

Colorado River Fire Protection District

Annual Financial Report

December 31, 2017

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July 25, 2018

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**Haynie &
Company**

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Independent Auditor's Report

To the Board of Directors
Colorado River Fire Protection District

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado River 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 of material misstatement.

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

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



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Opinions

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

Other Matters

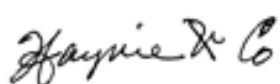
Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colorado River Fire Protection District's financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

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



Littleton, Colorado
July 23, 2018

Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2017

The discussion and analysis of the Colorado River 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 \$28,291,766 at December 31, 2017.
- Total District's cash and investments decreased by \$1,186,532 or 9% from 2016.
- The December 31, 2017 General Fund balance is \$1,121,968 less than the previous year. The total fund balance is 116% 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 longer-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

A. 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 assets and the changes in those assets. 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.

Colorado River Fire Protection District Management's Discussion and Analysis December 31, 2017

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

B. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other special purpose governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The basic financial statements of the District are presented as a special purpose government engaged only in governmental type activities providing fire protection services to District residents.

General Fund

The District's General Fund statements include:

The *Balance Sheets* present information on all of the District's assets and liabilities, with the difference between the two reported as fund balance. Over time, increases or decreases in assets and liabilities may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenditures and Changes in Fund Balance* present information which reflects how the District's fund balance changed during the past year. All changes in assets and liabilities are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statements for some items that will only result in cash flows in future fiscal periods.

C. Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to basic financial statements can be found on pages 6-32 of this report.

D. Required Supplementary Information and Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparisons presented for legal compliance.

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.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2017**

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

Statement of Net Position		
December 31		
	2016	2017
Assets		
Current and other assets	\$ 17,742,620	\$ 16,469,416
Net pension assets	644,496	1,701,896
Capital assets	16,068,255	14,839,342
Total assets	34,455,371	33,010,654
Deferred Outflows of Resources	1,985,223	1,388,135
Liabilities		
Current and other liabilities	254,167	141,353
Long-term liabilities	1,199,201	1,838,700
Total liabilities	1,453,368	1,980,053
Deferred Inflows of Resources	4,206,010	4,126,970
Net Position		
Net investment in capital assets	16,068,255	14,839,342
Restricted	314,293	191,436
Unrestricted	14,398,668	13,260,988
Total net position	30,781,216	28,291,766

A significant portion of the District's position represents unrestricted net position of \$13,260,988 which may be used to meet the ongoing obligations to patrons and creditors.

Another significant portion of the District's net assets reflects its 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 \$191,436 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.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2017**

The following table indicates the changes in net position for 2016 and 2107:

**Statement of Activities
December 31**

Revenue	<u>2016</u>	<u>2017</u>
Program revenues		
Charges for services	\$ 536,202	\$ 513,297
Capital grants and contributions	53,862	21,520
General revenues		
General property taxes	6,772,699	4,170,928
Specific ownership tax	327,049	322,629
Investment earnings	111,330	169,327
Gain (loss) on sale of assets	249,325	(1,190)
Other income	98,604	115,103
Total revenue	<u>8,149,071</u>	<u>5,311,614</u>
Expenses		
Administration	135,996	101,370
Fire protection/EMS services	7,921,958	7,979,127
Interest on long-term debt	(15,865)	-
Total expenses	<u>8,042,089</u>	<u>8,080,497</u>
Change in Net Position	<u>\$ 106,982</u>	<u>\$ (2,768,883)</u>

District Revenue and Expense Analysis:

Revenues

District revenues as of December 31, 2017 decreased by \$2,836,267, over the year ended December 31, 2016. This decrease in revenue was caused primarily by a decrease in the property taxes.

Expenditures/Expenses

District expenditures/ expenses as of December 31, 2017 decreased by \$3% over the year ended December 31, 2016. This change is due to a decrease in fire protection expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's annual budgets are prepared according to Colorado law and they are based on accounting for certain transactions on a basis of cash receipts and disbursements.

The difference between the final budgeted expenditures of \$1,503,172 and the actual expenditures of \$1,068,397 resulted in a favorable variance of \$381,204.

**Colorado River Fire Protection District
Management's Discussion and Analysis
December 31, 2017**

Additional information on the District's detailed budget can be found in page 35 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District's investment in capital assets at December 31, 2017 amounts to \$14,839,342 (net of accumulated depreciation). This investment in capital assets includes land, buildings, apparatus, equipment and furnishings.

Additional information on the District's capital assets can be found in Note 5 of this report.

During the year ended December 31, 2017, the District had personal time off payable of \$391,740.

Additional information on the District's debt can be found in Note 6.

ECONOMIC FACTORS AND 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:

- A decrease in anticipated general property tax collection for 2018 and an abatement of property taxes in 2018.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District, 1850 Railroad Ave., Rifle, Colorado 81650.

Basic Financial Statements

Colorado River Fire Protection District
Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 12,375,687
Property taxes receivable	4,088,408
Accounts receivable	5,321
Noncurrent assets	
Capital assets, nondepreciable	2,228,028
Capital assets, net	12,611,314
Net pension asset -	
Rifle Fire Protection District 7306-5 Volunteer Plan	<u>1,701,896</u>
Total assets	<u>33,010,654</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	990,928
Deferred outflows related to volunteer pensions	<u>397,207</u>
Total deferred outflows of resources	<u>1,388,135</u>
Total assets and deferred outflows of resources	<u>\$ 34,398,789</u>
Liabilities	
Accounts payable	\$ 27,920
Accrued liabilities	23,314
Accrued payroll	90,119
Noncurrent liabilities:	
Due in more than one year	391,740
Net pension liability -	
Burning Mountains Fire Protection District 7247-5 Volunteer Plan	600,706
Net pension liability - FPPA	177,757
Net pension liability - PERA	<u>668,497</u>
Total liabilities	<u>1,980,053</u>
Deferred Inflows of Resources	
Unearned revenue - property taxes	4,088,408
Deferred inflows related to pensions	7,842
Deferred inflows related to volunteer pensions	<u>30,720</u>
Total deferred inflows of resources	<u>4,126,970</u>
Net Position	
Net investment in capital assets	14,839,342
Restricted for TABOR emergencies	191,436
Unrestricted	<u>13,260,988</u>
Total net position	<u>28,291,766</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 34,398,789</u>

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

Colorado River Fire Protection District
Statement of Activities
For the Year Ended December 31, 2017

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contribution</u>	<u>Governmental Activities</u>
Governmental activities				
Administration	\$ 101,370	\$ -	\$ -	\$ (101,370)
Fire protection/EMS services	7,979,127	513,297	21,520	(7,444,310)
Interest on long-term debt	-	-	-	-
Total governmental activities	\$ 8,080,497	\$ 513,297	\$ 21,520	\$ (7,545,680)
General revenues:				
Property taxes				4,170,928
Specific ownership taxes				322,629
Investment earnings				169,327
Loss on disposal of asset				(1,190)
Other income				115,103
Total General revenues				4,776,797
Change in net position				(2,768,883)
Net position - beginning of year (as restated)				31,060,649
Net position - end of year				\$ 28,291,766

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

Colorado River Fire Protection District
Governmental Funds Balance Sheet and
Reconciliation of the Governmental Fund Balance Sheet
with the Statement of Net Position
December 31, 2017

	General Fund	Capital Projects	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 7,495,797	\$ 4,816,944	\$ 12,312,741
Cash with County	62,946	-	62,946
Accounts receivable	5,321	-	5,321
Property taxes receivable	<u>4,088,408</u>	-	<u>4,088,408</u>
Total assets	<u>\$11,652,472</u>	<u>\$ 4,816,944</u>	<u>\$ 16,469,416</u>
Liabilities			
Accounts payable	27,920	-	27,920
Accrued liabilities	23,314	-	23,314
Accrued payroll	<u>90,119</u>	-	<u>90,119</u>
Total liabilities	<u>141,353</u>	-	<u>141,353</u>
Deferred Inflows of Resources			
Unearned revenue—property taxes	<u>4,088,408</u>	-	<u>4,088,408</u>
Total deferred inflows of resources	<u>4,088,408</u>	-	<u>4,088,408</u>
Fund Equity			
Restricted for:			
TABOR emergencies	191,436	-	191,436
Assigned for:			
Capital reserve			
Unassigned	<u>7,231,275</u>	<u>4,816,944</u>	<u>12,048,219</u>
Total fund equity	<u>7,422,711</u>	<u>4,816,944</u>	<u>12,239,655</u>
Total liabilities, deferred inflows of resources and fund equity	<u>\$11,652,472</u>	<u>\$ 4,816,944</u>	<u>\$ 16,469,416</u>
Fund Balances - Total Governmental Funds	<u>\$ 7,422,711</u>	<u>\$ 4,816,944</u>	<u>\$ 12,239,655</u>
Amounts reported for governmental activities in the statement of net assets excluded from the governmental fund balance because:			
Capital assets used in governmental activities are not current financial resources and are excluded from the funds.			
Governmental capital assets			
Less accumulated depreciation			14,839,342
Long-term liabilities, such as pension assets and liabilities, are not due and payable in the current period and therefore are not reported in the funds.			
Net pension asset			1,701,896
Net pension liability			(1,446,960)
Compensated absences			(391,740)
Pension balances are not available resources and are not included in fund financial statements.			
Deferred outflows related to pensions			1,388,135
Deferred inflows related to pensions			<u>(38,562)</u>
Net position of governmental activities			<u>\$ 28,291,766</u>

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

Colorado River Fire Protection District
Governmental Fund Revenues, Expenditures,
and Changes in Fund Balances
December 31, 2017

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 4,493,557	\$ -	\$ 4,493,557
Charges for services	513,297	-	513,297
Interest	115,756	53,571	169,327
Grants	21,520	-	21,520
Other	<u>115,103</u>	<u>-</u>	<u>115,103</u>
Total Revenues	<u>\$ 5,259,233</u>	<u>\$ 53,571</u>	<u>\$ 5,312,804</u>
Expenditures			
Bank service charges	7,908	-	7,908
Board stipend	6,000	-	6,000
Dues and subscriptions	11,290	-	11,290
Insurance	271,970	-	271,970
Office expense	218,002	-	218,002
Payroll taxes	57,517	-	57,517
Professional services	224,096	-	224,096
Protective clothing	44,002	-	44,002
Repairs and maintenance	263,253	-	263,253
Salaries and benefits	4,570,130	-	4,570,130
Supplies	186,419	-	186,419
Training	97,020	-	97,020
Treasurer's fees	101,370	-	101,370
Utilities	164,056	-	164,056
Volunteer benefits	71,671	-	71,671
Capital outlay	<u>86,497</u>	<u>-</u>	<u>86,497</u>
Total Expenditures	<u>6,381,201</u>	<u>-</u>	<u>6,381,201</u>
Excess of Revenues over Expenditures	<u>(1,121,968)</u>	<u>53,571</u>	<u>(1,068,397)</u>
Fund balances:			
Beginning of the year	<u>8,544,679</u>	<u>4,763,373</u>	<u>13,308,052</u>
End of the year	<u>7,422,711</u>	<u>4,816,944</u>	<u>12,239,655</u>

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

Colorado River Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2017

Net change in fund balance—total governmental funds \$ (1,068,397)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Current year depreciation	(1,227,723)
Loss on disposal of asset	(1,190)

Compensated absences not payable from current resources are not reported as expenditures in the current year. In the Statement of Activities these costs represent expenses of the current year.

Current year increase in accrued compensated absences	(169,323)
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Pension expenses and income do not use current financial resources and are excluded from the funds.

Current-year pension contributions are reported as deferred outflows	356,382
Pension expense	<u>(658,632)</u>

Change in net position of governmental activities **\$ (2,768,883)**

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

Colorado River Fire Protection District

Notes to Financial Statements

December 31, 2017

1. Definition of Reporting Entity

The District, located in Garfield County, Colorado, is organized pursuant to provisions set forth in the Colorado Special District Act. The governing body consists of a five member Board of Directors which is elected by the registered voters within the District. The objective of the District is to provide for the preservation of life and protection of property from and during such fires and/or other emergencies as may occur within the fire protection district. In June 2014, the District combined the boundaries of Rifle Fire Protection District and Colorado River Fire Protection District and all of Rifle Fire Protection District's assets and liabilities were transferred to Colorado River Fire Protection District.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the above criteria, there are no other organizations that would be considered component units of the District.

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

2. Summary of Significant Accounting Policies

The financial statements of the Colorado River Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

2. Summary of Significant Accounting Policies (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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 those 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*.

The fund financial statements report detailed information about the District. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental funds 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 collected 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, claims, and judgments are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

The District reports the following major governmental funds:

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.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

2. Summary of Significant Accounting Policies (continued)

Capital Projects Fund

The Capital Projects Fund is the District's capital outlay fund and is used to account for major capital outlay purchases. The major revenue sources are interest earned and transfers from the General Fund. Expenditures include all costs associated with the purchase of major capital outlay.

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

Budgets and Budgetary Accounting

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

Prior to October 15, the administrator submits to the District's Board of Directors 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.

A budget is adopted for the General Fund and Capital Projects Fund. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Appropriations lapse at the end of each calendar year.

The District may authorize supplemental appropriations during the year. There were no supplemental appropriations in the current year.

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.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

2. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, trails, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis, from 2004. Infrastructure prior to 2004 will not be capitalized. Capital assets are defined by the District as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Equipment	5 - 15 years
Infrastructure	7 - 50 years

Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources.

Net Position and Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position*– This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

2. Summary of Significant Accounting Policies (continued)

- *Unrestricted Net Position* – This category represents the net assets of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

The District establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

2. Summary of Significant Accounting Policies (continued)

Compensated Absences

Employees of the District are allowed to accumulate unused vacation and sick time. Upon termination of employment with the District, an employee is compensated for all accrued vacation time at the current rate of pay if these benefits have matured.

These compensated absences are recognized when due in the governmental funds types. The balance of the accrued compensated absences is not material, therefore, a liability has not been recorded in the government-wide financial statements for accrued compensated absences.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. Cash and Investments

Custodial Credit Risks – Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2017, the District had cash deposits with a bank balance of \$277,214 and a carrying balance of \$201,249. The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or be collateral held by the District's custodial banks under provisions of the Colorado Public Depository Act.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

3. Cash and Investments (continued)

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk

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

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.

Investments held as of December 31, 2017 are as follows:

COLOTRUST	<u>\$ 12,111,492</u>
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At December 31, 2017, the District had invested \$12,111,492 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes as authorized by state statute. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. All securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

3. Cash and Investments (continued)

bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes. At December 31, 2017 the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's

Summary of Cash

Cash and Cash Equivalents

Cash deposits in bank—General Fund	\$	201,249
COLOTRUST—General Fund		7,294,548
COLOTRUST—Capital Projects Fund		4,816,944
Cash with County		<u>62,946</u>
Total cash and investments		<u>\$ 12,375,687</u>

4. Property Taxes

Property taxes for 2016, collectible in 2017, are certified by the Board of Directors by December 15, 2016. Property taxes attached as an enforceable lien on January 1, 2017, are due in total April 30, 2017, or in equal installments February 28, 2017 and June 15, 2017, at the option of the taxpayer. The County Treasurer remits taxes collected to the District by the 10th day of the month following collection.

Revenue Recognized in 2016

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

	Assessed Valuation	Amount of Taxes		Collected	Percent Collected
		Mill Levy	Levied		
General Fund	\$685,087,040	6.102	\$4,180,401	\$4,170,928	99.8%

Property Taxes Receivable and Unearned Revenue

Local property taxes levied in 2017 but not collectible until 2018 are shown as property taxes receivable and unearned revenue on the balance sheet in the amount of the assessed taxes less estimated uncollectible amounts.

	Assessed Valuation	Mill Levy	Estimated Percent Collectible	Property Taxes Receivable	Deferred Revenue
General Fund	\$ 670,011,144	6.102	100%	\$ 4,088,408	\$ 4,088,408

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

5. Property, Plant & Equipment

The following table presents capital assets activity of the District for the year ended December 31, 2017:

	Balance December 31, 2016	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2017
Capital assets, not being depreciated:				
Land	\$ 2,194,034	\$ -	\$ -	\$ 2,194,034
Construction in progress	<u>33,994</u>	<u>-</u>	<u>-</u>	<u>33,994</u>
Total capital assets, not being depreciated	<u>2,228,028</u>	<u>-</u>	<u>-</u>	<u>2,228,028</u>
Capital assets, being depreciated:				
Buildings	11,915,170	-	-	11,915,170
Equipment	5,774,295	-	(314,000)	5,460,295
Land improvements	<u>40,771</u>	<u>-</u>	<u>-</u>	<u>40,771</u>
Total capital assets, being depreciated	<u>17,730,236</u>	<u>-</u>	<u>(314,000)</u>	<u>17,416,236</u>
Less accumulated depreciation for:				
Buildings	(1,698,869)	(368,558)	-	(2,067,427)
Equipment	(2,174,935)	(852,892)	312,810	(2,715,017)
Land improvements	<u>(16,205)</u>	<u>(6,273)</u>	<u>-</u>	<u>(22,478)</u>
Total accumulated depreciation	<u>(3,890,009)</u>	<u>(1,227,723)</u>	<u>312,810</u>	<u>(4,804,922)</u>
Total capital assets, being depreciated, net	<u>13,840,227</u>	<u>(1,227,723)</u>	<u>(1,190)</u>	<u>12,611,314</u>
Capital assets, net	<u>\$ 16,068,255</u>	<u>\$ (1,227,723)</u>	<u>\$ (1,190)</u>	<u>\$ 14,839,342</u>

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

Governmental activities:

Fire protection/EMS services	<u>\$ 1,227,723</u>
Total depreciation expense—governmental activities	<u>\$ 1,227,723</u>

6. Long-Term Debt

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2017.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

6. Long-Term Debt (continued)

	Balance December 31, 2016 (as restated)	Additions	Payments	Balance December 31, 2017	Due Within One Year
Governmental activities:					
Compensated absences	\$ 222,417	418,232	(248,909)	\$ 391,740	-
Total long-term liabilities	<u>\$ 222,417</u>	<u>\$ 418,232</u>	<u>\$ (248,909)</u>	<u>\$ 391,740</u>	<u>\$ -</u>

7. 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.

The annual normal retirement benefit is 2% 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% 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 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% of Consumer Price Index.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

7. Defined Benefit Plan—FPPA (continued)

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least 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% of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5% 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% and 8%, respectively, of base salary for a total contribution rate of 17% in 2016. In 2014, the members elected to increase member contribution rate to SWDB plan beginning in 2015. Member contributions rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20% 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% of base salary through 2017. It is a local decision as to whether the member or employer pays the additional 4% contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.5% and 4%, respectively, of base salary for a total contribution rate of 8.75% in 2017. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

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 \$177,757 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016,

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

7. Defined Benefit Plan—FPPA (continued)

and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SWDB Plan for the calendar year 2016 relative to the total contributions of participating employers to the SWBD Plan.

At December 31, 2016, the District's proportion was 0.491940 percent, which was a decrease of 0.057913 percent from its proportion measurement as of December 31, 2015.

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 District recognized pension expense of \$583,316. 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	140,111	7,842
Changes of assumptions or other inputs	106,630	-
Net difference between projected and actual earnings on pension plan investments	328,847	-
Contribution subsequent to the measurement date	319,685	-
Total	895,273	7,842

\$237,633 is reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, and 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	\$ 183,156
2019	172,212
2020	70,077
2021	32,199
Thereafter	110,103

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

7. Defined Benefit Plan—FPPA (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2017 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%

Effective January 1, 2016. The post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The total disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females in 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 .00020.

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 assets class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

7. Defined Benefit Plan—FPPA (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.0%*
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 contractually 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 asset.

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.

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 the net position 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:

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

7. Defined Benefit Plan—FPPA (continued)

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$ 1,512,425	\$177,757	\$(930,751)

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.fpoaco.org.

8. Defined Contribution Plan

Part-time and eligible employees of the District elected to withdraw from the Colorado Statewide Defined Benefit Plan, a defined benefit plan, administered by the Fire and Police Pension Association of Colorado (FPPA). The state legislation allowing the withdrawal states that the alternate pension plan must be a money purchase plan. The replacement plan is a 401(a) Money Purchase Plan administered by FPPA. Each participant has an individual account with FPPA into which all contributions flow. The participants are offered various investment options through the plan and are allowed to invest all moneys in their account at their own discretion among options. The District may amend, modify, or terminate the plan, upon approval of such amendment, modification, or termination of 65% of the active participants, provided that no amendment or modification shall reduce the account balances of any participant accrued to the date of the change.

Employees covered by the plan are eligible to participate from the date of employment. The plan defines the District and participant contributions at 8 percent each. The District's contributions for each participant are fully vested after five years. District contributions for, and the interest forfeited by, employees who leave employment before five years of services are used to reduce the District obligation to contribute.

The employer contributions to the plan for the years ended December 31, 2016 and 2017 were \$17,488 and \$13,984, respectively.

9. Deferred Compensation Plan—FPPA

The District adopted a deferred compensation plan (457 Plan) as defined under the Internal Revenue Code Section 457. Participants may defer up to the lesser of \$17,500 or 100% of the participant's includable compensation. Participants over age 50 are eligible to contribute \$5,000 more than the \$17,500 limit due to a catch up provision in the plan. The 457 Plan allows District employees to make an elective deferral of a portion of their earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

9. Deferred Compensation Plan—FPPA

administered by Fire and Police Pension Association of Colorado (FPPA). The 457 Plan trustee may amend the 457 Plan. For the year ended December 31, 2017, participating employees contributed \$9,199.

10. Statewide Death and Disability Plan

Death and disability benefits are provided by the District under the Statewide Death and Disability Plan (SD&D Plan), which is administered by FPPA. SD&D benefits and obligations to contribute are established, and may be amended, by Colorado State statute. The SD&D Plan is a multi-employer, cost sharing plan that is primarily funded by the State of Colorado for firefighters hired prior to January 1, 1997. For firefighters hired after this date the District currently pays 2.6% of their payroll to the SD&D Plan. The percentage contribution amount varies depending on actuarial experience. The SD&D Plan solely provides death and disability payments to participants. In 2017, the District contributed \$88,161.

11. Defined Benefit Pension Plan—PERA

Summary of Significant Accounting Policies

Pensions. The Colorado River 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 Colorado River 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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

11. Defined Benefit Pension Plan—PERA (continued)

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 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.

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, 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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

11. Defined Benefit Pension Plan—PERA (continued)

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 Colorado River 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	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 LGDRF 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. § 24-51-51-411 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. § 4-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Colorado River Fire Protection District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from Colorado River Fire Protection District were \$35,202 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 Colorado River Fire Protection District reported a liability of \$668,497 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 Colorado River Fire Protection District proportion of the net pension liability was based on Colorado River Fire Protection

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

11. Defined Benefit Pension Plan—PERA (continued)

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 Colorado River Fire Protection District proportion was 0.049506%, which was a decrease of 0.013798 from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the Colorado River Fire Protection District recognized pension expense of \$88,504. At December 31, 2017, the Colorado River Fire Protection 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	\$ 1,364	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	51,771	-
Changes of assumptions or other inputs	5,823	-
Contributions subsequent to the measurement date	36,697	-
Total	\$ 95,655	\$ -

\$36,697 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 30:

2018	\$ 35,699
2019	22,496
2020	763

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

11. Defined Benefit Pension Plan—PERA (continued)

Actuarial assumptions. Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA’s Board on November 18, 2016 and were 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 Normal
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50-10.45%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00%
PERA Benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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 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. These revised assumptions were reflected in the total pension liability roll-forward procedures.

Healthy, post-retirement mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. Healthy, post-retirement mortality assumptions reflect the RP-2014 Healthy Annuitant Mortality Table with some adjustments using the MP-2015 projection scale for further credibility. For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The LGDTF's long-term expected rate of return on pension plan investments was determined using long-term historical data, estimates inherent in current market data, and a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return 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.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

11. Defined Benefit Pension Plan—PERA (continued)

As of November 18, 2016 adoption of the 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	10 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 U.S. 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 7.20%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. This is a decrease from the prior year rate of 7.50.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

11. Defined Benefit Pension Plan—PERA (continued)

Sensitivity of the Colorado River 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 (6.25%)	Current Discount (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability (asset)	\$ 985,669	\$ 668,497	\$ 405,845

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.

12. Other Post-Employment Healthcare Benefits—PERA

Health Care Trust Fund

Plan Description -The Colorado River 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 Colorado River 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 Colorado River 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, 2016 and 2017, the District's employer contributions to the HCF were \$2,945, and \$2,423 respectively, equal to their required contributions for each year.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

13. Volunteer Firefighters' Pension Plans

Summary of Significant Accounting Policies

Pensions. The District has established two Volunteer Firefighters' Pension Plans (the "Volunteer Plans"), an agent multiple-employer defined benefit pension fund administered by the Colorado Fire & Police Pension Association ("FPPA"). These plans are delineated as Rifle Fire Protection District 7306-5 Volunteer Plan and Burning Mountains Fire Protection District 7247-5 Volunteer Plan. 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 Volunteer Plans 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 service 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 Plans 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 Plans. That report may be obtained on FPPA's website at http://www.fppaco.org/annual_reports.htm.

Funding Policy. An actuary is used to determine the annual required contribution (ARC) necessary to maintain the actuarial soundness of the Volunteer Plans. Colorado law requires the State to make an annual contribution to the Volunteer Plans. 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 on an actuarially sound basis the prospective benefits for the present Volunteer Plans.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

13. Volunteer Firefighters' Pension Plans (continued)

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 net pension asset of \$1,101,190. The net pension asset was measured as of December 31, 2016, and was determined by an actuarial valuation as of January 1, 2017.

For the year ended December 31, 2017, the District recognized pension income of \$72,760. At December 31, 2017, the District reported deferred outflow of resources related to pension from the following sources:

Rifle Fire Protection District 7306-5 Volunteer Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Assumption changes	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Contributions subsequent to the measurement date	252,210	-
Total	\$ 252,210	\$ -

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 ending December 31,	
2018	\$ 79,041
2019	79,043
2020	74,105
2021	20,021

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

13. Volunteer Firefighters' Pension Plan (continued)

For the year ended December 31, 2017, the District recognized pension expense of \$59,572. At December 31, 2017, the District reported deferred outflow of resources related to pension from the following sources:

Burning Mountains Fire Protection District 7247-5 Volunteer Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 30,720
Assumption changes	26,605	-
Net difference between projected and actual earnings on pension plan investments	118,692	-
Contributions subsequent to the measurement date	-	-
Total	\$ 144,997	\$ 30,720

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 ending December 31,	
2018	\$ 32,216
2019	36,632
2020	35,023
2021	10,406

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:	2.50%
Salary Increases:	N/A
Investment Rate of Return:	7.50%
Retirement Age:	50% per year of eligibility until 100% at age 65

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

13. Volunteer Firefighters' Pension Plans (continued)

Mortality: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience.
 Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.
 Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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 for each major assets 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%	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	100.0%	

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

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

13. Volunteer Firefighters' Pension Plan (continued)

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

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 proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Rifle Fire Protection District 7306-5 Volunteer Plan	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	(\$1,394,537)	(\$1,701,896)	(\$ 1,960,920)
Burning Mountains Fire Protection District 7247-5 Volunteer Plan	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	\$905,014	\$600,706	\$ 344,197

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 <http://www.fppaco.org>.

Colorado River Fire Protection District

Notes to Financial Statements (continued)

December 31, 2017

14. 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 which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, voter approval for any 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.

The District has no authorized but unissued debt subject to the amendment's limitations. Based on fiscal year spending for 2017, \$191,436 of the year-end fund balance in the General Fund will be reserved for emergencies.

In May, 1996, the registered voters of the Colorado River Fire Protection District voted to allow the District to collect, retain and expend all revenues and other funds collected in 1996 and each subsequent year thereafter, for capital projects and other municipal services without limiting in any year the amount of the other revenues that may be collected and expended by the Colorado River Fire Protection District in excess of the limits of Article X, Section 20 of the Colorado Constitution.

The District's management believes it is in compliance with the 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.

15. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Claims made against the District and losses incurred by the District are covered by commercial insurance for all major areas. There have been no significant reductions in insurance coverage in the current year and settlement amounts, if any, have not exceeded insurance coverage for any of the three preceding years.

Colorado River Fire Protection District
Notes to Financial Statements (continued)
December 31, 2017

16. Prior-Period Restatement

During the prior year, the District's compensated absence balance was over accrued. Therefore, the 2016 Statement of Net Position and Statement of Activities have been restated to correct this. The restatement is summarized as follows:

	December 31, 2016		December 31, 2016	
	As Originally Stated	Restatement	As Restated	
Total Liabilities	\$ 1,453,368	\$ (279,433)	\$ 1,173,935	
Total Net Position	\$ 30,781,216	\$ 279,433	\$ 31,060,649	
Fire/EMS Expense	\$ 7,921,958	\$ (279,433)	\$ 7,642,525	
Total Net Position	\$ 30,781,216	\$ 279,433	\$ 31,060,649	

Colorado River Fire Protection District

Required Supplementary Information

Colorado River Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 4,421,631	\$ 4,493,557	\$ 71,926
Charge for services	474,250	513,297	39,047
Interest	-	115,756	115,756
Grants	20,000	21,520	1,520
Other	46,000	115,103	69,103
	<u>4,961,881</u>	<u>5,259,233</u>	<u>297,352</u>
Expenditures:			
Bank service charges	-	7,908	(7,908)
Board stipend	8,000	6,000	2,000
Dues and subscriptions	9,950	11,290	(1,340)
Insurance	300,000	271,970	28,030
Office expense	248,062	218,002	30,060
Payroll taxes	80,000	57,517	22,483
Professional services	82,000	224,096	(142,096)
Protective clothing	35,000	44,002	(9,002)
Repairs and maintenance	227,000	263,253	(36,253)
Salaries and benefits	4,609,406	4,570,130	39,276
Supplies	270,250	186,419	83,831
Training	126,350	97,020	29,330
Treasurer's fees	135,000	101,370	33,630
Utilities	137,500	164,056	(26,556)
Volunteer benefits	-	71,671	(71,671)
Capital outlay	196,535	86,497	110,038
	<u>6,465,053</u>	<u>6,381,201</u>	<u>83,852</u>
Excess Revenue Over (Under)			
Expenditures	<u>(1,503,172)</u>	<u>(1,121,968)</u>	<u>381,204</u>
Fund Balance—Beginning of year	<u>260,099</u>	<u>8,544,679</u>	<u>8,284,580</u>
Fund Balance—End of Year	<u>\$ (1,243,073)</u>	<u>\$ 7,422,711</u>	<u>8,665,784</u>

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

Colorado River Fire Protection District
Required Supplementary Information
Statewide FPPA Pension Plan
Schedules of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios

Measurement Period Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Asset as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2017	49.19%	\$ 177,757	\$ 2,782,176	6.4%	98.2%
12/31/2016	0.55%	\$ (9,694)	\$ 2,581,439	-0.4%	100.1%
12/31/2015	0.54%	\$ (610,745)	\$ 2,792,346	-21.9%	106.8%
12/31/2014	0.55%	\$ (489,255)	\$ 2,975,839	-16.4%	105.8%

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

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

Colorado River Fire Protection District
Required Supplementary Information
Statewide FPPA Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2017	\$ 222,574	\$ 222,574	\$ -	\$ 2,782,176.00	8%
12/31/2016	\$ 209,152	\$ 209,152	\$ -	\$ 2,614,397.00	8%
12/31/2015	\$ 206,515	\$ 206,515	\$ -	\$ 2,581,439.00	8%
12/31/2014	\$ 223,388	\$ 223,388	\$ -	\$ 2,792,346.00	8%
12/31/2013	\$ 238,067	\$ 238,067	\$ -	\$ 2,975,839.00	8%

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

Colorado River Fire Protection District
Required Supplementary Information
PERA Pension Plan
Schedules of Proportionate Share of the Net Pension Liability and Related Ratios

<u>Measurement Period Ended*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
12/31/2017	0.495%	\$ 668,498	\$ 277,621	240.8%	73.6%
12/31/2016	0.046%	\$ 697,351	\$ 356,203	195.8%	76.9%
12/31/2015	0.065%	\$ 582,526	\$ 356,125	163.6%	80.7%
12/31/2014	0.046%	\$ 375,347	\$ 243,342	154.2%	81.8%

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

* The data provided in this schedule is based as of the measurement date of the District's net pension liability, which is as of the beginning of the year.

Colorado River Fire Protection District
Required Supplementary Information
PERA Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2017	\$ 35,202	\$ 35,202	\$ -	\$ 277,621.00	12.68%
12/31/2016	\$ 36,611	\$ 36,611	\$ -	\$ 288,729.00	12.68%
12/31/2015	\$ 45,167	\$ 45,167	\$ -	\$ 356,230.00	12.68%
12/31/2014	\$ 45,157	\$ 45,157	\$ -	\$ 356,125.00	12.68%
12/31/2013	\$ 30,856	\$ 30,856	\$ -	\$ 243,342.00	12.68%

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

Colorado River Fire Protection District
Required Supplementary Information
Volunteer Firefighters' Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2017	\$ 92,694	\$ 80,929	\$ 11,765	N/A	N/A
12/31/2016	\$ 92,694	\$ 518,429	\$ (425,735)	N/A	N/A
12/31/2015	\$ 116,592	\$ 467,680	\$ (351,088)	N/A	N/A
12/31/2014	\$ 116,592	\$ 939,274	\$ (822,682)	N/A	N/A
12/31/2013	\$ 116,592	\$ 143,666	\$ (27,074)	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

Colorado River Fire Protection District
Required Supplementary Information
Volunteer Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period ended December 31,	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service cost	\$ 15,280	\$ 15,280	\$ 22,191
Interest	452,477	459,492	454,594
Changes of benefit terms		-	191,427
Difference between expected and actual expenditures	(245,017)	-	(22,011)
Assumption changes	183,905	-	-
Benefit payments	<u>(553,045)</u>	<u>(583,011)</u>	<u>(572,184)</u>
Net change in total pension liability	(146,400)	(108,239)	74,017
Total pension liability - Beginning	6,297,050	6,405,289	6,331,272
Total pension liability - Ending (a)	6,150,650	6,297,050	6,405,289
Plan fiduciary net position			
Employer contributions	487,500	400,000	871,594
Employee contributions		-	-
Net investment income	366,062	122,180	441,077
Benefit payments	(553,045)	(583,011)	(572,184)
Administrative expense	(11,458)	(14,703)	(10,925)
State of Colorado supplemental discretionary payment	<u>30,929</u>	<u>67,680</u>	<u>67,680</u>
Net change in plan fiduciary net position	319,988	(7,854)	797,242
Plan fiduciary net position - beginning	6,931,852	6,939,706	6,142,464
Plan fiduciary net position - end (b)	7,251,840	6,931,852	6,939,706
District's net pension liability - ending (a)-(b)	(1,101,190)	(634,802)	(534,417)
Plan fiduciary net position as a percentage of the total pension liability	117.90%	110.08%	108.34%

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

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

Colorado River Fire Protection District

Other Supplementary Information

Colorado River Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—Capital Projects Fund
December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest	\$ -	\$ 53,571	\$ 53,571
Total Revenues	<u>-</u>	<u>53,571</u>	<u>53,571</u>
Expenditures:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenue Over (Under)			
Expenditures	<u>-</u>	<u>53,571</u>	<u>53,571</u>
Fund Balance—Beginning of year	<u>-</u>	<u>4,763,373</u>	<u>4,763,373</u>
Fund Balance—End of Year	<u>\$ -</u>	<u>\$ 4,816,944</u>	<u>\$ 4,816,944</u>

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