	<u>12,241,202</u>	<u>12,463,884</u>	<u>247,997</u>	<u>602,536</u>	<u>12,489,199</u>	<u>13,066,420</u>
Deferred Outflows	<u>692,745</u>	<u>688,767</u>	-	-	<u>411,950</u>	<u>688,767</u>
Liabilities						
Current and other liabilities	68,271	197,298	3,194	5,776	71,465	203,074
Noncurrent liabilities	<u>342,179</u>	<u>278,919</u>	-	-	<u>342,179</u>	<u>278,919</u>
Total Liabilities	<u>410,450</u>	<u>476,217</u>	<u>3,194</u>	<u>5,776</u>	<u>413,644</u>	<u>481,993</u>
Deferred Inflows	<u>1,261,152</u>	<u>1,242,059</u>	-	-	<u>1,261,152</u>	<u>1,242,059</u>
Net Position						
Net investment in capital assets	1,061,877	1,938,356	162,961	192,960	1,224,838	2,131,316
Restricted	46,267	44,743	-	-	46,267	44,743
Unrestricted	<u>10,154,201</u>	<u>9,451,276</u>	<u>81,842</u>	<u>403,800</u>	<u>10,236,043</u>	<u>9,855,076</u>
Total net position	<u>\$11,262,345</u>	<u>\$11,434,375</u>	<u>\$244,803</u>	<u>\$596,760</u>	<u>\$11,507,148</u>	<u>\$12,031,135</u>

A significant portion of the District's position represents unrestricted net position of \$9,855,076 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net position reflects its net investment in capital assets. These assets include land, buildings, and equipment. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$44,743 of the District's net position represents resources that are subject to external restrictions on how they may be used. This is the TABOR emergency reserve.

The following table indicates the changes in net position.

	Governmental Activities		Business-type Activities		Total	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 21,284	\$ 21,284	\$ 42,703	\$ 71,701	\$ 63,987	\$ 92,985
Operating grants and contributions	439,941	2,700	-	-	439,941	2,700
Capital grants and contributions	-	174,938	21,557	13,079	21,557	188,017
General revenues:						
General property taxes	1,430,429	1,134,452	-	-	1,430,429	1,134,452
Specific ownership tax	38,909	42,033	-	-	38,909	42,033
Investment earnings	34,379	86,376	558	-	34,937	86,376
Other	14,735	29,643	20,631	240	35,366	29,883
Total revenues	<u>1,979,677</u>	<u>1,491,426</u>	<u>85,449</u>	<u>85,020</u>	<u>2,065,126</u>	<u>1,576,446</u>
Expenses:						
Administration	319,002	229,663	-	-	319,002	229,663
Public safety	319,465	589,733	-	-	319,465	589,733
Ambulance services	-	-	190,226	233,063	190,226	233,063
Total expenses	<u>638,467</u>	<u>819,396</u>	<u>190,226</u>	<u>233,063</u>	<u>828,693</u>	<u>1,052,459</u>
Transfer in (out)	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$1,341,210</u>	<u>\$ 172,030</u>	<u>\$(104,777)</u>	<u>\$ 351,957</u>	<u>\$1,236,433</u>	<u>\$ 523,987</u>

Governmental Activities. Governmental activities increased the District's net position by \$172,030 in 2017. Key elements of this increase are as follows:

Capital grants were \$174,938.

Business-type Activities. Business-type activities increased the District's net position by \$351,957 in 2017. Key elements of this increase are as follows:

Transfer in from the General Fund of \$500,000.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Fund. Information about the District's governmental fund begins on page 15. This fund is accounted for using the modified accrual basis of accounting.

As of December 31, 2017, the total fund balance of the District's governmental fund was \$8,430,277. Approximately 99 percent of this consists of unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is committed for the following purposes: (1) a state-Constitution mandated emergency reserve (\$44,743). The District had Governmental revenues of \$1,491,425 and expenditures and other financing uses of \$1,947,185.

Proprietary Fund. Information about the District's proprietary fund begins on page 19. This fund is accounted for using the accrual basis of accounting.

As of December 31, 2017, the total net position of the District's proprietary fund was \$596,760. Approximately 68 percent of this consists of unrestricted net position, which is available as working capital and for current spending in accordance with the purposes of the District. The remainder of net position is restricted to indicate that it is not available for new spending because it is committed for the following purposes: (1) net investment in capital assets (\$192,960). The District had Proprietary operating revenues of \$71,701, grants received of \$13,079, miscellaneous income of \$240, transfer in of \$500,000, and expenses of \$233,063.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes.

2017 General Fund Budget

	Original Budget	Amend- ments	Final Budget	Actual
Beginning Fund Balance	\$ 8,840,159	\$ -	\$ 8,840,159	\$ 8,886,037
Revenue and other financing sources	1,208,012	-	1,208,012	1,491,425
Expenditures and other financing uses	<u>(3,458,493)</u>	-	<u>(3,458,493)</u>	<u>(1,947,185)</u>
Ending Fund Balance	<u>\$ 6,589,678</u>	<u>\$ -</u>	<u>\$ 6,589,678</u>	<u>\$ 8,430,277</u>

Actual revenue and other financing sources were \$283,413 more than budgeted revenue and other financing sources. Interest income was more than budgeted by \$73,276 and grants income was more than budgeted by \$164,938 and were the main contributors for the difference.

Actual expenditures and other financing uses were \$1,947,185 less than budgeted expenditures and other financing uses. Capital outlay was less than budgeted by \$1,543,091 and was the main contributor for the difference.

CAPITAL ASSET ADMINISTRATION

Capital Assets. The District's net investment in capital assets for its governmental and business-type activities as of December 31, 2017 totaled \$1,938,356 and \$192,960 (net of accumulated depreciation), respectively. This investment includes all land, buildings, and equipment.

Major capital asset events during the current fiscal year included an expenditure of \$40,372 for an ambulance power cot, \$26,343 for 2 Lucas CPR units, and \$1,003,669 for construction in progress of a new building.

The District uses the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated.

ECONOMIC FACTORS AND OTHER MATTERS

Other Matters. The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2018 budget:

- Completion of construction of a new building.
- Purchase of a new ambulance.

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 provided or for additional financial information should be addressed to the District, P.O. Box 737, Meeker, Colorado, 81641.

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FINANCIAL STATEMENTS

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RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

December 31, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 8,714,256	\$ 4,507	\$ 8,718,763
Accounts receivable, net of estimated uncollectible of \$104,277	-	55,603	55,603
Property taxes receivable	1,140,766	-	1,140,766
Other receivables	183,570	-	183,570
Due (to) from other funds	(349,466)	349,466	-
Due from volunteer pension	34,472	-	34,472
Restricted cash	44,743	-	44,743
Noncurrent assets			
Capital assets, nondepreciable	1,206,710	-	1,206,710
Capital assets, net	731,646	192,960	924,606
Net pension asset - volunteer fire	757,187	-	757,187
TOTAL ASSETS	12,463,884	602,536	13,066,420
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	78,844	-	78,844
Deferred outflows related to volunteer fire pension	609,923	-	609,923
TOTAL DEFERRED OUTFLOWS OF RESOURCES	688,767	-	688,767
LIABILITIES			
Accounts payable	181,332	5,776	187,108
Accrued liabilities	15,966	-	15,966
Noncurrent liabilities			
Net pension liability - PERA	273,679	-	273,679
Net pension liability - FPPA	5,240	-	5,240
TOTAL LIABILITIES	476,217	5,776	481,993
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue - property taxes	1,140,766	-	1,140,766
Deferred inflows related to pension	48,330	-	48,330
Deferred inflows related to volunteer fire pension	52,963	-	52,963
TOTAL DEFERRED INFLOWS OF RESOURCES	1,242,059	-	1,242,059
NET POSITION			
Net investment in capital assets	1,938,356	192,960	2,131,316
Restricted for TABOR emergencies	44,743	-	44,743
Unrestricted	9,451,276	403,800	9,855,076
TOTAL NET POSITION	\$ 11,434,375	\$ 596,760	\$ 12,031,135

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Primary government			
Governmental activities			
Administration	\$ 229,663	\$ 16,484	\$ 2,700
Public safety	<u>589,733</u>	<u>4,800</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>819,396</u>	<u>21,284</u>	<u>2,700</u>
Business-type activities			
Ambulance services	<u>233,063</u>	<u>71,701</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>233,063</u>	<u>71,701</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,052,459</u>	<u>\$ 92,985</u>	<u>\$ 2,700</u>

General revenues:

Taxes:

 Property taxes

 Specific ownership tax

 Other taxes

Unrestricted investment earnings

Miscellaneous

Transfer in (out)

 Total general revenues

 Change in net position

Net position - beginning

Net position - ending

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ -	\$ (210,479)	\$ -	\$ (210,479)
<u>174,938</u>	<u>(409,995)</u>	<u>-</u>	<u>(409,995)</u>
<u>174,938</u>	<u>(620,474)</u>	<u>-</u>	<u>(620,474)</u>
<u>13,079</u>	<u>-</u>	<u>(148,283)</u>	<u>(148,283)</u>
<u>13,079</u>	<u>-</u>	<u>(148,283)</u>	<u>(148,283)</u>
<u>\$ 188,017</u>	<u>(620,474)</u>	<u>(148,283)</u>	<u>(768,757)</u>
	1,134,452	-	1,134,452
	42,033	-	42,033
	20,944	-	20,944
	86,376	-	86,376
	8,699	240	8,939
	(500,000)	500,000	-
	<u>792,504</u>	<u>500,240</u>	<u>1,292,744</u>
	<u>172,030</u>	<u>351,957</u>	<u>523,987</u>
	<u>11,262,345</u>	<u>244,803</u>	<u>11,507,148</u>
	<u>\$ 11,434,375</u>	<u>\$ 596,760</u>	<u>\$ 12,031,135</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2017**

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 8,714,256
Property taxes receivable	1,140,766
Other receivables	183,570
Restricted cash	44,743
Due from volunteer pension	34,472
	<hr/>
TOTAL ASSETS	<u>\$ 10,117,807</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	
LIABILITIES	
Accounts payable	\$ 181,332
Accrued liabilities	15,966
Due to other funds	349,466
	<hr/>
TOTAL LIABILITIES	<u>546,764</u>
DEFERRED INFLOWS	
Unearned revenue - property taxes	1,140,766
	<hr/>
TOTAL DEFERRED INFLOWS	<u>1,140,766</u>
FUND EQUITY	
Fund Balance	
Restricted for:	
TABOR emergencies	44,743
Unassigned	8,385,534
	<hr/>
TOTAL FUND EQUITY	<u>8,430,277</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 10,117,807</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICT

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

Balance sheet - total fund balances \$ 8,430,277

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

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds. 1,938,356

Long-term assets and liabilities, including net pension assets and liabilities, are not due, payable, or receivable in the current period and, therefore, are not reported in the funds.

Net pension asset	757,187
Net pension liability	<u>(278,919)</u>

Net pension asset (liability) 478,268

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	688,767
Deferred inflows of resources related to pensions	<u>(101,293)</u>

Net deferred outflows (inflows) 587,474

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 11,434,375

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended December 31, 2017**

REVENUES	
Taxes	\$ 1,197,428
Grants	174,938
Interest	86,376
Other	<u>32,683</u>
TOTAL REVENUES	<u>1,491,425</u>
EXPENDITURES	
Administration	189,162
Public safety	221,114
Capital outlay	<u>1,036,909</u>
TOTAL EXPENDITURES	<u>1,447,185</u>
EXCESS OF REVENUES OVER (UNDER) OPERATING EXPENDITURES	<u>44,240</u>
OTHER FINANCING SOURCES (USES)	
Transfer in (out)	<u>(500,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(500,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(455,760)
FUND BALANCE, BEGINNING OF YEAR	<u>8,886,037</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,430,277</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICT

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

Net change in fund balances - total governmental funds	\$ (455,760)
Amounts reported for governmental activities in the statement of net 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 and reported as depreciation expense. This is the amount by which capital outlay (\$1,036,909) exceed depreciation (\$160,429) in the current period.	876,480
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension (expense) income.	<u>(248,690)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 172,030</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 December 31, 2017

	<u>Enterprise Fund</u> Meeker Ambulance Service <u> </u>
ASSETS	
Cash and cash equivalents	\$ 4,507
Accounts receivable, net of estimated uncollectible of \$104,277	55,603
Due from other funds	349,466
Property, plant and equipment, net	<u>192,960</u>
TOTAL ASSETS	<u>602,536</u>
LIABILITIES	
Accounts payable	<u>5,776</u>
TOTAL LIABILITIES	<u>5,776</u>
NET POSITION	
Net investment in capital assets	192,960
Unrestricted	<u>403,800</u>
TOTAL NET POSITION	<u>\$ 596,760</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND

For the Year Ended December 31, 2017

	<u>Enterprise Fund Meeker Ambulance Service</u>
OPERATING REVENUES	
User charges	<u>\$ 71,701</u>
TOTAL OPERATING REVENUES	<u>71,701</u>
OPERATING EXPENSES	
Bookkeeping	16,484
Billing fees	6,474
Director fees	37,443
Driver fees	40,080
Gas and oil	4,121
Repairs and maintenance	35,654
Training	12,718
Depreciation	53,530
Other expense	<u>26,559</u>
TOTAL OPERATING EXPENSES	<u>233,063</u>
OPERATING INCOME (LOSS)	<u>(161,362)</u>
OTHER FINANCING SOURCES	
Grants	13,079
Miscellaneous income	240
Transfer in	<u>500,000</u>
TOTAL OTHER FINANCING SOURCES	<u>513,319</u>
CHANGE IN NET POSITION	351,957
NET POSITION, BEGINNING OF YEAR	<u>244,803</u>
NET POSITION, END OF YEAR	<u>\$ 596,760</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

RIO BLANCO FIRE PROTECTION DISTRICT

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the Year Ended December 31, 2017

	Enterprise Fund <u>Meeker Ambulance Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 88,564
Cash payments for goods and services	<u>(518,353)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(429,789)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Miscellaneous income	240
Operating transfer	<u>500,000</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>500,240</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Equipment	(83,529)
Grant	<u>13,079</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(70,450)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
None	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,506</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,507</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income/Change plan net position	\$ (161,362)
Adjustments to reconcile operating income (loss) to Net cash provided (used) by operating activities:	
Depreciation	53,530
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	16,863
Decrease (increase) in due from other funds	(341,402)
Increase (decrease) in accounts payable	<u>2,582</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (429,789)</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Rio Blanco Fire Protection District, (the District), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies consistently used in the preparation of the financial statements.

A. Financial Reporting Entity

The District is governed by an elected five member Board of Directors. No additional separate government units, agencies, or nonprofit corporations are included in the financial statements of the District as component units. Component units are legally separate entities for which the District is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on the District.

The District provides protection of life and property from fire, including fire prevention and fire code enforcement, and emergency medical assistance to the Town of Meeker, Colorado and surrounding areas.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of changes in Net Position) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately for business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applications who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The District reports the following major governmental fund:

General Fund

The General Fund is the District's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. The major revenue sources are local property taxes and charges for services. Expenditures include all costs associated with the daily operations of the District.

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

The District reports the following major proprietary funds:

Meeker Ambulance Service

The Meeker Ambulance Service is used to account for operation and capital needs of ambulance services for the Town of Meeker, Colorado and the surrounding area.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted revenues are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The District's trustees follow these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the administrator submits to the District's trustees a proposed operating budget 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 the taxpayers' comments.

Prior to December 15, the budget is legally enacted through passage of a resolution. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted for the General, Enterprise and Trust Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for the Enterprise Fund. The budgets of the Enterprise Fund are based on cash receipts and cash disbursements rather than a revenues and expenditures measurement required by GAAP.

Appropriations lapse at the end of each calendar year.

The District's directors may authorize supplemental appropriations during the year. No supplemental appropriations were made during the year ended December 31, 2017.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Taxes

Property taxes are levied on December 22 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in full by June 15, if paid in installments, or April 30 with a single payment. Taxes are delinquent as of June 16. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction.

The County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, in that the District's experience indicates that all material amounts will be collected and paid to the District.

F. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated market value at the date of donation.

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

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

	<u>Governmental</u>	<u>Meeker Ambulance Service</u>
Ambulances		7 years
Equipment	5-10 years	5-10 years
Building and improvements	10-40 years	
Fire trucks	5-10 years	

G. Encumbrances

The District does not use encumbrance accounts. Accordingly, no encumbrances have been recorded in the financial statements.

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

I. Use of Estimates

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

J. Prepaid Items

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. There are certain differences between the governmental fund balance sheet and the government-wide statement of Net Position. A reconciliation of the differences can be found on page 6 of the financial statements.
- B. There are certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. A reconciliation of the differences can be found on page 18 of the financial statements.

NOTE 3 - CASH AND INVESTMENTS

The District’s bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority’s custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorized the District to invest in obligation of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District’s investment policy is not more restrictive than State statutes. The District’s investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

Summary of cash and investments is as follows:

Cash and cash equivalents	
Cash deposits in bank	\$ 8,760,294
Cash with county	<u>3,212</u>
Total cash and investments	<u>\$ 8,763,506</u>

NOTE 4 - PROPERTY TAXES

Revenue Recognized in 2017

Local property taxes levied in 2016 and collected in 2017 are recognized as revenue in these financial statements as shown below:

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
			<u>Levied</u>	<u>Collected</u>	
General Fund	\$623,081,770	1.823	\$1,135,878	\$1,134,452	99.87%
Volunteer Pension	\$623,081,770	0.500	\$ 311,541	\$ 311,078	99.85%

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 - PROPERTY TAXES, Continued

Property Taxes Receivable and Deferred Revenue

Local property taxes levied in 2016 but not collectible until 2017 are shown as property taxes receivable and unearned revenue on the balance sheet in the amount of the assessed taxes less estimated uncollectible amounts.

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Estimated Percent Collectible</u>	<u>Taxes Receivable</u>	<u>Unearned Revenue</u>
General Fund	\$585,608,650	1.948	100.0%	\$1,140,766	\$1,140,766
Volunteer Pension	\$585,608,650	0.375	100.0%	\$ 219,603	\$ 219,603

NOTE 5 - CAPITAL ASSETS

A. Governmental Activities

A summary of changes in capital assets during the year ended December 31, 2017 is as follows:

	<u>Balance 1/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2017</u>
Capital assets not being depreciated:				
Land	\$ 116,344	\$ -	\$ -	\$ 116,344
Construction in progress	86,697	1,003,669	-	1,090,366
Total assets not being depreciated	<u>203,041</u>	<u>1,003,669</u>	<u>-</u>	<u>1,206,710</u>
Capital assets being depreciated:				
Building and improvements	1,056,058	-	-	1,056,058
Equipment	2,061,763	17,483	-	2,079,246
Radio equipment	183,840	15,758	-	199,598
Total assets being depreciated	<u>3,301,661</u>	<u>33,241</u>	<u>-</u>	<u>3,334,902</u>
Less accumulated depreciation:				
Building and improvements	(557,656)	(32,366)	-	(590,022)
Equipment	(1,757,553)	(110,071)	-	(1,867,624)
Radio equipment	(127,616)	(17,992)	-	(145,608)
Total accumulated depreciation	<u>(2,442,825)</u>	<u>(160,429)</u>	<u>-</u>	<u>(2,603,254)</u>
Total assets being depreciated, net	<u>858,836</u>	<u>(127,188)</u>	<u>-</u>	<u>731,648</u>
Governmental activities capital assets, net	<u>\$ 1,061,877</u>	<u>\$ 876,481</u>	<u>\$ -</u>	<u>\$ 1,938,358</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
Administration	\$ 40,501
Public safety	<u>119,928</u>
Total depreciation expense - governmental activities	<u>\$ 160,429</u>

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 – CAPITAL ASSETS, Continued

B. Business-type Activities

	<u>Balance 1/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2017</u>
Capital assets not being depreciated:				
None	\$ -	\$ -	\$ -	\$ -
Capital assets being depreciated:				
Ambulances	405,309	-	-	405,309
Equipment	456,936	83,529	-	540,465
Total assets being depreciated	<u>862,245</u>	<u>83,529</u>	<u>-</u>	<u>945,774</u>
Less accumulated depreciation:				
Ambulances	(347,038)	(23,958)	-	(370,996)
Equipment	(352,246)	(29,572)	-	(381,818)
Total accumulated depreciation	<u>(699,284)</u>	<u>(53,530)</u>	<u>-</u>	<u>(752,814)</u>
Total assets being depreciated, net	<u>162,961</u>	<u>29,999</u>	<u>-</u>	<u>192,960</u>
Business-type activities capital assets, net	<u>\$ 162,961</u>	<u>\$ 29,999</u>	<u>\$ -</u>	<u>\$ 192,960</u>

Depreciation expense was charged to function/programs of the primary government as follows:

Business-type activities:

 Meeker Ambulance Service/Total depreciation expense – business-type activities \$ 53,530

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan Description. Any firefighter who has both attained the age of fifty and completed twenty years of active services shall be eligible for a monthly pension. Additionally, any firefighter that has reached the age of fifty with at least ten years of service will receive a pension benefit that is prorated for year of creditable volunteer service between 10 and 20 years. A firefighter who is disabled in the line of duty whose disability is of such character and magnitude as to deprive the firefighter of earning capacity and extends beyond one year, shall be compensated in an amount determined by the Pension Board. The Volunteer Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. Spouses of deceased firefighters may receive benefits as authorized by State statute. FPPA issues an annual, publicly-available financial report that includes the assets of the Volunteer Plan. That report may be obtained at www.FPPAco.org/annual_reports.htm.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN, Continued

General Information about the Pension Plan, continued

Funding Policy. An actuary is used to determine the annual required contribution (ARC) necessary to maintain the actuarial soundness of the Volunteer Plan. Colorado law requires the State to make an annual contribution to the Volunteer Plan. Because the District’s monthly benefit amount is over \$300, the State’s annual contribution is calculated as the highest State contribution made between 1998 and 2001. The District may make additional contributions to support the plan.

The actuarial study as of January 1, 2017, indicated that the current levels of contributions to the fund are adequate to support an actuarially sound basis for the prospective benefits for the present Volunteer Plan.

Membership. Below is a table of the members as of January 1, 2017:

Number of	
- Retirees and Beneficiaries	35
- Inactive, Nonretired Members	1
- Active Members	<u>27</u>
- Total	<u>63</u>

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

At December 31, 2017, the District reported an asset of \$757,187. The net pension asset was measured as of December 31, 2016, and was determined by an actuarial valuation as of January 1, 2015. Standard update procedures were used to roll forward the total pension asset to December 31, 2017.

For the year ended December 31, 2017, the District recognized pension expense of \$244,473. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	22,702	52,963
Change in assumptions	74,072	-
Net difference between projected and actual earnings on pension plan investments	207,383	-
Contribution subsequent to the measurement date	305,766	-
Total	609,923	52,963

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

Year ended December 31:	
2018	53,254
2019	106,216
2020	76,166
2021	15,558

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN, Continued

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

Actuarial Assumptions. Method, 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:	3.00%
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-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment. Disabled: RP-2000 Disabled Mortality Table. All tables projected with Scale AA.

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 addition expected inflation.

Best estimates of arithmetic real rates of return which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund’s target asset allocation as of December 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
Global Equity	36.0%	6.75%
Equity Long/Short	10.0%	4.85%
Illiquid Alternatives	23.0%	8.25%
Fixed Income	15.0%	0.50%
Absolute Return	10.0%	4.05%
Managed Futures	4.0%	3.00%
Cash	2.0%	0.0%*
Total	100.00%	

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

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board funding policy, which establishes the contractual required rates under Colorado statutes. Based on those assumptions, the Volunteer 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 asset.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 – VOLUNTEER FIREFIGHTERS PENSION PLAN, Continued

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

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

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Net Pension Asset	360,290	757,187	1,090,275

FPPA 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 www.fppaco.org.

NOTE 7 - BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis for the Enterprise Funds. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, timing, perspective and entity differences in excess (deficiency) of revenues over expenditures for the year ended December 31, 2017, is presented below:

Net change in Net Position (NON-GAAP Basis)	<u>Enterprise</u> \$ 321,958
Plus:	
Capital Outlay	83,529
Less:	
Depreciation	<u>(53,530)</u>
Net change in net position (GAAP Basis)	<u>\$ 351,957</u>

NOTE 8 - INTERFUND TRANSACTIONS

Interfund receivable and payable balances at December 31, 2017, are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 34,472	\$ 349,466
Meeker Ambulance		
Service - Proprietary Fund	349,466	-
Volunteer Pension	<u>-</u>	<u>34,472</u>
	<u>\$ 383,938</u>	<u>\$ 383,938</u>

An interfund transfer from the General fund of \$500,000 to the Meeker Ambulance Service – Proprietary Fund was made in 2017 to help with operating costs.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA

Summary of Significant Accounting Policies

Pensions. The Rio Blanco Fire Protection District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pensions liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Rio Blanco Fire Protection District are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and Rio Blanco Fire Protection District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate ¹	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	1.50%
Total Employer Contribution Rate to the LGDTF ¹	12.68%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Rio Blanco Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Rio Blanco Fire Protection District were \$14,780 for the year ended December 31, 2017.

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

At December 31, 2017, the Rio Blanco Fire Protection District reported a liability of \$273,679 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The Rio Blanco Fire Protection District proportion of the net pension liability was based on Rio Blanco Fire Protection District contributions to the LGDTF for the calendar year 2016 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2016, the Rio Blanco Fire Protection District proportion was 0.020267 percent, which was a decrease of 0.010795 percent from its proportion measured as of December 31, 2015.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

For the year ended December 31, 2017, the Rio Blanco Fire Protection District recognized pension expense of \$4,482. At December 31, 2017, the Rio Blanco Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	4,870	-
Changes of assumptions or other inputs	19,413	791
Net difference between projected and actual earnings on pension plan investments	32,868	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	47,273
Contributions subsequent to the measurement date	14,780	-
Total	71,931	48,064

\$14,780 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2018	(8,993)
2019	8,557
2020	9210
2021	313
2022	-
Thereafter	-

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 - 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumption were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 - 10.45 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuation were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disability Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy mortality assumptions for active members reflect the RP-214 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriated margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 Health Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates of ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentation to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2018 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expense, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumptions for the LGDTF, including long-term historical data, estimates inherent in current market data, and long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

As of November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity - Large Cap	21.20%	4.30%
U.S. Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non US Fixed Income - Developed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above in addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - DEFINED BENEFIT PENSION PLAN - PERA, Continued

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

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the LGDTF’s fiduciary net position was projected to be available to make all projected future benefit payment of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate, and therefore, the discount rate is 7.25 percent.

As of the prior measurement date, the long-term expected rate of return of 7.50 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate was 7.50 percent, 0.25 percent higher compared to the current measurement date.

Sensitivity of the Rio Blanco Fire Protection District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	403,527	273,679	166,151

Pension plan fiduciary net position. Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 10 – DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program

Plan Description – Employees of the Rio Blanco Fire Protection District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, and Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at www.copera.org/investments/pera-financial-report.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

NOTE 10 – DEFINED CONTRIBUTION PENSION PLANS, Continued

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended December 31, 2017, program members contributed \$396.

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Health Care Trust Fund

Plan Description - The Rio Blanco Fire Protection District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (Known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Rio Blanco Fire Protection District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Rio Blanco Fire Protection District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending December 31, 2015, 2016, and 2017, the District's contributions to HCTF were \$1,796, \$1,253, and \$1,189, respectively, equal to their required contributions for each year.

NOTE 12 – DEFINED BENEFIT PLAN - FPPA

Summary of Significant Accounting Policies

Pensions. The District contributes to the Statewide Defined Benefit Pension Plan (SWDB Plan), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the Colorado Fire and Police Pension Association (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. Assets of the SWDB Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund.

General Information about the Pension Plan

Plan Description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. The report may be obtained on FPPA's website at www.fppaco.org.

Benefits Provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 12 – DEFINED BENEFIT PLAN – FPPA, Continued

General Information about the Pension Plan, continued

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent 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 the SWDB Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent 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 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the SWDB Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set 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 the SWDB plan and their employers are contributing at the rate of 9.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 17.5 percent in 2017. In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of 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 21.5 percent of base salary through 2017. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.75 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.75 percent in 2017. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

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

At December 31, 2017, the District reported a liability of \$5,240 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SWDB Plan for the calendar year 2016 relative to the total contributions of participating employers to the SWDB Plan.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 12 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

At December 31, 2016, the District’s proportion was 0.014501 percent, which was an increase of 0.014501 percent from its proportion measurement as of December 31, 2015.

For the year ended December 31, 2017, the District recognized pension expense of \$8,087. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	4,678	266
Changes of assumptions or other inputs	3,579	-
Net difference between projected and actual earnings on pension plan investments	14,143	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	(21,396)	-
Contribution subsequent to the measurement date	5,909	-
Total	6,913	266

\$5,909 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2018. Other amounts report as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 31:	
2018	4,075
2019	2,336
2020	2,883
2021	(127)
2022	(1,244)
Thereafter	(7,185)

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level % of Payroll, Open
Amortization Period:	30 Years
Asset Valuation Method:	5-Year smoothed fair value
Projected Salary Increases:	4.0% - 14.0%
Long-term Investment Rate of Return*:	7.50%
*Includes Inflation at:	2.50%
Cost of Living Adjustment (COLA):	0.0%

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 12 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with a 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 used the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumption. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2017 and were used in the roll forward calculation of total pension liability as of December 31, 2016. Actuarial assumptions effective for actuarial valuation prior to January 1, 2017 were used in the determination of the actuarially determined contribution as of December 31, 2016. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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:

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	11.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.0%*
Total	100.00%	

* While the expected inflation exceeds the expected rate of return for cash a 0.00 percent real rate of return is utilized.

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board funding policy, which establishes the contractual required rates under Colorado statutes. Based on those assumptions, the SWDB 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.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 12 – DEFINED BENEFIT PENSION PLAN – FPPA, Continued

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

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 plans’ 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 rate 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 expected rate of return on pension plan investments is 7.50 percent; the municipal bond rate is 3.78 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50 percent. 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. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	44,582	5,240	(27,436)

Pension Plan Fiduciary Net Position. Detailed information about the SWDB Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.fppaco.org.

NOTE 13 - CONTINGENCIES

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer’s Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for an increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required in 1995 and thereafter.

The District has no authorized but unissued debt subject to the amendment’s limitation. Based on fiscal year spending for 2017, \$44,743 of the year-end fund balance in the General Fund has been reserved for emergencies.

During 1996 a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitations under TABOR.

The District’s management believes it is in compliance with the applicable provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

RIO BLANCO FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2017

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded this commercial coverage in any of the three preceding years.

NOTE 15 – COMMITTED FUND BALANCE

Beginning with the fiscal year 2011, the District implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a governments' fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

NOTE 16 – REPORTING FOR PENSIONS

Beginning in 2015, financial reporting information pertaining to the District's participation in Volunteer Firefighters' Pension Plan administered by Fire and Police Pension Association of Colorado (FPPA) and Public Employees' Retirement Association of Colorado (PERA) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date*.

NOTE 17 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through June 6, 2018, the date at which the financial statements were available to be issued, and determined that no events have occurred that require disclosure.

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REQUIRED SUPPLEMENTARY INFORMATION

RIO BLANCO FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2017

	<u>Budget</u>	
	<u>Original</u>	<u>Final</u>
REVENUES		
Taxes	\$ 1,161,628	\$ 1,161,628
Interest	13,100	13,100
Grants	10,000	10,000
Other	<u>23,284</u>	<u>23,284</u>
TOTAL REVENUES	<u>1,208,012</u>	<u>1,208,012</u>
EXPENDITURES		
Administration	309,093	309,093
Public safety	319,400	319,400
Capital outlay	<u>2,580,000</u>	<u>2,580,000</u>
TOTAL EXPENDITURES	<u>3,208,493</u>	<u>3,208,493</u>
REVENUES OVER (UNDER) OPERATING EXPENDITURES	<u>(2,000,481)</u>	<u>(2,000,481)</u>
OTHER FINANCING SOURCES (USES)		
Transfer in (out)	<u>(250,000)</u>	<u>(250,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,000)</u>	<u>(250,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(2,250,481)	(2,250,481)
FUND BALANCE, BEGINNING OF YEAR	<u>8,840,159</u>	<u>8,840,159</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,589,678</u>	<u>\$ 6,589,678</u>

<u>Actual Amounts</u>	<u>Variance from final budget</u>
\$ 1,197,428	\$ 35,800
86,376	73,276
174,938	164,938
<u>32,683</u>	<u>9,399</u>
<u>1,491,425</u>	<u>283,413</u>
189,162	119,931
221,114	98,286
<u>1,036,909</u>	<u>1,543,091</u>
<u>1,447,185</u>	<u>1,761,308</u>
<u>44,240</u>	<u>2,044,721</u>
<u>(500,000)</u>	<u>(250,000)</u>
<u>(500,000)</u>	<u>(250,000)</u>
(455,760)	1,794,721
<u>8,886,037</u>	<u>45,878</u>
<u>\$ 8,430,277</u>	<u>\$ 1,840,599</u>

See the accompanying independent auditors' report

RIO BLANCO FIRE PROTECTION DISTRICT

SCHEDULE OF CONTRIBUTIONS
 Volunteer Firefighters' Pension Plan
 Last 10 Fiscal Years

<u>FY Ending December 31</u>	<u>Actuarially Determined Contributions</u>	<u>Actual Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 39,809	\$ 519,761	\$ (479,952)	N/A	N/A
2014	39,809	415,381	(375,572)	N/A	N/A
2015	39,809	384,346	(344,537)	N/A	N/A
2016	-	424,270	(424,270)	N/A	N/A
2017	-	335,239	(335,239)	N/A	N/A

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

See the accompanying independent auditors' report

RIO BLANCO FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 Volunteer Firefighters' Pension Plan
 Last 10 Fiscal Years

Measurement period ending December 31,	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 39,843	\$ 39,694	\$ 39,694
Interest on the Total Pension Liability	228,022	213,333	214,332
Benefit Changes	-	-	589,620
Difference between Expected and Actual Expenditures	(254,623)	-	32,307
Assumption Changes	-	-	105,410
Benefit Payments	(204,484)	(213,750)	(266,595)
Net Change in Total Pension Liability	(191,242)	39,277	714,768
Total Pension Liability - Beginning	3,121,131	2,929,889	2,969,166
Total Pension Liability - Ending (a)	\$ 2,929,889	\$ 2,969,166	\$ 3,683,934
Plan Fiduciary Net Position			
Employer Contributions	\$ 385,908	\$ 354,873	\$ 394,797
Pension Plan Net Investment Income	241,432	64,721	232,131
Benefit Payments	(204,484)	(213,750)	(266,595)
Pension Plan Administrative Expense	(5,930)	(8,254)	(6,990)
State of Colorado supplemental discretionary payment	29,473	29,473	29,473
Net Change in Plan Fiduciary Net Position	446,399	227,063	382,816
Plan Fiduciary Net Position - Beginning	3,384,843	3,831,242	4,058,305
Plan Fiduciary Net Position - Ending (b)	\$ 3,831,242	\$ 4,058,305	\$ 4,441,121
Net Pension Liability (Asset) - Ending (a)-(b)	(901,353)	(1,089,139)	(757,187)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	130.76%	136.68%	120.55%
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A

See the accompanying independent auditors' report

RIO BLANCO FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
STATEWIDE FPPA PENSION PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability/Asset
12/31/2014	0.000%	\$ -	\$ -	0%	105.8%
12/31/2015	0.000%	-	-	0%	106.8%
12/31/2016	0.000%	-	14,272	0%	100.1%
12/31/2017	0.015%	5,240	73,866	7%	98.2%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The date provided in the schedule is based as of the measurement date of FPPA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

RIO BLANCO FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE FPPA PENSION PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31,</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ -	\$ -	\$ -	\$ -	0.00%
2014	-	-	-	-	0.00%
2015	-	-	-	-	0.00%
2016	1,142	1,142	-	14,272	8.00%
2017	5,909	5,909	-	73,866	8.00%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See the accompanying independent auditors' report

RIO BLANCO FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN
Last 10 Fiscal Years

Year Ended*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as Percentage of Total Pension Liability
12/31/2014	0.027%	\$ 221,032	\$ 159,122	139%	81.8%
12/31/2015	0.028%	248,860	176,119	141%	80.7%
12/31/2016	0.031%	342,179	122,873	278%	76.9%
12/31/2017	0.020%	273,679	116,560	235%	73.6%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

See the accompanying independent auditors' report

RIO BLANCO FIRE PROTECTION DISTRICT

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA PENSION PLAN
Last 10 Fiscal Years**

<u>FY Ending December 31</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2013	\$ 17,732	\$ 17,732	\$ -	\$139,841	12.68%
2014	20,177	20,177	-	159,122	12.68%
2015	22,332	22,332	-	176,119	12.68%
2016	15,580	15,580	-	122,873	12.68%
2017	14,780	14,780	-	116,560	12.68%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See the accompanying independent auditors' report

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SUPPLEMENTARY INFORMATION

RIO BLANCO FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
MEEKER AMBULANCE SERVICE
For the Year Ended December 31, 2017

	Budget	
	Original	Final
REVENUES		
User charges	\$ 79,500	\$ 79,500
Transfer in	250,000	250,000
Grants	25,000	25,000
Miscellaneous income	200	200
TOTAL REVENUES	<u>354,700</u>	<u>354,700</u>
EXPENDITURES		
Bookkeeping	16,484	16,484
Billing fees	6,750	6,750
Director fees	45,000	45,000
Driver fees	50,000	50,000
Gas and oil	7,000	7,000
Repairs and maintenance	50,000	50,000
Training	25,000	25,000
Other expense	32,064	32,064
Capital outlay	285,000	285,000
TOTAL EXPENDITURES	<u>517,298</u>	<u>517,298</u>
NET CHANGE IN NET POSITION	(162,598)	(162,598)
NET POSITION, BEGINNING OF YEAR	<u>233,549</u>	<u>233,549</u>
NET POSITION, END OF YEAR	<u>\$ 70,951</u>	<u>\$ 70,951</u>

RECONCILIATION FROM BUDGET BASIS EXPENDITURES (NON-GAAP) TO GAAP

Add:

 Capital outlay

Subtract:

 Depreciation

NET POSITION, END OF YEAR GAAP BASIS (Page 20)

<u>Actual Amounts</u>	<u>Variance from final budget</u>
\$ 71,701	\$ (7,799)
500,000	250,000
13,079	(11,921)
240	40
<u>585,020</u>	<u>230,320</u>
16,484	-
6,474	276
37,443	7,557
40,080	9,920
4,121	2,879
35,654	14,346
12,718	12,282
26,559	5,505
83,529	201,471
<u>263,062</u>	<u>254,236</u>
321,958	484,556
244,803	11,254
566,761	<u>\$ 495,810</u>
83,529	
<u>(53,530)</u>	
<u>\$ 596,760</u>	

RIO BLANCO FIRE PROTECTION DISTRICT

SCHEDULE OF GENERAL FUND OPERATING EXPENDITURES
For the Years Ended December 31, 2017 and 2016

	December 31, 2017		December 31, 2016	
	Amount	Percent	Amount	Percent
Accounting and auditing	\$ 6,443	1.7%	\$ 8,135	1.7%
Banquet	12,311	3.0%	12,097	2.6%
Election expense	-	0.0%	850	0.2%
Employee benefits	22,868	5.6%	23,032	5.0%
Fireworks Display	7,294	1.8%	6,563	1.4%
Dispatching	36,000	8.8%	36,000	7.7%
Dues and other	9,627	2.3%	6,827	1.5%
Gas, oil, and lubrication	3,231	0.8%	1,278	0.3%
Insurance	21,694	5.3%	24,537	5.3%
Legal	2,948	0.7%	43,952	9.5%
Materials and supplies	30,819	7.5%	36,881	7.9%
Meals/Refreshments - Board	11,206	2.7%	11,629	2.5%
MVF&R Budget	-	0.0%	40,320	8.7%
Office supplies	6,451	1.6%	8,772	1.9%
Public relations	12,665	3.1%	34,954	7.5%
Repairs and maintenance	34,931	8.5%	34,972	7.5%
Salaries, office	27,665	6.7%	18,340	3.9%
Salaries, fire chief	37,443	9.1%	22,295	4.8%
Salaries, fire department	49,345	12.0%	-	0.0%
Training	4,700	1.1%	5,311	1.1%
Treasurer's fees	58,155	14.2%	72,074	15.5%
Utilities	14,480	3.5%	16,149	3.5%
	<u>\$ 410,276</u>	<u>100.0%</u>	<u>\$ 464,968</u>	<u>100.0%</u>