

UPPER PINE RIVER FIRE PROTECTION  
DISTRICT  
Bayfield, Colorado



Comprehensive Financial Audit Report  
Fiscal year ending December 31, 2017



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Office of the State Auditor

August 14, 2018

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***UPPER PINE RIVER  
FIRE PROTECTION DISTRICT  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2017***

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Prepared by: Management and the Accounting Department

Bruce Evans, Fire Chief  
Mickey Ramsey, District Accountant

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# Introductory Section





**July 9, 2018**

***To the Members of the Board of Directors and Citizens of the Upper Pine River Fire Protection District:***

State law requires that governmental entities publish within six months of the close of each calendar year (unless such deadline is extended) a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Upper Pine River Fire Protection District ("District") for the fiscal year ended December 31, 2017.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability for all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive framework that is designed to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the presentation of the Upper Pine River Fire Protection District's financial statements in conformity with US GAAP. As management, we assert to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Upper Pine River Fire Protection District's financial statements have been audited once again by Rubin Brown LLP, a firm of licensed certified public accountants who regularly audit governmental entities in Colorado. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Upper Pine River Fire Protection District for the fiscal year ended December 31, 2017, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that Upper Pine River Fire Protection District's financial statements for the year ended December 31, 2017, are fairly presented in conformity with US GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with the audit. The Upper Pine River Fire Protection District's MD&A can be found immediately following the report of the independent auditors.

***Profile of the District***

Upper Pine River Fire Protection District was chartered September 20, 1974 and confirmed in an election on November 19<sup>th</sup>, 1974 through merger of the Vallecito Fire Department and the Bayfield Volunteer Fire Departments. The Forest Lake Metro District Fire Department merged into the district May 3<sup>rd</sup>, 1988. During the 2006 calendar year, the District transitioned from a volunteer to a paid fire department. The



District provides fire suppression (structural, wild land and vehicle), emergency medical service/ambulance service to include patient transport, technical rescue (water, ice, low and high angle rope, confined space, vehicle extrication), fire prevention, fire code enforcement, public education, fuels mitigation and hazardous material response. It is a district that responds to all hazards with a focus on customer service.

These services are provided to a fulltime population of approximately 15,000 in 270 square miles of eastern La Plata County in southwest Colorado. The District sees a seasonal increase for the summer of up to 30,000 filling vacation homes and campgrounds at Lake Vallecito. The District also has annexed the Shamrock subdivision and several large ranches in Western Archuleta County along Highway 160. The District is funded by property taxes, contracts, ambulance revenue, Federal and State grants, wild fire deployments and donations from Corporations and private citizens.

Upper Pine River Fire Protection District is governed by a five-member Board elected to four year terms. The governing Board has fiduciary responsibilities set forth in the IGA. The Board is responsible for hiring the Chief of the Department. The Chief is responsible for carrying out the policies of the Board, for the leadership and supervision of the day-to-day operations of the District.

The annual budget and budget process serves as the foundation for the Upper Pine River Fire Protection District's financial planning and control. Justified budget request and prioritization of budget items are processed in the District's strategic planning meeting in September of each year. The District Board of Directors holds a public hearing and adopts its final budget no later than December 31<sup>st</sup> each year.

Appropriations for the budget are adopted on a total fund basis. The Board of Directors may make additional appropriations during the budget year for expenditures required, but not in excess of the amount of actual revenues exceeding budgeted revenues and un-appropriated surplus for the fund. The Chief may transfer any unencumbered appropriation balance or a portion thereof from one classification of expenditure to another within the budget in order to carry out the goals and objectives of the Board of Directors and the District. The district holds reserves in accordance with an Annual Operating Plan with the State of Colorado for potential wildland fire incidents and disasters.

### ***Factors Affecting Financial Condition***

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective, the specific environment within which the Upper Pine River Fire Protection District operates. The following is a recap of the economic factors impacting the District.

### ***Local Economy***

**General:** The Pine River Valley geographic area is located in the southwestern part of Colorado in the eastern part of La Plata County. The Town of Bayfield, Town of Ignacio and City of Durango make up the Durango "Micropolitan" Area. La Plata County has experienced considerable economic and population growth from the late 1980's to 2008. Like most of the United States the 2009 local economy showed considerable financial declines over previously prosperous years. The local economy has shown slight but steady gains during the period of 2011-2017. In 2017 the county had an unemployment rate of 2.5% Median household income was \$60,278 in 2016.



La Plata County is an ideal location for entrepreneurs and innovative businesses that want to grow and succeed. A shortage of highly skilled workers is developing along with a shortage in affordable housing. Much of this is due to a high desire to live in La Plata County which enjoys an outstanding quality of life for them, their employees and their families. Few other communities in the Rocky Mountains can offer businesses the resources that La Plata County can:

- Three colleges- Fort Lewis College, a four year liberal arts college with a census of approximately 4,000 students, San Juan College in Farmington which provides a variety of technical and liberal arts degrees and Pueblo Community College which provides an educated and skilled workforce.
- Customized workforce training to help your employees keep up with technology and new ideas
- A vibrant and growing regional airport with direct service to major international gateways such as Dallas, Denver, and Phoenix
- High speed internet and 4G wireless service capable of serving cloud technology, high-capacity data transfers, and distributed workforce and operations
- Low property taxes and low employee turnover, which reduce your ongoing operating costs

Fort Lewis College Department of Economics believes that Durango's present economy is primarily based on tourism, now generating approximately 28% of all activity in La Plata County. The Upper Pine River Fire Protection District incorporate three general planning areas, the Town of Bayfield, the Vallecito Lake recreation area and community and the Forest Lakes Metro District the largest residential subdivision in La Plata County. Most of these planning areas serve as residence for the employers in Durango. Restrictions on new oil and gas permits have hampered revenues from this source into the Fire District's income. A continued change to the residential assessment rates due to the Colorado Gallagher amendment continues to generate lower tax revenue for the district.

### ***The Town of Bayfield:***

The Town of Bayfield is a statutory Town located in La Plata County within the Upper Pine River Fire Protection District. The town sits at an elevation of about 6900 feet, in the beautiful Pine River Valley, with spectacular vistas in all directions. The town is a bedroom community to the Durango "Micropolitan" area offering more economical, lower density, and ranch style living. The average home price is \$265,000 as compared to Durango at \$435,000. Bayfield and the 20 minutes driving radius has a median household income of \$57,862 and a per capita income of \$25,275 both above the National averages.

Bayfield is home to approximately 2,493 residents within the town and another 12,528 in the surrounding area the fire district serves. Bayfield acts as the commercial and cultural center for eastern La Plata County. The anchor business establishments are Lewis True Value Hardware, Southwest Agriculture Supply, Riverside RV Park and Gosney, LLC. Bayfield prides itself on our small town atmosphere and long-standing sense of community offering a nostalgic 4<sup>th</sup> of July Parade and an intact main street commerce area known as Mill Street. The Town of Bayfield was incorporated in 1906 when the Bay family and the Schiller family each donated land to create a supply Town near the Pine River. Bayfield was named after Mr. William Bay when he won a coin toss between himself and Mr. Schiller. Had the toss gone the other way, it is said the Town would have been named "Schillerville".

Modern-day Bayfield residents enjoy an ideal four-season climate that averages some 300 days of sunshine every year, together with moderate temperatures and low humidity, year-round. This ideal



recreational climate promotes all sorts of outdoor family activities while any type of enthusiast can find what they're looking for. Whether hiking or biking, hunting or fishing, winter skiing or summer water sports, or exploring the cultural histories of Native American ruins and early Pioneer life, all are available within a short drive, and in almost any direction. The town lies on US Highway 160 which is the main southern transport corridor between the major metropolitan centers in Denver, Pueblo and Colorado Springs. The town is strategically located between Mesa Verde and Great Sand Dunes National Park. For train enthusiasts it is between two of the most visited tourist railroads; the Durango Silverton Narrow Gauge Railroad and the Cumbres and Toltec Railroad.

Bayfield has a strong school district. The Bayfield School District has long been recognized as one of Colorado's finest and was awarded "Colorado School Board of the Year" in 2007. In 2016, the school district passed a mill levy for construction of a new elementary school and improvements to the existing primary school. Construction started in 2017 and completion is expected for the 2018 school year. The library was named the Best Small-town Library in American in 2013. Bayfield also boasts a quaint downtown known as Mill Street that has ball fields for youth and adult sports along with the ever-popular Bayfield Heritage Days held each September. The Bayfield High School Football team took the 2A State Football Championship for 2017.

The Town of Bayfield is serviced by Upper Pine River Fire Station 1 and residents fund the district with a property tax mill levy. Real estate values are increasing within the area and there were numerous new housing starts in 2017. Housing prices are favorable due to low supply and higher price in Durango. Many of the residents in Bayfield work in the oil and gas industry, public safety, or health care.

### ***Vallecito Lake;***

Sheltered in a secluded mountain valley 8,000 feet above sea level, Vallecito Lake is one of the largest and most beautiful bodies of water in Colorado. Vallecito, Spanish for "Little Valley", and ancestral home to many of Colorado's Ute Indians, became the name of the sparkling waters of the lake it surrounded. Located in the Southwestern part of the state just 18 miles from Durango, Vallecito provides a perfect base for enjoying the Four Corners area and its many wonders. The lake attracts Texans and Oklahomans looking to escape the summer heat and to enjoy trophy fishing and hunting in the surrounding mountains and streams. Boating, skiing, and fishing generate seasonal income for the area and it is home to several large ranches and vacation homes. The Vallecito Lake is serviced by Upper Pine River Fire Station 4. In 2017 Vallecito had record visits to the local campgrounds.

### ***Forest Lakes Metro District***

Forest Lakes is the largest subdivision in southwestern Colorado. This community is located in La Plata County, Colorado and covers 1,865 acres with 1,600 parcels and 764 structures. Forest Lakes is a remote rural community nestled in the mountains of La Plata County, north of Bayfield, Colorado. The community borders BLM and state lands on the north, USFS lands to the east, and private lands to the south. Forest Lakes is home to about 1,800 residents with 75 percent year-round residents and the remainder residing in Forest Lakes seasonally, primarily during the summer months. Many residents commute to Bayfield, Ignacio, and Durango for work, and many are retired. About half of the 1600 parcels have been built on. The average parcel size is 1 acre with some lots as small as 1/4 acre. Forest Lakes is covered by Upper Pine River Fire Station 5 with full time staff.



### ***Long-term Financial Planning:***

The Upper Pine River Fire Protection District Board of Directors developed a Strategic Plan in 2012 to create sustainability and bring an innovative service delivery model to the fire district. As the district has grown or evolved from a volunteer department, sophistication of accounting standard practices reflective of government accounting has been initiated. As part of projecting financial needs a strategic planning process has been implemented. The strategic plan commences in January 2016 to predict and plan for 5, 10 and 20 year increments specifying vehicle replacements and capital projects. The district has been very successful in grant acquisitions that have allowed for accelerated increases in the reserve funds striving for one year of operating expenses to be held in reserve.

The district operates with certain fees for service events and collects ambulance revenue, response fees and the hazardous materials fees from users of this particular service delivery by the fire district. The ambulance collection rates vary between 54 and 56% which is on par with the industry average.

The district has implemented partnerships and business models to use surplus or excess resources within the district to generate revenue for the fire district. The district has recently purchased equipment that is in high demand for regional wildfire assignments and deployed a business model structuring short term leases for three years or less leaving the remaining 5-7 year life span of the vehicles to generate income

The Upper Pine River Fire District maintains a significant fleet to support the 8 stations covering the 265 square miles of the fire district. To ensure efficiencies and provide for a long term vehicle replacement plan, the district has begun to sequester monies for replacement the fleet and physical place on appropriate depreciation schedules to ensure timely and cost effective replace without incurring additional bond initiatives. Surplus vehicles are being sold and the fleet is being right sized for efficiency of operations and reduced maintenance cost.

The District currently has long term lease/purchase agreements for the administration building and equipment of approximately \$1.2 million. The district has restructured the leases to take advantage of historically low interest rates. This has allowed the district to reduce lease payments burdening the operating funds and hasten the elimination of the bond service.

The voters granted the District an increase in the current mill levy to 10.9 mills from 4.95 mills in order to compensate for downturns in oil and gas revenue due production cost in the region currently outpacing market values for natural gas. The voter approved initiative has sunset legislation eliminating or calling for a reauthorization in 2024 designed to correspond with the retirement of the bond service.

Refinancing of the bond debt to a lower interest rate resulted in an overall savings of approximately \$25,000 annually. After the economic downturn in late 2008, Upper Pine River Fire Protection District management and board recognized that they would be facing a decline in property valuations which would mean a decline in revenues beginning in 2011. Starting in 2009, management made the decision to keep operating expenses as flat as possible and to reduce capital expenditures to only critical items. Excess revenues were moved into the fund balance with the idea that they would be available to fund operations when revenues declined. Austerity measures have continued through 2017 in order to restore reserve funds to \$1.8 million.



While the GFOA recommends two months of operating expenses or 17% of the budget set aside for emergencies, due to the nature of the fire district's mission and potential for a significant wildfire cost, the Fire Chief sees one to two years of operating expenses necessary. The District has set as a goal one year of operating expenses assigned to the Reserves for Economic Uncertainty or the category "Unassigned" as designated by GASB 54 in the financial strategic plan.

***Awards and Acknowledgements:***

Upper Pine River Fire Protection District received The Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended December 31, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We would like to express our appreciation to Rubin Brown, LLP; the firm that serves as the District's external auditors. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service and assistance provided by our accountant, Mickey Ramsey, CPA.

I would like to recognize the District's Board of Directors for their support for the District, its fiscal responsibility and the highest standards of professionalism in the management of the District's finances. Three of the Board of Directors were reelected to four year terms. Also, to the citizens and stakeholders of the Upper Pine River Fire Protection District for entrusting the judicial use of their tax dollars for the greater good of the community and our corporate donors for their generosity and support. Lastly, to the emergency responders and support staff that brings a level of excellence to rural fire and EMS services delivered in the Pine River Valley.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce Evans".

Bruce Evans, MPA, NREMT-P  
Fire Chief  
Upper Pine River Fire Protection District



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Upper Pine River Fire  
Protection District, Colorado**

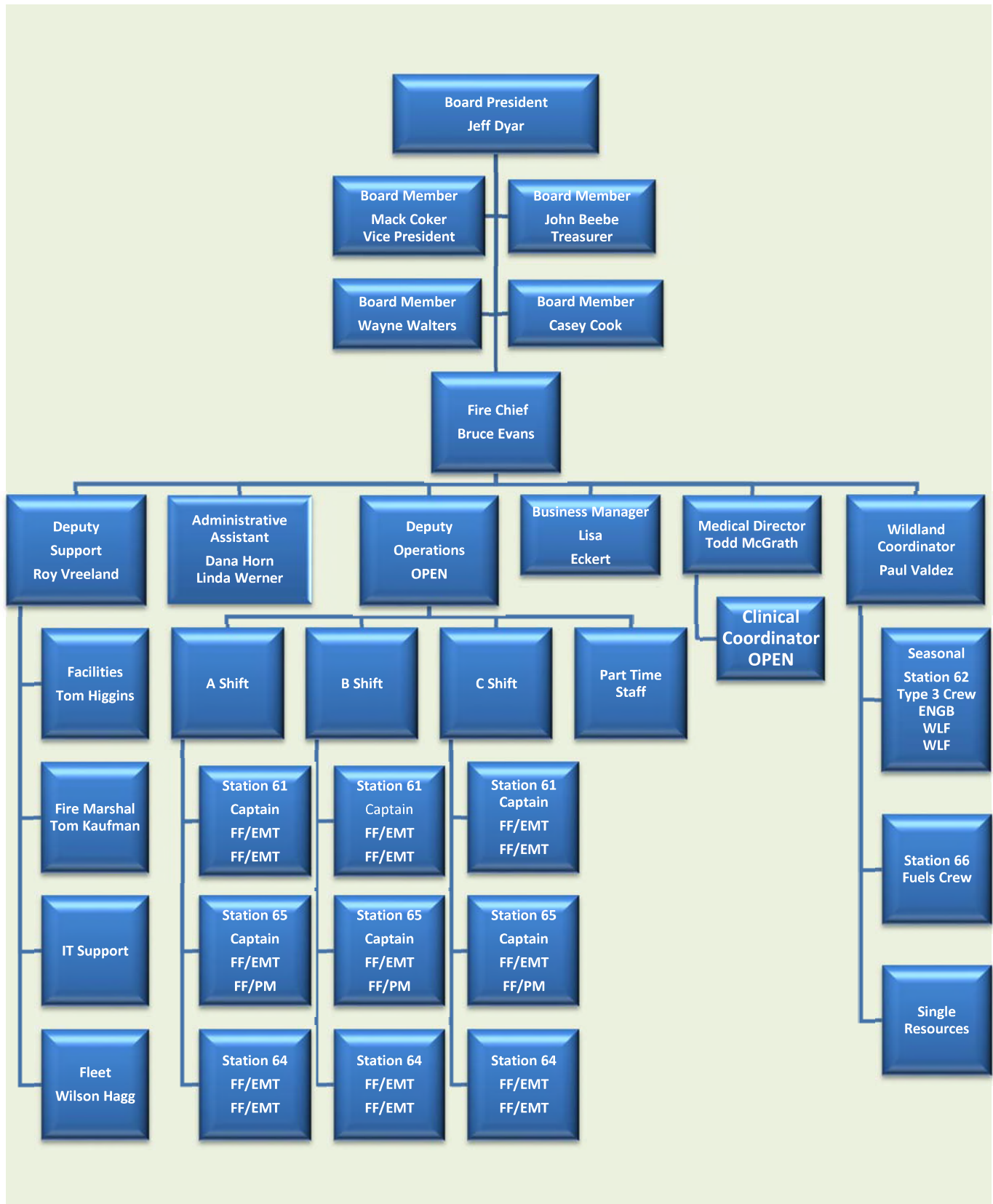
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

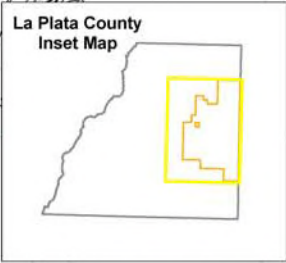
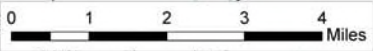
*Christopher P. Morill*

Executive Director/CEO

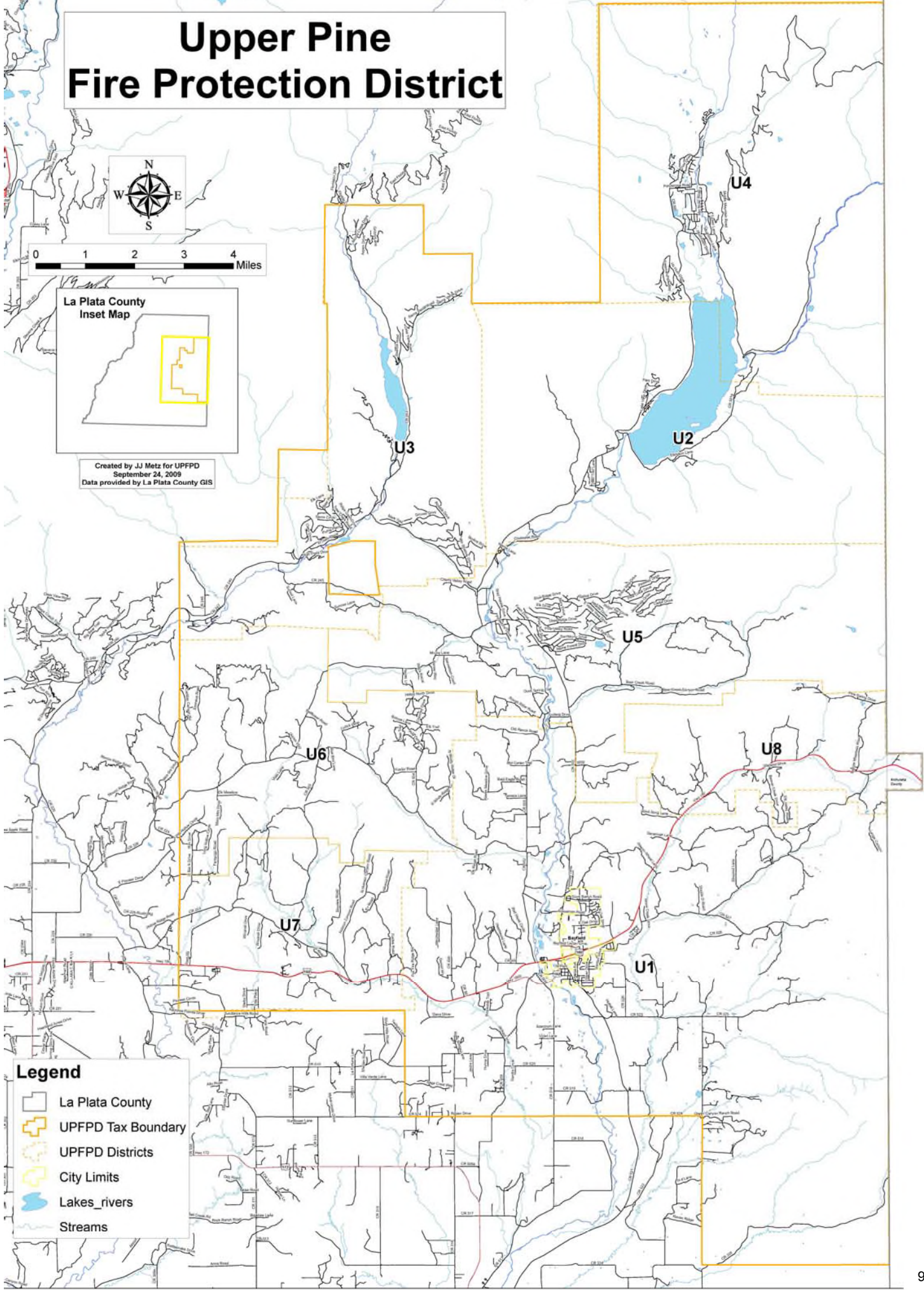
# Upper Pine River Fire Protection District Organizational Chart



# Upper Pine Fire Protection District



Created by JJ Metz for UPFPD  
September 24, 2009  
Data provided by La Plata County GIS



## Legend

- La Plata County
- UPFPD Tax Boundary
- UPFPD Districts
- City Limits
- Lakes\_rivers
- Streams

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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**NAMES AND TITLES OF ELECTED AND APPOINTED OFFICIALS**  
**As Of December 31, 2017**

**Elected Board of Directors**

Jeff Dyar, President (Term Expires 2020)  
John Beebe, Treasurer (Term Expires 2020)  
Casey Cook, Director (Term Expires 2022)  
Wayne Walters, Director (Term Expires 2022)  
Mack Coker, Director (Term Expires 2022)

**Appointed Officials**

Bruce Evans, Fire Chief

# Financial Section





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## Independent Auditors' Report

Board of Directors  
Upper Pine River Fire Protection District  
Bayfield, Colorado

### Report On The Financial Statements

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

### *Management's Responsibility For The Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through v, the budgetary comparison schedule, schedules of the District's proportionate share of the net pension assets, schedules of the District's contributions to the pension plan, schedule of changes in employers' net pension (asset) liability and schedule of employer contributions and notes to required supplementary information on pages 48 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*RubinBrown LLP*

July 9, 2018

## Management's Discussion and Analysis

As management of Upper Pine River Fire Protection District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are composed of three components:

- 1) Government-wide financial statements;
- 2) Fund financial statements;
- 3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

### Financial Highlights

1. The District's net position at the end of 2017 is **\$4,380,963** compared to **\$ 4,434,014** at the end of 2016.
2. Total revenues for the year ended December 31, 2017 were **\$4,190,521** compared to total revenues of **\$ 4,921,808** in 2016; a decrease caused by a reduction in property tax revenue due to reduced oil and gas revenues in the District.
3. The District made use of grant monies awarded from State and Federal funding sources in the amount of **\$158,946**.

### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The governmental activity of the District is primarily providing fire protection service for the Town of Bayfield, the Upper Pine River and Upper Florida River Valleys.

The Statement of Net Assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but not used vacation leave).

The government-wide financial statements can be found on pages 14 through 17 of this report.

### 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 state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District had two funds in 2017, the General Fund and Debt Service Funds, which are governmental funds.

## Governmental funds

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

Because the focus of governmental funds are more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of the fund balance as reported in the governmental funds to the net change in fund balance to the change in net assets has been provided to facilitate the comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its General and Debt Service Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

The governmental fund financial statements are presented on pages 18 and 19 of this report.

## Notes to the financial statements

The notes provided additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 47 of this report.

## Statement of Net Assets

The following is a condensed comparative summary of the District's net assets at December 31:

	<u>2017</u>	<u>2016</u>
Current and other Assets	\$ 5,371,351	\$ 5,644,279
Capital Assets	<u>\$ 5,707,716</u>	<u>\$ 6,018,212</u>
Total Assets	\$ 11,079,067	\$ 11,662,491
Deferred Outflows of Resources	\$ 721,007	\$ 666,140
Current Liabilities	\$ 948,024	\$ 876,324
Long Term liabilities	<u>\$ 3,494,375</u>	<u>\$ 4,090,356</u>
Total Liabilities	\$ 4,442,399	\$ 4,966,680
Deferred Inflows of Resources	\$ 2,976,712	\$ 2,927,937
Net Investment in capital assets	\$ 2,179,305	\$ 2,059,999
Restricted	\$ 162,322	\$ 245,201
Unrestricted	<u>\$ 2,039,336</u>	<u>\$ 2,128,814</u>
Total net assets	<b>\$ 4,380,963</b>	<b>\$ 4,434,014</b>

## Statement of Activities

The statement of activities reflects the cost of operation and the charges for services and receipt of grants offsetting those services. The following detail reflects the total cost of services supported by operating revenues and property taxes, as well as other general revenues, resulting in the overall change in net assets for the fiscal years 2017 and 2016.

Following is a condensed comparative summary of the District's revenues and expenses for the year ended December 31:

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Primary Government				
Governmental Activities:				
Public Safety				
	<u>2017</u>	<u>\$4,172,157</u>	<u>\$ 274,041</u>	<u>\$ 669,330</u>
	2016	\$4,149,920	\$ 256,478	\$ 674,166
Interest				
	<u>2017</u>	<u>\$140,498</u>	<u>—————</u>	<u>\$ (140,498)</u>
	2016	\$159,682	—————	\$ (159,682)
Total Governmental Activities:				
	<u>2017</u>	<u>\$4,312,655</u>	<u>\$ 274,041</u>	<u>\$ 669,330</u>
	2016	\$4,309,602	\$ 256,478	\$ 674,166

	<u>2017</u>	<u>2016</u>
General Revenues:		
Property Taxes	<u>\$2,896,839</u>	<u>\$3,662,638</u>
Specific Ownership Tax	<u>315,516</u>	<u>313,699</u>
Gain on sale of capital assets	<u>69,083</u>	<u>60,715</u>
Investment Earnings	<u>13,413</u>	<u>477</u>
Other	<u>21,382</u>	<u>14,350</u>
Total General Revenues	<u>3,316,233</u>	<u>4,051,879</u>
CHANGE IN NET POSITION	<u>(53,051)</u>	<u>672,921</u>
NET POSITION – Beginning	<u>4,434,014</u>	<u>3,761,093</u>
NET POSITION – Ending	<u>\$ 4,380,963</u>	<u>\$ 4,434,014</u>

## Financial Analysis

In 2017 our property tax revenues decreased due to a continued decline in oil and gas valuations. Fire district management was alerted by the Assessor's office that oil and gas values would see declines starting in fiscal 2012. In preparation for the projected decline the district committed a majority of the excess revenue from 2010 to reserves, did not fill several open administrative positions, froze wages and reduced spending where appropriate without reducing services.

The District offset property tax decreases with grant monies received including \$127,000 for capital projects and \$25,000 for property mitigation. The wildland fire program continued to have a positive impact on the finances of the District as serving as a cooperator to local state and national fires provided the district with \$446,931 in additional revenues. These additional revenues allowed the District to increase services to national standards and stabilize the

financial positions and cash reserves of the District. In the last several years, the District has increased reserves by over \$1,200,000.

## **Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal, the District's governmental funds reported an ending fund balance of **\$1,794,553** in the general fund and an ending funding balance of **\$59,121**, in the debt service fund. Reserved fund balance of **\$103,201** is not available for new spending because it has been reserved by TABOR.

## **Capital Assets**

The District's investment in capital assets for its governmental activities as of December 31, 2017 amounted to **\$6,085,469** (net accumulated depreciation). This investment in capital assets includes, land, buildings, equipment and vehicles. Additional information can be found in Note 5 to the financial statements.

## **Long-term Debts**

At the end of the year the District had long-term debt outstanding of **\$4,175,505** comprised of capital leases for equipment and the administration building, series 2013 G.O. Bonds and compensated absences. Additional information on the District's debt can be found in Note 6 of the financial statements. In 2013, the 2004 General Obligation Bonds were refunded with the 2013 General Obligation Bonds. The new bonds have an interest rate of 2.67%, compared to a maximum rate of 5.00% with old bonds. The maturity date of the new bonds is the same date as the old bonds. In 2014, the District refinanced two capital leases. The new lease has an interest rate of 2.38% compared to 4.878% and 4.8231% for the old leases. The maturity date of the 2014 lease is December 01, 2021.

## **Budget Analysis**

The Fire District continues to use best practices in managing the finances and assets of the district. We continue to seek opportunities to enhance our revenue stream through aggressively pursuing grants and participation in revenue generating functions such as response to wild land fires. These opportunities continue to enhance our capabilities and service delivery. In 2017, the general fund realized gross revenues of **\$3,876,634**. We continue to recover direct costs of personnel, fuel as well as the additional income from rental rates of our equipment.

Our EMS billing and revenues were up for 2017 by 6%, and collection rates remain well above the national collection rate average results in flat ambulance revenues. Ambulance rates were increased effective January 2014 to reflect higher fuel prices and cover disposables for EMS. The amount collected helped fund the EMS Operations which can be described as vehicles, fuel, medical supplies, insurance and training.

## **Economic Factors, Trends and Future Plans**

2017 tax revenue decreased due to lower assessed values for oil and gas properties and impact from the Gallagher amendment. As supply drops and the buildable land in the central part of the county becomes expensive, increases are anticipated in residential property values in the District with the next property valuation.

Buildable lots in the eastern La Plata County are now at a premium which is expected to send property values up significantly as inventory declines. Three large parcels that could result in as many as 300 additional homes are possible in Mesa Meadows, Homestead and a recently acquired parcel on the east side of Bayfield that has an existing master plan. As inventory decreases and pricing elevates it is anticipated that growth in housing will shift to the eastern side of the county in Bayfield and Forrest Lakes in 2017.

Factors that have allowed us to continue to fully operate with no reduction in service have been our continued response to national wildfires. That program brought **\$446,931** in gross revenue to the district in 2017. We were also awarded **\$25,000** in grant money to support the seasonal hand crew and approximately **\$106,000** from a grant for a new ambulance.

The district refined its investment policies in 2017 and was able to increase interest rate return by \$14,000.

### **Request for information**

This financial report is designed to provide a general overview of the District's finances for all those with and interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Upper Pine River Fire Protection District  
Attn: Bruce Evans, Fire Chief  
515 Sower Drive  
Bayfield, CO 81122  
Tel: (970)-884-9508  
Fax: (970)-884-2444

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

## STATEMENT OF NET POSITION

December 31, 2017

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 1,754,211
Cash held with County Treasurer	27,066
Receivables:	
Property taxes	2,909,720
Medical billings (net of allowances for uncollectables)	63,390
Other	130,916
Inventory	4,392
Prepaid items	40,967
Net pension asset - SWHDBP	62,936
Nondepreciable capital assets	377,753
Capital assets - net of accumulated depreciation	5,707,716
<b>Total Assets</b>	<u>11,079,067</u>
<b>Deferred Outflows Of Resources</b>	
Deferred charges on refundings	119,577
Deferred outflows pension - SWDBP	513,300
Deferred outflows pension - SWHDBP	88,130
<b>Total Deferred Outflows Of Resources</b>	<u>721,007</u>
<b>Liabilities</b>	
Accounts payable	88,574
Accrued expenses	78,694
Accrued interest payable	8,579
Noncurrent liabilities:	
Due within one year	772,177
Due in more than one year	3,394,749
Net pension liability - SWDBP	99,626
<b>Total Liabilities</b>	<u>4,442,399</u>
<b>Deferred Inflows Of Resources</b>	
Deferred property tax revenue	2,909,720
Deferred inflows pension - SWDBP	57,964
Deferred inflows pension - SWHDBP	9,028
<b>Total Deferred Inflows Of Resources</b>	<u>2,976,712</u>
<b>Net Position</b>	
Net investment in capital assets	2,179,305
Restricted for:	
TABOR	103,201
Debt service	59,121
Unrestricted	2,039,336
<b>Total Net Position</b>	<u>\$ 4,380,963</u>

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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

	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contri- butions</u>	<u>Net Revenue (Expense) And Change In Net Position</u>
<b>Primary Government</b>				
Governmental activities:				
Public safety	\$ 4,172,157	\$ 274,041	\$ 669,330	\$ (3,228,786)
Interest on long-term debt	140,498	—	—	(140,498)
<b>Total Governmental Activities</b>	<b>\$ 4,312,655</b>	<b>\$ 274,041</b>	<b>\$ 669,330</b>	<b>(3,369,284)</b>
<b>General Revenues</b>				
Property taxes				2,896,839
Specific ownership taxes				315,516
Gain on sale of capital assets				69,083
Investment income				13,413
Other				21,382
<b>Total General Revenues</b>				<b>3,316,233</b>
<b>Change In Net Position</b>				<b>(53,051)</b>
<b>Net Position - Beginning Of Year</b>				<b>4,434,014</b>
<b>Net Position - End Of Year</b>				<b>\$ 4,380,963</b>

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2017

	Assets		
	General Fund	Debt Service Fund	Total
<b>Current Assets</b>			
Cash and cash equivalents and investments	\$ 1,697,735	\$ 56,476	\$ 1,754,211
Cash held with County Treasurer	24,421	2,645	27,066
Receivables:			
Property taxes	2,549,536	360,184	2,909,720
Medical billings	63,390	—	63,390
Other	130,916	—	130,916
Inventory	4,392	—	4,392
Prepaid items	40,967	—	40,967
<b>Total Assets</b>	<b>\$ 4,511,357</b>	<b>\$ 419,305</b>	<b>\$ 4,930,662</b>
<b>Liabilities, Deferred Inflows Of Resources And Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 88,574	\$ —	\$ 88,574
Accrued liabilities	78,694	—	78,694
<b>Total Liabilities</b>	<b>167,268</b>	<b>—</b>	<b>167,268</b>
<b>Deferred Inflows Of Resources</b>			
Unavailable revenue - property taxes	2,549,536	360,184	2,909,720
<b>Fund Balances</b>			
Nonspendable:			
Inventory	4,392	—	4,392
Prepaid items	40,967	—	40,967
Restricted:			
TABOR	103,201	—	103,201
Debt service	—	59,121	59,121
Unassigned	1,645,993	—	1,645,993
<b>Total Fund Balances</b>	<b>1,794,553</b>	<b>59,121</b>	<b>1,853,674</b>
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balances</b>	<b>\$ 4,511,357</b>	<b>\$ 419,305</b>	<b>\$ 4,930,662</b>

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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

<b>Fund Balances - Total Governmental Funds</b>		\$ 1,853,674
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:</p>		
Capital assets	\$ 13,577,240	
Accumulated depreciation	<u>(7,491,771)</u>	6,085,469
<p>Pension plan accounts, such as deferred inflows/outflows and net pension assets (liabilities), are not receivable or payable in the current period and, therefore, are not reported in the governmental funds:</p>		
Net pension liability		(36,690)
Deferred outflows of resources		601,430
Deferred inflows of resources		(66,992)
<p>Charges on advance refunding are not financial resources and, therefore, not reported in the funds. However, in the statement of net position, the amounts are deferred outflows of resources and are amortized over the life of the debt.</p>		
		119,577
<p>Liabilities not due and payable in the current period are not reported in the governmental funds:</p>		
Accrued interest payable	(8,579)	
Compensated absences	(141,185)	
Bonds payable	(2,462,123)	
Leases payable	<u>(1,563,618)</u>	<u>(4,175,505)</u>
<b>Net Position Of Governmental Activities</b>		<u>\$ 4,380,963</u>

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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

	General Fund	Debt Service Fund	Total
<b>Revenues</b>			
Property taxes	\$ 2,613,779	\$ 283,060	\$ 2,896,839
Specific ownership taxes	284,689	30,827	315,516
Intergovernmental	510,384	—	510,384
Other local sources:			
Medical billings (net of contractual allowances of \$249,059)	274,041	—	274,041
Investment income	13,413	—	13,413
Grants	158,946	—	158,946
Other	21,382	—	21,382
<b>Total Revenues</b>	<b>3,876,634</b>	<b>313,887</b>	<b>4,190,521</b>
<b>Expenditures</b>			
Current:			
General government:			
Fire administration	2,992,705	8,336	3,001,041
Fire fighting	151,743	—	151,743
Fire prevention	1,120	—	1,120
Fire training	45,699	—	45,699
Fire communications	37,929	—	37,929
Medical services	101,985	—	101,985
Station and grounds	123,684	—	123,684
Capital outlay	332,576	—	332,576
Debt service:			
Principal	368,474	316,107	684,581
Interest	45,984	74,179	120,163
<b>Total Expenditures</b>	<b>4,201,899</b>	<b>398,622</b>	<b>4,600,521</b>
<b>Deficiency Of Revenues Under Expenditures</b>	<b>(325,265)</b>	<b>(84,735)</b>	<b>(410,000)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of capital assets	298,008	—	298,008
<b>Net Change In Fund Balances</b>	<b>(27,257)</b>	<b>(84,735)</b>	<b>(111,992)</b>
<b>Fund Balance - Beginning Of Year</b>	<b>1,821,810</b>	<b>143,856</b>	<b>1,965,666</b>
<b>Fund Balance - End Of Year</b>	<b>\$ 1,794,553</b>	<b>\$ 59,121</b>	<b>\$ 1,853,674</b>

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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

**Net Change In Fund Balances - Total Governmental Funds** \$ (111,992)

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 capitalized and depreciated over their estimated useful lives.

Capital outlay	\$ 332,576	
Depreciation	(647,156)	(314,580)

Net effect of other transactions involving capital assets (i.e., sales, trade-ins and disposals) is to decrease net position.

Proceeds from asset sale	(298,008)	
Gain on sale	69,083	(228,925)

Deferred charges on advance refundings are expenditures in the governmental funds, but these amounts are shown as deferred outflows of resources on the statement of net position. (21,770)

Pension benefit (expense) does not use current financial resources and, therefore, is not reported as income in governmental funds. (49,846)

The issuance of long-term debt (i.e., bonds and leases) provides current financial resources to governmental funds, while the repayment of principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.

Compensated absences	(11,954)	
Accrued interest payable	1,435	
Bond principal payments	316,107	
Capital leases principal payments	368,474	674,062

**Change In Net Position Of Governmental Activities** **\$ (53,051)**

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

### 1. Description Of Reporting Entity

The Upper Pine River Fire Protection District (the District) was established on November 26, 1974 as a special district as defined by Colorado State Statutes. The District was formed for the purpose of providing fire protection services for the Town of Bayfield and the Upper Pine River and Upper Florida River valleys. The District has its own elected governing board and levies a tax on the property within the District for operations.

The District follows U.S. generally accepted accounting principles (GAAP), including Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. The accompanying comprehensive annual financial report includes the financial activities of the District and the primary government. The District formed the Upper Pine River Fire Protection District Financial Corporation (the Corporation) on November 10, 2014 for the purpose of acquiring leasehold interest in certain property and leasing the property to the District, and to serve such other purposes as set forth in the Colorado Revised Nonprofit Corporation Act. The District appoints the Board of Directors of the Corporation. The Corporation is included as a blended component unit in the District's financial statements.

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

### 2. Summary Of Significant Accounting Policies

#### Basis Of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities. The government-wide financial statements report information for the District as a whole. Individual funds are not displayed at this financial reporting level.

The statement of net position presents the financial position of the governmental activities of the District.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

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

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees and other charges to users of the District's services; (2) operating grants and contributions, which finance annual operating activities, including restricted investment income and (3) capital grants and contributions, which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Taxes and other revenue sources not included with program revenues are reported as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements are designed to present financial information of the District at a more detailed level. Fund financial statements are provided for the District's governmental funds.

### **Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures, as appropriate. The District uses one category of funds: governmental.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources as fund balance. The following are the District's major governmental funds:

***General Fund*** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

***Debt Service Fund*** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term obligation principal, interest and related costs.

#### **Measurement Focus And Basis Of Accounting**

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

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

## **UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements (*Continued*)

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of a deferred outflow of resources and in the presentation of expenses versus expenditures. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Property taxes, specific ownership taxes, grants and intergovernmental receipts and medical billings associated with the current fiscal period are susceptible to accrual and so have been recognized as revenues in the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

#### **Use Of Estimates**

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

#### **Budgets And Budgetary Accounting**

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

1. In accordance with the state statutes, prior to October 15, the Fire Chief submits to the District Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. State statutes require a more detailed line item budget be submitted in summary form. In addition, more detailed line item budgets are included for administrative control.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

4. Budgets for the governmental or fiduciary funds are adopted on a basis consistent with GAAP.
5. Appropriations lapse at the end of each calendar year.
6. The District Board may authorize supplemental appropriations during the year.

#### **Cash, Cash Equivalents And Investments**

The District's deposits include amounts that are readily convertible to known amounts of cash, are not subject to significant risk from changes in interest rates and have a maturity of three months or less from the date of acquisition. Deposits include cash in checking accounts and certificates of deposits.

The District's investment policy, in accordance with Colorado law, authorizes investment in obligations of the U.S. Treasury, the State of Colorado, Colorado counties and school districts, repurchase agreements, financial institutions and local government investment pools. State statutes prohibit investments with a stated maturity date greater than five years, unless allowed by District Charter.

Investments are measured at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

#### **Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column on the statement of net position.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources (uses) in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the government-wide financial statements.

Transfers between governmental funds are eliminated in the government-wide financial statements.

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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## Notes To Financial Statements *(Continued)*

### **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid items of the District consist of expenditures related to insurance. Prepaid items are valued at cost and are recorded as expenditures in governmental funds when purchased.

### **Property Taxes**

Annual property taxes are levied and certified by the County Treasurer in December of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer collects the property taxes and remits the collections to the District, net of a collection fee, on a monthly basis during the year that follows the levy. Since property taxes are levied in December for the next calendar year's operations, the total levy is reported as taxes receivable and unavailable revenue.

### **Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available.

Donated capital assets are recorded at their acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	20 - 40
Equipment	5 - 10
Vehicles	10 - 15

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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## Notes To Financial Statements (*Continued*)

### **Compensated Absences**

Regularly employed, full-time employees of the District are allowed to accrue vacation time. Employees are considered full-time if they are regularly employed for at least 32 hours per week. Vacation accruals are based on years of service as follows:

1 - 12 months of service	5 days
2 - 5 years of service	10 days
6 - 10 years of service	15 days
11 - 20 years of service	24 days

Fire suppression and emergency medical employees assigned to fire suppression duty and working 24-hour shifts accrue vacation time annually, after completing 6 months of service at the following rate:

1 - 12 months of service	96 hours/year
13 - 59 months of service	144 hours/year
60+ months of service	192 hours/year

Employees are also allowed to accrue sick time up to a maximum of 750 hours. Employees are eligible for payment of sick time at the following rate:

0 to 5 years of service	0% paid
6 to 15 years of service	50% paid
16+ years of service	100% paid

### **Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums and discounts are amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Deferred Outflows/Inflows Of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The deferred charge on advanced refunding is recorded as a deferred outflow. A deferred charge on advanced refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with pension reporting presentation requirements.

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

#### **Fund Balance/Net Position**

In the fund financial statements, governmental funds report the following classifications of fund balance:

***Nonspendable*** - includes amounts that cannot be spent because they are either not spendable in form or because they will not convert to cash soon enough to affect the current period, and resources that must be maintained intact pursuant to legal or contractual requirements

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

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

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

**Assigned** - includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District's adopted policy does not include a specific person designated to assign fund balances.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the District considers restricted funds to have been spent first. Although not included in a formal policy, the District considers decreases to fund balance to first reduce committed, then assigned and then unassigned balances, in that order.

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

### **Pensions**

For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Statewide Defined Benefit Pension Plan (SWDBP) and the Statewide Hybrid Defined Benefit Component Pension Plan (SWHDBP) and additions to/deductions from SWDBP's and SWHDBP's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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## Notes To Financial Statements (Continued)

### 3. Cash, Cash Equivalents And Investments

#### Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Federal Deposit Insurance Corporation coverage for government accounts is \$250,000 per official custodian. At December 31, 2017, the District's cash deposits had a book balance of \$1,537,287 and a corresponding bank balance of \$1,539,142. The difference between the book and bank balances is due to outstanding checks and deposits not yet processed by the banks. Of the bank balance, \$441,092 was covered by federal depository insurance. The remainder of the bank balance, \$1,098,050 was collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

At December 31, 2017, the District had the following cash and investments:

	<u>Book Balance</u>
Cash held with County Treasurer	\$ 27,066
Cash and cash equivalents:	
Cash	1,537,287
Money market funds	<u>216,924</u>
<b>Total</b>	<u><u>\$ 1,781,277</u></u>

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

#### Investments

The District is required to comply with state statutes which specify investment instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest, which include the following:

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

At December 31, 2017, the District had the following investments:

Investment	Rating	Investment Maturities (In Years)	
		Less Than One	Total
Money market fund	Not rated	\$ 216,924	\$ 216,924

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District's policy requires all deposits to be held in PDPA-approved financial institutions to mitigate this risk.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The District is not exposed to foreign currency risk at year end.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements *(Continued)*

#### **Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment in the money market fund has a Level 1 fair value measurement as of December 31, 2017.

#### **4. Accounts Receivable**

No allowance for uncollectible property taxes has been provided because the County Treasurer is empowered to file liens on properties where delinquencies exist. Accordingly, the District believes any delinquencies will eventually be paid. Other receivables include amounts due from wildland fire billings and grants. All receivables are current and, therefore, due within one year. Management believes such receivables are fully collectible, and therefore, an allowance for doubtful accounts is not recorded.

The District estimates that a portion of its medical billings receivable will be uncollectible, and a reserve for the uncollectible medical billings has been established. This reserve is examined annually and adjusted if appropriate. Medical billings are adjusted for contractual allowances at the time of billing. The allowance for doubtful accounts at December 31, 2017 is \$58,706.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

### Notes To Financial Statements (Continued)

#### 5. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2017:

	Balance January 1, 2017			Balance December 31, 2017	
		Additions	Deletions		
Capital assets not being depreciated:					
Land	\$ 598,462	\$ —	\$ 220,709	\$	377,753
Construction in progress	12,300	218,054	230,354		—
<b>Total</b>	<b>610,762</b>	<b>218,054</b>	<b>451,063</b>		<b>377,753</b>
Capital assets being depreciated:					
Building	5,815,947	—	—		5,815,947
Equipment	832,093	101,786	—		933,879
Vehicles	6,354,035	243,090	147,464		6,449,661
<b>Total</b>	<b>13,002,075</b>	<b>344,876</b>	<b>147,464</b>		<b>13,199,487</b>
Accumulated depreciation for:					
Building	(1,425,776)	(150,007)	—		(1,575,783)
Equipment	(577,835)	(64,066)	—		(641,901)
Vehicles	(4,980,252)	(433,083)	139,248		(5,274,087)
<b>Total</b>	<b>(6,983,863)</b>	<b>(647,156)</b>	<b>139,248</b>		<b>(7,491,771)</b>
<b>Capital Assets Being Depreciated - Net</b>	<b>6,018,212</b>	<b>(302,280)</b>	<b>8,216</b>		<b>5,707,716</b>
<b>Capital Assets - Net</b>	<b>\$ 6,628,974</b>	<b>\$ (84,226)</b>	<b>\$ 459,279</b>	<b>\$</b>	<b>6,085,469</b>

Depreciation expense for the year ended December 31, 2017 was \$647,156 and was charged to public safety.

#### 6. Long-Term Liabilities

##### General Obligation Bonds

The District issued \$5,200,000 of General Obligation Bonds, Series 2004. The bonds were issued on June 1, 2004, with interest payments due June 1 and December 1 of each year, commencing December 1, 2005. The bonds mature in various amounts through 2024 and bear interest from 2.4% to 5.0%. The bonds are general obligations of the District. All of the taxable property within the District is subject to the levy of the general ad valorem property tax to pay principal and interest of the bonds.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

The bonds were issued to (a) acquire, construct and equip new fire stations; (b) renovate and remodel existing fire stations; (c) acquire fire trucks and general fire equipment and (d) to refinance the 2002 Wells Fargo Bank Equipment and Building lease. Proceeds of the bonds were used to pay the costs of issuance of the bonds.

On December 27, 2013, the District issued General Obligation Refunding Bonds, Series 2013, in the amount of \$3,685,000, with an interest rate of 2.67%. The bonds were issued to advance refund all of the outstanding Series 2004 general obligation bonds. The net proceeds of \$3,623,355 (after payment of \$53,525 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the 2004 bonds are considered defeased and have been removed from the statement of net position.

Debt service requirements are as followed:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 324,547	\$ 65,739	\$ 390,286
2019	333,213	57,073	390,286
2020	342,110	48,177	390,287
2021	351,244	39,042	390,286
2022	360,622	29,664	390,286
2023 - 2024	750,387	30,185	780,572
<b>Total</b>	<b>\$ 2,462,123</b>	<b>\$ 269,880</b>	<b>\$ 2,732,003</b>

### Capital Leases

On November 26, 2014, the District issued Tax-Exempt Direct Purchase Lease Revenue Bonds, Series 2014, in the amount of \$2,600,000, with an interest rate of 2.38%. The bonds were issued to refund prior outstanding 2008 and 2009 capital leases with Pine River Valley Bank. The net proceeds of \$2,286,868 (after payment of \$76,097 in underwriting fees and other issuance costs) were used to terminate the 2008 and 2009 leases fully as of November 26, 2014. As a result, the 2008 and 2009 capital leases have been removed from the statement of net position. The agreement also requires that the District meet certain financial covenants. During 2017, the District was not in compliance with a certain covenants, for which they received a waiver.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

### Notes To Financial Statements (Continued)

The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$75,609. This difference, reported in the statement of net position as a deferred outflow of resources, is amortized over the new debt's life using the effective interest method. The District achieved a cash flow difference and an economic loss of approximately \$20,509 as a result of the refunding.

Debt service requirements are as followed:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 377,037	\$ 37,421	\$ 414,458
2019	386,295	28,163	414,458
2020	395,464	18,994	414,458
2021	404,822	9,633	414,455
<b>Total</b>	<b>\$ 1,563,618</b>	<b>\$ 94,211</b>	<b>\$ 1,657,829</b>

The following is a schedule of the changes in long-term debt for 2017:

	<u>Balance</u> <u>January 1,</u> <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>Current</u> <u>Portion</u>
2013 General Obligation Refunding Bonds	\$ 2,778,230	\$ —	\$ (316,107)	\$ 2,462,123	\$ 324,547
2014 Lease Revenue Refunding Bonds	1,932,092	—	(368,474)	1,563,618	377,037
<b>Total</b>	<b>4,710,322</b>	<b>—</b>	<b>(684,581)</b>	<b>4,025,741</b>	<b>701,584</b>
<b>Compensated Absences</b>	<b>129,231</b>	<b>98,108</b>	<b>(86,154)</b>	<b>141,185</b>	<b>70,593</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 4,839,553</b>	<b>\$ 98,108</b>	<b>\$ (770,735)</b>	<b>\$ 4,166,926</b>	<b>\$ 772,177</b>

Capital lease and compensated absence obligations are liquidated through the General Fund and the general obligation refunding bond is liquidated from the Debt Service Fund.

## 7. FPPA Statewide Cost-Sharing Defined Benefit Pension Plan

### Plan Description

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

## **UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements (*Continued*)

#### **Benefits Provided**

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

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

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

#### **Contributions**

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

Members of SWDBP and their employers are contributing at the rate of 9% and 8%, respectively, of base salary for a total contribution rate of 17% in 2016. In 2014, the members elected to increase the member contribution rate to SWDBP beginning in 2015. Member contribution rates will increase 0.5% annually through 2022 to a total of 12% of base salary. Employer contributions will remain at 8.0% resulting in a combined contribution rate of 20% in 2022.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

Contributions from members and employers or departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 21% of base salary through 2016. It is a local decision as to whether the member or employer pays the additional 4% contribution. Per the 2014 member election, the re-entry group could also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24% in 2022.

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

Employer contributions are recognized by SWDBP in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to SWDBP. Employer contributions recognized by SWDBP from the District were \$109,251 for the year ended December 31, 2017.

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

At December 31, 2017, the District reported a net pension liability of \$99,626 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 was determined by an actuarial valuation as of January 1, 2017. The District's proportion of the net pension liability was based on District contributions to SWDBP for the calendar year 2016 relative to the total contributions of participating employers to SWDBP based upon the January 1, 2017 actuarial valuation.

At December 31, 2016, the District's portion was 0.27571280%, which was an increase of 0.02% from its proportion measured as of December 31, 2015.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

For the year ended December 31, 2017, the District recognized pension expense of \$61,577. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to SWDBP from the following sources:

<b>Deferred Outflows Of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 254,432
Changes of assumptions	63,175
Differences between expected and actual experience	86,442
Contributions subsequent to measurement date	<u>109,251</u>
<b>Total Deferred Outflows Of Resources</b>	<b><u>\$ 513,300</u></b>
<b>Deferred Inflows Of Resources</b>	
Differences between expected and actual experience	\$ 4,170
Changes in proportionate share	<u>53,794</u>
<b>Total Deferred Inflows Of Resources</b>	<b><u>\$ 57,964</u></b>

The amount of \$109,251 reported as deferred outflows of resources related to SWDBP, resulting from contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWDBP will be recognized in pension expense as follows:

<b>For The Year Ended December 31,</b>	
2018	\$ 90,277
2019	90,277
2020	85,229
2021	32,089
2022	10,860
Thereafter	<u>37,353</u>
<b>Total</b>	<b><u>\$ 346,085</u></b>

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

#### Actuarial Assumptions

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

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

Effective January 1, 2016 the post-retirement mortality tables for nondisabled retirees is a blend of the Annuitant and Employee RP-2014 generational Mortality Tables with Blue Collar Adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a 3-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2015 generational Mortality Tables for Disabled Annuitants, except an additional provision to apply a minimum 3% mortality probability to males and a 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty Mortality Tables are adjusted to 55% of the RP-2014 Mortality Tables for active employees. The on-duty mortality rate is 0.02%.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Global equity	36.00%	9.25%
Equity long/short	10.00%	7.35%
Illiquid alternative	23.00%	10.75%
Fixed income	15.00%	4.10%
Absolute return	10.00%	6.55%
Managed futures	4.00%	5.50%
Cash	2.00%	0.00%
<b>Total</b>	<b>100.00%</b>	

### Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDBP fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

For the purpose of the valuation, the expected rate of return on pension plan investments is 7.50%, the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.50%.

#### **Sensitivity Of The District's Proportionate Share Of The Net Pension Asset (Liability) To Changes In The Discount Rate**

Regarding the sensitivity of the net pension (asset) liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension (asset) liability would be if it were calculated using a single discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
<u>Proportionate share of the net pension liability (asset)</u>	<u>\$ 847,654</u>	<u>\$ 99,626</u>	<u>\$ (521,649)</u>

#### **Pension Plan Fiduciary Net Position**

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

### **8. FPPA Statewide Hybrid - Defined Benefit Component Pension Plan**

#### **Plan Description**

Eligible employees of the District are provided with pensions through SWHDBP, a cost-sharing multiple-employer defined benefit plan administered by FPPA. SWHDBP is comprised of two components: defined benefit and money purchase. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

#### **Benefits Provided**

SWHDBP is comprised of a defined benefit component which pays a monthly benefit upon retirement. A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

The annual normal retirement benefit is 1.5% of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is at the Board's discretion and can range from 0 to 3%.

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 from the defined benefit component. Alternatively, a member with at least 5 years of accredited service may leave contributions with the defined benefit component of the plan and remain eligible for a retirement pension at age 55 equal to 1.5% of the member's average highest 3 years' base salary for each year of credited service.

### **Contributions**

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWHDBP plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8% of the member's base salary. The amount allocated to the defined benefits component is set annually by the FPPA Board of Directors. Excess contributions fund the money purchase component of the plan. The defined benefit component contribution rate from July 1, 2016 through June 30, 2017 was 13.5%. The defined benefit component contribution rate from July 1, 2015 through June 30, 2016 was 12.6%.

Within the money purchase component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contribution within the money purchase component and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20% per year after the first year of service to be 100% vested after 5 years of service. Employers and member contributions are invested in funds at the discretion of members. Employer contributions recognized by SWHDBP from the District were \$7,200 for the year ended December 31, 2017.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

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

At December 31, 2017, the District reported a net pension asset of \$62,936 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2016, and the total pension asset was determined by an actuarial valuation as of January 1, 2017. The District's proportion of the net pension asset was based on District contributions to SWHDBP for the calendar year 2016 relative to the total contributions of participating employers to SWHDBP.

At December 31, 2016, the District's portion was 0.5781800%, which was an increase of 0.03% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District recognized pension benefit of \$11,731. At December 31, 2017, the District reported deferred outflows and inflows of resources related to SWHDBP from the following sources:

<b>Deferred Outflows Of Resources</b>	
Changes in assumptions	\$ 2,626
Net difference between projected and actual earnings on pension plan investments	13,356
Changes in proportionate share	33,641
Differences between expected and actual experience	31,307
Contributions subsequent to measurement date	<u>7,200</u>
<b>Total Deferred Outflows Of Resources</b>	<b><u>\$ 88,130</u></b>
<b>Deferred Inflows Of Resources</b>	
Changes in proportionate share	<u>\$ 9,028</u>
<b>Total Deferred Inflows Of Resources</b>	<b><u>\$ 9,028</u></b>

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

The amount of \$7,200 reported as deferred outflows of resources related to SWHDBP, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources related to SWHDBP will be recognized in pension expense as follows:

<b>For The Year</b>	
<b>Ended December 31,</b>	
2018	\$ 13,002
2019	13,002
2020	12,773
2021	9,970
2022	8,848
Thereafter	14,307
<b>Total</b>	<b>\$ 71,902</b>

### Actuarial Assumptions

The January 1, 2017 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2016. The valuation used the following actuarial assumption and other inputs:

Actuarial method	Entry age normal
Amortization method	Level % of payroll, open
Amortization period	30 years
Asset valuation method	5-year smoothed fair value
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.50%
Projected salary increase	4.0% - 14.0%
Cost of living adjustments	0.00%
Included inflation	2.50%

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (Continued)

Effective January 1, 2016, the post-retirement mortality tables for nondisabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a 3-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73-year-old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.02%.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Global equity	36.00%	9.25%
Equity long/short	10.00%	7.35%
Illiquid alternative	23.00%	10.75%
Fixed income	15.00%	4.10%
Absolute return	10.00%	6.55%
Managed futures	4.00%	5.50%
Cash	2.00%	0.00%
<b>Total</b>	<b>100.00%</b>	

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (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 SWHDBP plan fiduciary net position was projected to be available to make all the projected future benefit payments to 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.

#### Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the valuation, the expected rate of return on pension plan investments is 7.50%, the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.50%.

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

Regarding the sensitivity of the net pension asset to changes in the single discount rate, the following presents the plan's net pension asset, calculated using a single discount rate of 7.50%, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is one percent lower (6.50%) or one percent higher (8.50%):

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension asset	\$ 33,467	\$ 62,936	\$ 87,521

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

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### Notes To Financial Statements (*Continued*)

#### **Pension Plan Fiduciary Net Position**

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

#### **9. Deferred Compensation Plan**

The District participates in a deferred compensation plan (the 457 Plan) as defined under the Internal Revenue Code Section 457, which allows employees to make an elective deferral of a portion of earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan administered by FPPA. Amendments to the 457 Plan may be made by the plan trustee. The District does not match employee contributions to the 457 Plan. For the year ended December 31, 2017, participating employees contributed \$28,312.

#### **10. Tax, Spending And Debt Limitations**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, otherwise known as the Taxpayer Bill of Rights (TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. In May 1998, the District voters approved the District to collect, retain and spend all revenues and other funds collected from any source not excluded from fiscal year spending, effective January 1, 1998 and continuing thereafter.

Fund balance in the General Fund in the amount of \$103,201 at December 31, 2017 is restricted in accordance with TABOR.

## **UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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### Notes To Financial Statements *(Continued)*

#### **11. Risk Of Loss**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries and natural disasters. The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. The District retains no risk of loss. There have been no settled claims resulting from these risks that have exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

#### **12. Litigation**

From time to time, the District is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the net position and change in net position of the District. Events could occur that would change this estimate materially in the near term.

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**Required Supplementary Information**

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**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**For The Year Ended December 31, 2017**

	<u>Budgeted Amounts</u>		Actual	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 2,606,593	\$ 2,610,093	\$ 2,613,779	\$ 3,686
Specific ownership taxes	280,000	280,000	284,689	4,689
Intergovernmental	250,000	455,000	510,384	55,384
Other local sources:				
Medical billings	250,000	310,000	274,041	(35,959)
Investment income	500	12,000	13,413	1,413
Grants	226,260	230,760	158,946	(71,814)
Other	17,000	14,000	21,382	7,382
<b>Total Revenues</b>	<b>3,630,353</b>	<b>3,911,853</b>	<b>3,876,634</b>	<b>(35,219)</b>
<b>Expenditures</b>				
General government:				
Fire administration	2,984,498	2,988,878	2,992,705	(3,827)
Fire fighting	173,800	174,800	151,743	23,057
Fire prevention	1,000	1,500	1,120	380
Fire training	43,500	44,000	45,699	(1,699)
Fire communications	49,800	48,013	37,929	10,084
Medical services	84,500	103,000	101,985	1,015
Station and grounds	122,900	131,400	123,684	7,716
Capital outlay	311,500	281,786	332,576	(50,790)
Debt service:				
Principal	385,763	385,763	368,474	17,289
Interest	—	—	45,984	(45,984)
Contingencies and capital replacements	78,198	—	—	—
<b>Total Expenditures</b>	<b>4,235,459</b>	<b>4,159,140</b>	<b>4,201,899</b>	<b>(42,759)</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>(605,106)</b>	<b>(247,287)</b>	<b>(325,265)</b>	<b>(77,978)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	—	300,000	298,008	(1,992)
Miscellaneous	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>300,000</b>	<b>298,008</b>	<b>(1,992)</b>
<b>Net Change In Fund Balances</b>	<b>\$ (605,106)</b>	<b>\$ 52,713</b>	<b>(27,257)</b>	<b>\$ (79,970)</b>
<b>Fund Balance - Beginning Of Year</b>			<u>1,821,810</u>	
<b>Fund Balance - End Of Year</b>			<u>\$ 1,794,553</u>	

**Notes:**

The basis of budgeting is the same as GAAP.

This schedule is presented on a GAAP basis.

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION (ASSET) LIABILITY - SWDBP  
For The Year Ended December 31, 2016 (Measurement Date)  
Employee Pension Plan  
Year Three<sup>1</sup>**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of the net pension asset (liability)	0.275712800%	0.255950700%	0.226936500%
District's proportionate share of the net pension asset (liability)	\$ (99,626)	\$ 4,512	\$ 256,115
District's covered-employee payroll	\$ 1,362,308	\$ 1,242,945	\$ 1,042,849
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(-7%)	0%	25%
Plan fiduciary net position as a percentage of the total pension asset (liability)	98.2%	100.1%	106.8%

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

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# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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## SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE PENSION PLAN - SWDBP For The Year Ended December 31, 2017 Employee Pension Plan Year Three<sup>1</sup>

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 109,251	\$ 108,985	\$ 99,453
Contributions in relation to the contractually required contribution	109,251	108,985	99,453
<b>Contribution (Excess) Deficiency</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
District's covered-employee payroll	\$ 1,365,638	\$ 1,362,308	\$ 1,242,945
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

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

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION (ASSET) LIABILITY - SWHDBP  
For The Year Ended December 31, 2016 (Measurement Date)  
Employee Pension Plan  
Year Three<sup>1</sup>**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's portion of the net pension asset (liability)	0.578180000%	0.543779100%	0.498691900%
District's proportionate share of the net pension asset (liability)	\$ 62,936	\$ 57,276	\$ 59,143
District's covered-employee payroll	\$ 90,000	\$ 90,000	\$ 77,163
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	70%	64%	77%
Plan fiduciary net position as a percentage of the total pension asset (liability)	127.5%	129.4%	140.6%

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

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# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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## SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE PENSION PLAN - SWHDBP For The Year Ended December 31, 2017 Employee Pension Plan Year Three<sup>1</sup>

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 7,200	\$ 7,120	\$ 7,200
Contributions in relation to the contractually required contribution	7,200	7,120	7,200
<b>Contribution (Excess) Deficiency</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
District's covered-employee payroll	\$ 90,000	\$ 90,000	\$ 90,000
Contributions as a percentage of covered-employee payroll	8.00%	7.91%	8.00%

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

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# UPPER PINE RIVER FIRE PROTECTION DISTRICT

## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

### 1. Budgets And Budgetary Accounting

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

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

Annual budgets are established for all funds of the District as required by Colorado law. Budgets reported in the accompanying financial statements are on the same basis of accounting as described above.

Expenditures may not legally exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. After budget approval, the District Board may approve supplemental appropriations if an occurrence, condition or need exists which was not known at the time the budget was adopted. General Fund expenditures exceeded appropriated amounts primarily related to interest expense, which may be a violation of Colorado Revised Statutes.

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

## **UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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### Note To Required Supplementary Information (*Continued*)

Subject to certain exceptions and exclusions discussed hereafter, the District must submit a request for property tax increases in excess of the statutory limitation to the Division of Local Government (if within TABOR limits) or submit the question of an increased level directly to the electors of the District at a general or special election. State law requires that the District adopt a budget prior to the certification of its mill levy to the County and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption. Failure to do so can result in the County Treasurer's withholding future property tax revenues pending compliance by the District. Budget appropriations lapse at the end of each year. The encumbrance method is not used.

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## Supplementary Information

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**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND  
For The Year Ended December 31, 2017**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property taxes	\$ 282,357	\$ 283,060	\$ 703
Specific ownership tax	30,000	30,827	827
<b>Total Revenues</b>	312,357	313,887	1,530
<b>Expenditures</b>			
General government:			
Fire administration	9,371	8,336	1,035
Debt service:			
Principle	307,887	316,107	(8,220)
Interest	82,399	74,179	8,220
<b>Total Expenditures</b>	399,657	398,622	1,035
<b>Net Change In Fund Balances</b>	\$ (87,300)	(84,735)	\$ 2,565
<b>Fund Balance - Beginning Of Year</b>		143,856	
<b>Fund Balance - End Of Year</b>		\$ 59,121	

# Statistical Section



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# UPPER PINE RIVER FIRE PROTECTION DISTRICT

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## Statistical Section TABLE OF CONTENTS

This part of the Upper Pine River Fire Protection District's (District's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and fiscal health have changed over time.

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Net Position By Component	57
Changes In Net Position	58
Fund Balances Of Governmental Funds	59
Governmental Funds Changes In Fund Balances	60

### REVENUE CAPACITY

These schedules contain information to help the reader assess the District's most significant sources of revenue.

Assessed Value And Actual Value Of Taxable Property	61
Direct And Overlapping Property Tax Rates	62
Principal Property Tax Payers	63
General Fund Property Tax Levies And Collections	64

### DEBT CAPACITY

These schedules contain information to help the reader assess the affordability of the District's current level of debt and the District's ability to issue debt in the future.

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Ratios Of General Bonded Debt Outstanding And Legal Debt Margin	66
Direct And Overlapping Governmental Activities Debt	67

### DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Demographic And Economic Statistics - La Plata County	68
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### OPERATING INFORMATION

This schedule contains information regarding the number of employees in various job categories and types of assets by function/department.

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Operating Indicators By Function	72
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## UPPER PINE RIVER FIRE PROTECTION DISTRICT

### NET POSITION BY COMPONENT Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012 (1)</u>	<u>2013</u>	<u>2014 (2)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Primary Government:</b>										
Governmental Activities										
Net investment in capital assets	\$ 3,296,907	\$ 2,287,809	\$ 2,103,780	\$ 1,890,114	\$ 1,889,040	\$ 1,280,183	\$1,443,572	\$1,749,878	\$2,059,999	\$ 2,179,305
Restricted	68,810	70,239	75,239	427,696	385,819	364,674	548,753	509,967	245,201	162,322
Unrestricted	<u>768,200</u>	<u>1,723,147</u>	<u>2,369,106</u>	<u>1,444,630</u>	<u>807,505</u>	<u>517,472</u>	<u>950,051</u>	<u>1,501,248</u>	<u>2,128,814</u>	<u>2,039,336</u>
Total governmental activities net position	<u>\$ 4,133,917</u>	<u>\$ 4,081,195</u>	<u>\$ 4,548,125</u>	<u>\$ 3,762,440</u>	<u>\$ 3,082,364</u>	<u>\$ 2,162,329</u>	<u>\$2,942,376</u>	<u>\$3,761,093</u>	<u>\$4,434,014</u>	<u>\$ 4,380,963</u>
Change	5,126	-52,722	466,930	-785,685	-680,076	-920,035	780,047	818,717	672,921	-53,051
	0.12%	-1.28%	11.44%	-17.27%	-18.08%	-29.85%	36.07%	27.83%	17.89%	-1.20%

(1) Unrestricted net assets restated for implementation of GASB 65

(2) Unrestricted net assets restated for implementation of GASB 68

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

**CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(Unaudited)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>										
Governmental activities										
Public Safety	\$ 2,960,780	\$ 3,102,775	\$ 3,081,667	\$ 3,410,140	\$ 3,897,023	\$ 3,556,297	\$ 3,714,824	\$4,020,759	\$4,149,920	\$4,172,157
Interest on Long-term debt	352,540	330,872	355,871	343,375	320,044	338,484	261,693	177,768	159,682	140,498
Total governmental activities expenses	<u>3,313,320</u>	<u>3,433,647</u>	<u>3,437,538</u>	<u>3,753,515</u>	<u>4,217,067</u>	<u>3,894,781</u>	<u>3,976,517</u>	<u>4,198,527</u>	<u>4,309,602</u>	<u>4,312,655</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for Services	274,301	178,850	131,270	200,762	156,467	155,704	225,487	228,183	256,478	274,041
Operating Grants and Contributions	189,814	265,204	319,515	644,766	1,073,933	704,493	990,755	856,305	674,166	669,330
Capital Grants and Contributions	—	—	—	—	18,000	—	—	108,421	—	—
Total governmental activities program revenues	<u>464,115</u>	<u>444,054</u>	<u>450,785</u>	<u>845,528</u>	<u>1,248,400</u>	<u>860,197</u>	<u>1,216,242</u>	<u>1,192,909</u>	<u>930,644</u>	<u>943,371</u>
Net (expenses) revenue										
Governmental activities	<u>(2,849,205)</u>	<u>(2,989,593)</u>	<u>(2,986,753)</u>	<u>(2,907,987)</u>	<u>(2,968,667)</u>	<u>(3,034,584)</u>	<u>(2,760,275)</u>	<u>(3,005,618)</u>	<u>(3,378,958)</u>	<u>(3,369,284)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes	2,711,901	2,804,435	3,152,862	2,090,619	2,180,269	2,083,739	3,308,666	3,615,228	3,976,337	3,212,355
Interest income	90,467	52,005	26,569	21,564	14,942	3,433	363	435	477	13,413
Other Income	51,963	80,431	274,252	10,119	141,765	14,202	231,293	207,975	14,350	21,382
Gain (Loss) on sale of capital assets	—	—	—	—	45,000	13,175	—	—	60,715	69,083
Transfer to Pension Fund	—	—	—	—	—	—	—	—	—	—
Total governmental activities program	<u>2,854,331</u>	<u>2,936,871</u>	<u>3,453,683</u>	<u>2,122,302</u>	<u>2,381,976</u>	<u>2,114,549</u>	<u>3,540,322</u>	<u>3,823,638</u>	<u>4,051,879</u>	<u>3,316,233</u>
<b>Change in Net Position</b>	<u>\$ 5,126</u>	<u>\$ (52,722)</u>	<u>\$ 466,930</u>	<u>\$ (785,685)</u>	<u>\$ (586,691)</u>	<u>\$ (920,035)</u>	<u>\$ 780,047</u>	<u>\$ 818,020</u>	<u>\$ 672,921</u>	<u>\$ (53,051)</u>

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Nonspendable										
Inventory	\$ —	\$ —	\$ —	\$ 10,012	\$ 3,970	\$ 6,784	\$ 3,392	\$ 3,392	\$ 3,392	\$ 4,392
Pre-paid Items	50,462	98,762	45,617	49,500	10,205	61,263	40,762	44,565	86,264	40,967
Restricted										
Emergency Reserve - Tabor	68,810	70,239	75,239	80,239	93,984	93,984	85,812	93,685	101,345	103,201
Debt Service							260,000	260,000		—
Unassigned	1,523,667	1,469,127	1,810,187	1,286,185	792,082	414,764	645,560	1,103,254	1,630,809	1,645,993
Total General Fund	\$ 1,642,939	\$ 1,638,128	\$ 1,931,043	\$ 1,425,936	\$ 900,241	\$ 576,795	\$ 1,035,526	\$ 1,504,896	\$ 1,821,810	\$ 1,794,553
% change from prior year	-28.34%	-0.29%	17.88%	-26.16%	-36.87%	-35.93%	79.53%	45.33%	21.06%	-1.50%
Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 123,060	\$ 200,682	\$ 378,703	\$ 347,457	\$ 291,835	\$ 277,615	\$ 202,941	\$ 156,282	\$ 143,856	\$ 59,121
Total Other Governmental Funds	\$ 123,060	\$ 200,682	\$ 378,703	\$ 347,457	\$ 291,835	\$ 277,615	\$ 202,941	\$ 156,282	\$ 143,856	\$ 59,121
Total Governmental Funds (2)	\$ 1,765,999	\$ 1,838,810	\$ 2,309,746	\$ 1,773,393	\$ 1,192,076	\$ 854,410	\$ 1,238,467	\$ 1,661,178	\$ 1,965,666	\$ 1,853,674
% change from prior year	-22.98%	4.12%	25.61%	-23.22%	-32.78%	-28.33%	44.95%	34.13%	18.33%	-5.70%

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**GOVERNMENTAL FUNDS CHANGES IN FUND BALANCES**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUE</b>										
Property Taxes	\$ 2,711,901	\$ 2,804,435	\$ 3,152,862	\$ 1,974,398	\$ 2,047,052	\$ 1,915,026	\$ 3,035,367	\$ 3,319,218	\$ 3,662,638	\$ 2,896,839
Specific Ownership Taxes	—	—	—	116,221	133,217	168,713	273,299	296,010	313,699	315,516
Intergovernmental	177,046	62,204	223,353	414,693	881,708	574,353	282,450	330,671	261,851	510,384
Grants	12,768	500	96,162	230,073	192,225	130,140	708,305	634,055	412,315	158,946
Charges for Services	274,301	178,850	131,270	200,762	156,467	155,704	225,487	228,183	256,478	274,041
Investment Earnings	90,467	52,005	26,569	21,564	14,942	3,433	363	435	477	13,413
Miscellaneous	51,963	80,431	274,252	10,119	141,765	14,202	20,828	207,975	14,350	21,382
Total Revenues	\$ 3,318,446	\$ 3,178,425	\$ 3,904,468	\$ 2,967,830	\$ 3,567,376	\$ 2,961,571	\$ 4,546,099	\$ 5,016,547	\$ 4,921,808	\$ 4,190,521
% change from prior year	-8.21%	-4.22%	22.84%	-23.99%	20.20%	-16.98%	53.50%	10.35%	-1.89%	-14.86%
<b>EXPENDITURES</b>										
Current:										
General Government	\$ 2,322,035	\$ 2,340,229	\$ 2,511,346	\$ 2,676,576	\$ 3,202,932	\$ 2,913,411	\$ 3,036,214	\$ 3,022,582	\$ 3,529,412	\$ 3,463,201
Capital Outlay	2,393,425	1,018,019	205,677	153,051	164,473	178,989	605,975	746,392	296,535	332,576
Debt Service:										
Principal Retirement	1,143,765	2,074,222	379,028	387,942	500,486	409,601	538,083	666,347	728,366	684,581
Interest	335,664	314,155	337,481	341,614	325,802	292,866	218,805	158,515	139,969	120,163
Bond issuance cost	—	—	—	—	—	53,525	76,097	0	0	0
Total Expenditures	\$ 6,194,889	\$ 5,746,625	\$ 3,433,532	\$ 3,559,183	\$ 4,193,693	\$ 3,848,392	\$ 4,475,174	\$ 4,593,836	\$ 4,694,282	\$ 4,600,521
% change from prior year	49.00%	-7.24%	-40.25%	3.66%	17.83%	-8.23%	16.29%	2.65%	2.19%	-2.00%
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-2,876,443</b>	<b>-2,568,200</b>	<b>470,936</b>	<b>-591,353</b>	<b>-626,317</b>	<b>-886,821</b>	<b>70,925</b>	<b>422,711</b>	<b>227,526</b>	<b>-410,000</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from sale of capital assets	\$ —	\$ —	\$ —	\$ —	\$ 45,000	\$ 312,510	\$ —	\$ —	\$ 76,962	\$ 298,008
Debt Proceeds	2,349,645	2,641,011	—	55,000	—	175,000	—	—	—	—
Refunding Bonds Issued	—	—	—	—	—	3,685,000	2,600,000	—	—	—
Payment to refunded bond escrow	—	—	—	—	—	(3,623,355)	(2,286,868)	—	—	—
Transfers to Other Funds	—	—	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	2,349,645	2,641,011	—	55,000	45,000	549,155	313,132	—	76,962	298,008
<b>Net Change in Fund Balances</b>	<b>\$ (526,798)</b>	<b>\$ 72,811</b>	<b>\$ 470,936</b>	<b>\$ (536,353)</b>	<b>\$ (581,317)</b>	<b>\$ (337,666)</b>	<b>\$ 384,057</b>	<b>\$ 422,711</b>	<b>\$ 304,488</b>	<b>\$ (111,992)</b>
Debt Service Principal & Interest as a Percentage of Non-capital Expenditures	38.92%	50.51%	22.20%	21.42%	20.51%	19.14%	19.56%	21.44%	19.74%	18.86%

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Vacant Land	Residential	Commercial	Industrial	Agricultural	Natural Resources	Oil and Gas	State Assessed	Exempt	Total Taxable Assessed Value	Taxable Values Percentage of Estimated Actual Value	Total Estimated Actual Value	Total Direct Rate (1)
2008	40,632,600	103,473,930	23,296,600	1,119,600	2,203,090	57,610	241,020,010	5,016,620	14,402,870	416,820,060	22.12%	1,884,300,096	6.132
2009	39,217,510	106,901,740	24,447,920	1,242,940	2,207,820	69,120	235,569,280	5,044,830	18,117,180	414,701,160	21.51%	1,927,586,280	6.132
2010	38,871,210	111,802,790	26,101,880	1,452,670	2,181,070	113,350	293,802,590	7,751,540	19,692,740	482,077,100	23.28%	2,071,008,240	6.132
2011	38,280,840	113,669,840	26,302,250	1,065,980	2,211,170	111,860	126,180,730	7,564,490	26,904,580	315,387,160	16.62%	1,897,065,990	6.132
2012	31,525,150	103,405,540	24,584,170	604,260	2,217,480	101,540	157,802,480	8,481,800	28,028,360	328,722,420	18.53%	1,773,940,290	6.132
2013	28,528,760	97,511,820	23,284,480	560,050	2,623,000	112,770	87,270,970	8,556,330	23,414,760	248,448,180	15.47%	1,605,673,370	6.132
2014	28,160,280	98,517,030	23,358,560	629,760	2,660,070	151,140	109,908,330	7,915,680	24,838,580	271,300,850	16.58%	1,636,258,030	12.082
2015	27,190,070	105,622,230	23,452,950	667,160	2,572,370	177,470	132,707,840	8,219,470	25,660,040	300,609,560	17.13%	1,754,924,690	12.082
2016	26,684,540	106,853,370	23,497,810	643,760	2,585,310	116,710	68,854,960	9,138,090	22,323,290	238,374,550	13.58%	1,755,061,490	12.082
2017	27,317,950	105,330,810	24,069,570	702,320	3,057,750	47,930	62,289,670	10,552,630	24,737,000	233,368,630	12.43%	1,877,641,320	12.082

Source: La Plata County Treasurer's Office

(1) In 2013, voters approved an increase in the operating mill levy rate to 10.90 mills.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

### DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Nine Fiscal Years (1)

(Unaudited)

Fiscal Year	Operating Millage	Debt Service Millage	Total Direct Millage	Aspen Trails Metro Millage	Aspen Trails Bond Millage	Bayfield Town Millage	Bayfield School Bond Millage	Bayfield School Millage	Forest Lakes Metro Millage
2009	4.950	1.182	6.132	5.000	5.391	5.950	5.269	10.545	35.524
2010	4.950	1.182	6.132	5.000	5.405	5.950	5.269	11.776	35.524
2011	4.950	1.182	6.132	5.000	5.876	5.950	5.269	11.599	35.524
2012	4.950	1.182	6.132	5.000	5.842	5.950	5.269	15.950	35.524
2013	10.900	1.182	12.082	5.000	6.240	5.950	5.269	17.953	35.524
2014	10.900	1.182	12.082	5.000	6.240	5.950	5.269	16.330	35.524
2015	10.900	1.182	12.082	5.000	6.160	5.950	5.269	15.892	35.524
2016	10.900	1.182	12.082	5.000	6.112	5.950	14.845	17.633	35.524
2017	10.900	1.182	12.082	5.000	6.252	5.950	14.845	17.060	35.524

Fiscal Year	La Plata/Archuleta Water Millage	La Plata County General Millage	La Plata County Human Services Millage	La Plata County R&B Millage	La Plata County Conservance Millage	Pine River Cemetary Millage	Pine River Libaray Millage	Southwestern Water Conservatio Millage	Total Direct and Overlapping Millage
2009		7.563	0.387	0.724	0.295	0.079	2.500	0.200	85.559
2010	5.000	7.410	0.380	0.710	0.295	0.079	2.500	0.272	91.702
2011	5.000	7.410	0.380	0.710	0.295	0.075	2.500	0.291	92.011
2012	5.000	7.410	0.380	0.710	0.295	0.075	2.500	0.307	96.344
2013	5.000	7.410	0.380	0.710	0.295	0.150	2.500	0.368	104.831
2014	5.000	7.410	0.380	0.710	0.295	0.150	2.504	0.362	103.206
2015	5.000	7.410	0.380	0.710	0.295	0.150	2.501	0.340	102.663
2016	5.000	7.375	0.443	0.710	0.295	0.150	2.500	0.395	114.014
2017	5.000	7.348	0.442	0.710	0.295	0.150	2.500	0.407	113.565

Source: La Plata County Assessor's Office

(1) Information is not available prior to 2009 and will be accumulated over time

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

**PRINCIPAL PROPERTY TAX PAYERS**

**Current Year (1) and Ten Years Ago  
(Unaudited)**

2017				2007		
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Assessed Value
1	BP America Production Company	57,147,660	19.01%	1	234,088,230	74.84%
2	Samson Resources Company	5,606,030	1.86%	3	8,995,900	2.88%
3	La Plata Electric Assn Inc	4,127,200	1.37%	5	1,969,120	0.63%
4	XTO Energy Company	3,780,590	1.26%	2	29,663,300	9.48%
5	Tri-State Gen & Transm Assoc	1,377,230	0.46%			
6	Sower Properties LLC	1,309,570	0.44%	8	983,880	0.31%
7	Qwest Corporation	1,277,800	0.43%	7	1,098,630	0.35%
8	Williams Four Corners LLC	1,138,270	0.38%	4	2,167,430	0.69%
9	Bayfield Storage & Office Supply LLC	1,059,640	0.35%			
10	Public Service CO of Colorado	1,027,950	0.34%			
	Bayfield Center Development LLC			6	1,125,230	0.36%
	Red Creek LLC			9	678,860	0.22%
	Mountain States Constructors INC			10	675,130	0.22%
		<u>77,851,940</u>	<u>25.90%</u>		<u>281,445,710</u>	<u>89.98%</u>

Source: La Plata County Treasurer's Office

(1) Most current data available

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Total Tax Levy for Year	Amount Collected	Percentage of Levy	Collections in Subsequent Years	Total Collections	Percentage of Levy
2008	2,555,941	2,418,445	94.62%	137,496	2,555,941	100.00%
2009	2,542,948	2,443,268	96.08%	99,680	2,542,948	100.00%
2010	2,956,097	2,888,727	97.72%	67,370	2,956,097	100.00%
2011	1,933,954	1,879,275	97.17%	54,679	1,933,954	100.00%
2012	2,015,726	1,992,374	98.84%	4,278	1,996,652	99.05%
2013	1,897,277	1,878,830	99.03%	—	1,878,830	99.03%
2014	2,982,507	2,970,239	99.59%	—	2,970,239	99.59%
2015	3,281,711	3,252,654	99.11%	1,244	3,253,898	99.15%
2016	3,637,492	3,598,883	98.94%	483	3,599,366	98.95%
2017	2,888,950	2,838,955	98.27%	—	2,838,955	98.27%

Source: Upper Pine River Fire Protection District internal records.

## UPPER PINE RIVER FIRE PROTECTION DISTRICT

### RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population (1)	General Obligation Bonds	2006 Wells Fargo Capital Lease	2008 Pine River Valley Capital Lease	2009 Pine River Valley Ground Lease	2011 First National Bank Capital Lease	2013 First National Bank Capital Lease	2014 Wells Fargo Capital Lease	Total Primary Government	Per Capita
2006	13,674	\$ 5,015,312	\$ 227,503	\$ 174,316	-	-	-	-	\$ 5,417,131	396
2007	13,907	4,821,274	185,751	719,198	43,816	-	-	-	5,770,039	415
2008	14,177	4,622,237	-	1,396,189	953,456	-	-	-	6,971,882	492
2009	14,410	4,413,200	-	1,321,434	1,800,000	-	-	-	7,534,634	523
2010	14,374	4,199,163	-	1,253,438	1,698,968	-	-	-	7,151,569	498
2011	14,537	3,975,126	-	1,182,125	1,611,546	45,793	-	-	6,814,590	469
2012	15,000	3,741,089	-	1,049,207	1,519,771	-	-	-	6,310,067	421
2013	15,000	3,685,000	-	970,766	1,423,611	-	175,000	-	6,254,377	417
2014	15,000	3,385,997	-	-	-	-	119,038	2,600,000	6,105,035	407
2015	15,000	3,086,117	-	-	-	-	60,571	2,292,000	5,438,688	363
2016	15,000	2,778,231	-	-	-	-	-	1,932,092	4,710,323	314
2017	15,000	2,462,123	-	-	-	-	-	1,563,618	4,025,741	268

(1) Source: Estimate from US Census

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Bonded Debt Outstanding										
General Obligation Bonds	\$ 2,462,123	\$ 2,778,231	\$ 3,086,117	\$ 3,385,997	\$ 3,685,000	\$ 3,741,089	\$ 3,975,126	\$ 4,199,163	\$ 4,413,200	\$ 4,622,237
Total	2,462,123	2,778,231	3,086,117	3,385,997	3,685,000	3,741,089	3,975,126	4,199,163	4,413,200	4,622,237
Total Taxable Value	233,368,630	238,374,550	300,609,560	271,300,850	248,448,180	328,722,420	315,387,160	482,077,100	414,701,160	416,820,060
Percentage of Estimated Actual Property Value	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Per Capita	164	185	206	226	246	249	273	292	306	326
Population	15,000	15,000	15,000	15,000	15,000	15,000	14,537	14,374	14,410	14,177
Less: Amounts Set Aside to Repay General Debt	416,282	416,282	416,282	462,941	277,615	291,835	347,457	378,703	200,682	123,060
Total Net Debt Applicable to Debt Limit	2,045,841	2,361,949	2,669,835	2,923,056	3,407,385	3,449,254	3,627,669	3,820,460	4,212,518	4,499,177
Legal Debt Limit	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000	5,200,000
Legal Debt Margin	\$ 2,737,877	\$ 2,421,769	\$ 2,113,883	\$ 1,814,003	\$ 1,515,000	\$ 1,458,911	\$ 1,224,874	\$ 1,000,837	\$ 786,800	\$ 577,763
Legal Debt Margin as a Percentage of the Debt Limit	53%	47%	41%	35%	29%	28%	24%	19%	15%	11%

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**December 31, 2017**  
**(Unaudited)**

Jurisdiction	Net Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
Direct:			
Upper Pine River Fire Protection District	\$ 4,025,741	100.00%	\$ 4,025,741
Overlapping:			
Bayfield School District Re. J 10	44,244,000	93.50%	41,368,140
Total	<u>\$ 48,269,741</u>		<u>\$ 45,393,881</u>

(1) Source: Bayfield Re.J 10 2017 audited financial statements

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values.

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS - LA PLATA COUNTY**  
**Last Ten Years**  
**(Unaudited)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Population	50,633	51,464	51,334	51,917	53,520	53,284	53,986	54,907	55,697	55,589
Births	606	593	589	543	536	495	552	\$ 579	571	Not available
Deaths	277	275	270	246	332	315	300	\$ 346	337	Not available
Housing units	25,719	25,813	25,908	26,130	26,284	26,445	26,724	\$ 27,052	27,404	Not available
Households	20,154	20,488	21,141	21,358	21,100	21,853	22,143	\$ 22,486	22,851	Not available
Average household size	2.39	2.38	2.35	2.35	2.54	2.44	2.44	2.35	2	Not available
Registered voters	37,715	37,185	37,565	38,590	41,516	41,516	40,154	41,117	44,508	Not available
Employment	30,464	29,476	28,344	27,931	28,250	30,344	31,554	29,328	29,842	31,580
Unemployment	1,132	1,881	2,180	2,116	2,290	1,709	1,357	1,012	901	665
Unemployment rate	4.10%	6.70%	6.90%	6.60%	7.50%	4.80%	4.30%	3.30%	2.30%	2.50%
Per capita personal income	\$ 45,029	\$ 40,751	\$ 42,346	\$ 43,453	\$ 45,476	\$ 46,633	\$ 43,796	51,755	51,117	50,336

Sources: Colorado Division of Local Government, Demographic Section, (1-303-866-4989) in cooperation with the U.S. Bureau of Census  
Colorado Secretary of State, Fort Lewis College, School of Business Administration; Office of Business & Economic Research  
Durango Chamber of Commerce

(1) Accurate demographic information is not compiled for the District's service area. The District's service area covers a part of La Plata County including the Town of Bayfield. Complete data for 2017 is not available as of this date.

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

**PRINCIPAL EMPLOYERS IN LA PLATA COUNTY<sup>(1)</sup>  
Current Year and Ten Years Ago  
(Unaudited)**

Employer	Estimate 2017			Estimate 2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	2008 Percentage of Total County Employment
Mercy Medical Center	1,200	1	4.0%	750	1	2.5%
Southern Ute Indian Tribe	845	2	2.8%	419	5	1.4%
Durango School District 9-R	632	3	2.1%	660	2	2.2%
Mercury Payment Systems	630	4	2.1%		N/A	
Fort Lewis College	570	5	1.9%	650	3	2.2%
Durango Mountain Resort	479	6	1.6%	300	7	1.0%
La Plata County	401	7	1.3%	374	6	1.3%
Sky Ute Lodge and Casino	400	8	1.3%	516	4	1.7%
Crossfire	322	9	1.1%		N/A	
BP America	221	10	0.7%		N/A	
<b>Total</b>	<b>5,700</b>		<b>20.1%</b>	<b>3,669</b>		<b>12.9%</b>

Source: Durango Chamber of Commerce, Durango, Colorado

(1) Information presented is for La Plata County which includes areas outside of the boundaries of the District.

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**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

**FULL-TIME EQUIVALENT EMPLOYEES**

**Last Ten Fiscal Years**

**(Unaudited)**

<b>Function</b>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Fire and EMS										
Firefighters and officers	19	24	26	26	26	22	23	24	24	24
Administrative staff	2	2	2	2	1	1	1	1	1	1
Operational support staff	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total Fire and EMS Full-time Employees	<u>23</u>	<u>28</u>	<u>31</u>	<u>31</u>	<u>30</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>27</u>	<u>27</u>

Source: Upper Pine River Fire Protection District internal records.

**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

**CAPITAL ASSET STATISTICS  
Last Ten Fiscal Years  
(Unaudited)**

<b>Function</b>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><i>Fire and EMS</i></b>										
Fire stations	8	8	8	8	8	8	8	8	8	8
Staffed stations	2	2	2	3	3	3	3	3	3	3
Volunteer	6	6	6	5	5	5	5	5	5	5
Administrative building	1	1	1	1	1	1	1	1	1	1
<b><i>Fleet</i></b>										
Engines	8	10	10	10	10	10	10	10	10	10
Tankers	7	7	7	7	7	7	7	7	7	7
75' aerials	1	1	1	1	1	-	-	-	-	-
Ambulances	2	4	5	5	5	5	5	5	5	6
Brush trucks	6	6	6	6	6	7	7	7	7	6
Rescue trucks	2	3	2	2	2	2	2	2	2	2
Other	7	7	8	9	10	9	9	9	9	9

Source: Upper Pine River Fire Protection District internal records.

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**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

**OPERATING INDICATORS BY FUNCTION**

**2008 - 2017**

**(Unaudited)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Function</b>										
Fire										
Structure and wildland fires	55	63	64	80	91	81	70	70	43	52
Hazardous conditions	48	35	47	29	28	38	33	31	32	33
EMS										
Emergency medical	210	352	348	331	344	428	469	563	605	565
Motor vehicle and bicycle accidents	46	59	55	49	43	24	32			
EMS Totals	<u>256</u>	<u>411</u>	<u>403</u>	<u>380</u>	<u>387</u>	<u>452</u>	<u>501</u>	<u>563</u>	<u>605</u>	<u>565</u>
Public Service Assistance	72	76	89	99	152	136	113	113	141	159
False Alarms	45	48	19	21	25	34	39	28	22	29
Total Calls	<u>476</u>	<u>633</u>	<u>622</u>	<u>609</u>	<u>683</u>	<u>741</u>	<u>756</u>	<u>805</u>	<u>843</u>	<u>838</u>

Source: Upper Pine River Fire Protection District internal records.

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**UPPER PINE RIVER FIRE PROTECTION DISTRICT**

**CALLS BY DISTRICT**

**2017**

**(Unaudited)**

<u>2017 Calls by District</u>	<u>Total</u>
1	367
2	42
3	55
4	61
5	127
6	21
7	61
8	25
Out of District (1)	79
<b>Total</b>	<b>838</b>

(1) Represents out of District responses to federal partners, Los Pinos Fire Protection District, Archuleta County and Durango Fire & Rescue



**UPPER PINE RIVER FIRE PROTECTION  
DISTRICT**

**Bayfield, Colorado**