

TIMBERLINE
FIRE PROTECTION DISTRICT
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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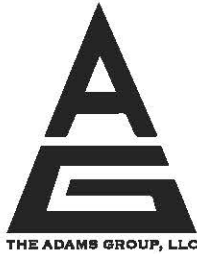
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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Board of Directors
Timberline Fire Protection District
Black Hawk, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Timberline Fire Protection District (the District), as of and for the year ended December 31, 2018 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 and each major fund of the District, as of December 31, 2018, and the respective changes in financial position and the respective budgetary comparison for the general fund 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, the budgetary comparison schedule, and the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions, the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of the District's Contributions and Related Ratios on pages 4 through 6 and 24 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 basic financial statements that collectively comprise the District's basic financial statements as a whole. The individual major fund schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The individual fund schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Adams Group, LLC

June 4, 2019
Denver, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section is the Timberline Fire Protection District's (the District) annual financial report's discussion and analysis of the District's financial performance from January 1, 2018 through December 31, 2018. Please read it in conjunction with the District's financial statements that follow this section.

The District was incorporated in April 1972 as a special district under the provisions of the Colorado Special District Act. The function of the District is to provide fire suppression, fire prevention and emergency rescue services to property and citizens within the District's jurisdiction and citizens passing through the jurisdiction with volunteer members located in rural Gilpin and Boulder Counties, Colorado.

FINANCIAL HIGHLIGHTS

The General Fund and the Capital Fund operated slightly under budget in 2018. An amended General Fund budget was adopted on December 12, 2018 due primarily to a wildland deployment program where Timberline assisted agencies in other states with their large wildfires. Those deployment reimbursements and expenses were not part of our original adopted budget for 2018. The District also incurred the costs of a successful de-Gallagher election to ensure that revenues are stabilized far into the future. This election also closed our Capital Fund effective January 1, 2019, the fund balance at year end was moved into the General Fund. Timberline was awarded a FEMA SAFER Grant for a full-time Recruitment and Retention Officer in late 2017, all wages and benefits for this individual are fully reimbursed via the grant.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts - management's discussion and analysis and the basic financial statements. There are two funds that make up the basic financial statements. These are the:

- General Fund
- Capital Replacement Fund

In prior years, the District has also reported the Pension Trust Fund, but no longer reports this fund as it is a component unit of the Fire and Police Pension Association (FPPA).

The General and Capital Replacement Funds are governmental funds.

The basic financial statements include footnotes that are an integral part of the financial statements that provide detailed additional information.

The governmental funds' (General and Capital Replacement) provide both long-term and short-term information about the District's overall operating financial status. These statements explain how expenditures are financed and what remains for future spending. The governmental fund statements report information about the District as a whole using the modified accrual basis of accounting. The statement of net assets includes all of the government's assets and liabilities.

The governmental funds' (General and Capital Replacement) financial statements of the District are combined in the following summary. The District's services are funded primarily through property taxes levied by the District and collected by Gilpin and Boulder Counties. Property tax revenues changed slightly in 2018.

Under GASB 34, the District must report depreciation on capital assets; however, this does not require the outlay of funds. Administration expense increased slightly primarily in salaries, wages and benefits due to department staffing changes. All other expenditures were generally routine in Fire Fighting Equipment, Fire Prevention, Training, Communications, Medical, and Stations and Buildings.

CONTACTING THE DISTRICT'S ADMINISTRATIVE OFFICE

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Administrative Office at 303-582-5768, located at Station 3, 660 Hwy 46, Gilpin County. The District's mailing address is Timberline Fire Protection District, 660 Hwy 46, Black Hawk, CO 80422. You will be put in contact with the appropriate official.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Summary of Governmental Net Position for 2018 and 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 1,928,008	\$ 1,725,322
Capital assets	2,547,505	2,780,443
Total Assets	<u>4,475,513</u>	<u>4,505,765</u>
 <u>Deferred Outflows of Resources</u>		
Pension related deferred outflows	<u>127,360</u>	<u>189,263</u>
 <u>Liabilities</u>		
Accounts payable	23,210	5,678
Accrued interest payable	5,751	7,100
Net pension liability	192,310	292,475
Long-term liabilities	534,475	663,837
Total Liabilities	<u>755,746</u>	<u>969,090</u>
 <u>Deferred Inflows of Resources</u>		
Unavailable revenue - property taxes	<u>1,010,038</u>	<u>877,618</u>
Net Position	<u>\$ 2,837,089</u>	<u>\$ 2,848,320</u>
 <u>Net Position</u>		
Invested in capital assets	2,007,279	1,811,353
Restricted for emergencies	52,743	51,071
Unrestricted	777,067	985,896
Net Position	<u>\$ 2,837,089</u>	<u>\$ 2,848,320</u>

Summary of Governmental Revenues and Expenditures for 2018 and 2017

	<u>2018</u>	<u>2017</u>
Property taxes	\$ 911,822	\$ 713,589
Specific ownership taxes	63,072	45,492
Intergovernmental revenues	0	53,141
Investment earnings	2,867	1,769
Contributions and grants	107,663	77,632
Miscellaneous	<u>167,333</u>	<u>35,802</u>
Total Revenues	<u>1,252,757</u>	<u>927,425</u>
Administration	394,266	334,806
Depreciation	340,518	338,949
Fire Fighting	136,236	35,454
Fire prevention	0	0
Training	25,282	12,790
Communications	3,919	2,467
Repair service	164,659	105,979
Medical	80,796	8,888
Stations and buildings	59,734	68,226
Pension fund contribution	42,888	294,730
Interest	<u>15,690</u>	<u>18,880</u>
Total Expenditures	<u>1,263,988</u>	<u>1,221,169</u>
Net Change in Net Position	(11,231)	(293,744)
Net Position - beginning of year	<u>2,848,320</u>	<u>3,142,064</u>
Net Position - end of year	<u>\$ 2,837,089</u>	<u>\$ 2,848,320</u>

TIMBERLINE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION

December 31,					2018
	General Fund	Capital Replacement Fund	Total	Adjustments (Note 4)	Statement of Net Position
<u>Assets</u>					
Cash and cash equivalents	\$ 934,776	\$ 0	\$ 934,776	\$ 0	\$ 934,776
Cash with county treasurer	39,207	0	39,207	0	39,207
Property tax receivable	919,698	0	919,698	0	919,698
Accounts receivable	0	0	0	0	0
Prepaid expenses	5,348	0	5,348	0	5,348
Net pension asset	0	0	0	28,979	28,979
Internal balances	(111,215)	111,215	0	0	0
Capital Assets:					
Land	0	0	0	125,065	125,065
Building	0	0	0	827,828	827,828
Equipment	0	0	0	1,532,410	1,532,410
Water storage	0	0	0	62,202	62,202
Total Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,547,505</u>	<u>2,547,505</u>
Total Assets	<u>\$1,787,814</u>	<u>\$ 111,215</u>	<u>\$1,899,029</u>	<u>\$2,576,484</u>	<u>\$4,475,513</u>
<u>Deferred Outflows of Resources</u>					
Pension related deferred outflows	\$ 0	\$ 0	\$ 0	\$ 127,360	\$ 127,360
Total deferred outflows of resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 127,360</u>	<u>\$ 127,360</u>
<u>Liabilities, Deferred Inflow of Resources and Fund Balance/Net Position</u>					
<u>Liabilities</u>					
Accounts payable	\$ 23,210	\$ 0	\$ 23,210	\$ 0	\$ 23,210
Accrued interest payable	0	0	0	5,751	5,751
Net pension liability	0	0	0	192,310	192,310
Long-term liabilities					
Due within one year	0	0	0	129,362	129,362
Due in more than one year	0	0	0	405,113	405,113
Total liabilities	<u>23,210</u>	<u>0</u>	<u>23,210</u>	<u>732,536</u>	<u>755,746</u>
<u>Deferred Inflows of Resources</u>					
Pension related deferred inflows	0	0	0	90,340	90,340
Unavailable property taxes	919,698	0	919,698	0	919,698
Total deferred inflows of resources	<u>919,698</u>	<u>0</u>	<u>919,698</u>	<u>90,340</u>	<u>1,010,038</u>
<u>Fund Balances/Net Position</u>					
Non-spendable	5,348	0	5,348	(5,348)	0
Restricted	52,743	0	52,743	(52,743)	0
Assigned	0	111,215	111,215	(111,215)	0
Unassigned	786,815	0	786,815	(786,815)	0
Total fund balances	<u>844,906</u>	<u>111,215</u>	<u>956,121</u>	<u>(956,121)</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$1,787,814</u>	<u>\$ 111,215</u>	<u>\$1,899,029</u>		
Net Position:					
Investment in capital assets, Net of related debt				2,007,279	2,007,279
Restricted				52,743	52,743
Unrestricted				777,067	777,067
Total Net Position				<u>\$2,837,089</u>	<u>\$2,837,089</u>

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

TIMBERLINE FIRE PROTECTION DISTRICT
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/NET POSITION/STATEMENT OF ACTIVITIES

For the Year Ended December 31,

2018

	General Fund	Capital Replacement Fund	Total	Adjustments (Note 4)	Statement of Activities
<u>Revenues</u>					
Taxes:					
Property taxes	\$ 618,810	\$ 293,012	\$ 911,822	\$ 0	\$ 911,822
Specific ownership taxes	63,072	0	63,072	0	63,072
Investment earnings	2,010	857	2,867	0	2,867
Intergovernmental revenues	0	0	0	0	0
Contributions and grants	107,663	0	107,663	0	107,663
Other income	91,333	75,000	166,333	0	166,333
Total revenues	<u>882,888</u>	<u>368,869</u>	<u>1,251,757</u>	<u>0</u>	<u>1,251,757</u>
<u>Expenditures/Expenses</u>					
Current:					
Administration	386,082	8,184	394,266	33,703	427,969
Fire fighting	83,305	0	83,305	359,746	443,051
Fire prevention	0	0	0	0	0
Training	25,282	0	25,282	0	25,282
Communications	3,919	0	3,919	0	3,919
Repair service	139,588	0	139,588	25,071	164,659
Medical	80,796	0	80,796	0	80,796
Stations and buildings	59,734	0	59,734	0	59,734
Pension fund contribution	20,000	0	20,000	22,888	42,888
Debt service					
Principal	0	126,124	126,124	(126,124)	0
Interest	0	17,039	17,039	(1,349)	15,690
Capital expenditures	0	188,821	188,821	(188,821)	0
Total expenditures/expenses	<u>798,706</u>	<u>340,168</u>	<u>1,138,874</u>	<u>125,114</u>	<u>1,263,988</u>
<u>Special item</u>					
Proceeds from sale of asset	1,000	0	1,000	0	1,000
Excess (deficiency) of revenue over (under) expenditures	85,182	28,701	113,883	(113,883)	0
Change in net position				(11,231)	(11,231)
Fund balances/Net position					
Beginning of the year	759,724	82,514	842,238		2,848,320
End of the year	<u>\$ 844,906</u>	<u>\$ 111,215</u>	<u>\$ 956,121</u>	<u>\$ 0</u>	<u>\$2,837,089</u>

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

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Timberline Fire Protection District (the District) is an independent local governmental unit incorporated under the laws of the State of Colorado and organized under a charter and governed by an elected board of directors to provide volunteer fire protection and emergency services within the boundaries of the District in Boulder and Gilpin counties in Colorado. High Country Fire Protection District changed its name to Timberline Fire Protection District on April 1, 2011. Pursuant to an election and intergovernmental agreement, the Colorado Sierra Fire Protection District (Sierra) and the Timberline Fire Authority (Authority) merged into the Timberline Fire Protection District. This also occurred on April 1, 2011.

The accounting policies of the District conform to U.S. generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant policies:

Definition of reporting entity

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the exercise of oversight responsibility by a governmental unit's elected officials as the basic criterion for including a possible component governmental agency in a governmental unit's reporting entity. Oversight responsibility includes, but is not limited to, selection of governing authority, ability to significantly influence operations, financial interdependency and accountability for fiscal matters.

The District does not exercise oversight responsibility over any other entity, nor is the District a component of any other governmental entity.

Government-wide and fund financial statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, interfund activity is eliminated from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements. (i.e., the governmental funds balance sheet and the statement of governmental fund revenues, expenditures and changes in fund balances.)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When both restricted and unrestricted resources are available for use, it is the Government's policy to use restricted resources first, then unrestricted resources as they are needed.

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District uses governmental funds and a fiduciary fund.

Governmental funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources of funds and uses the balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund – The general fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

Capital Replacement Fund – The capital replacement fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. This fund was discontinued January 1, 2019.

Revenues – Exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, interest income is considered to be susceptible to accrual.

Non-exchange transactions, in which the District receives value without directly giving value in return, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and non-exchange transactions (Continued)

have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expense/expenditures

On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Budgets

In accordance with the Colorado Budget Law, the District's Board of Directors holds public hearings in the Fall each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget and appropriation resolutions upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year end. Budgets for the governmental fund types are adopted on a basis consistent with U.S. generally accepted accounting principles. For the year ended December 31, 2018, the Timberline Fire Protection District approved its 2018 budget in the Fall of 2017. This is in accordance with Colorado Budget Law.

Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the District for budget or financial reporting purposes.

Prepaid Expenses

Expenditures for insurance premiums on policies extending over more than one accounting period are amortized over the policy period.

Interfund receivables/payables

Activity between funds that represent lending/borrowing arrangements are reported as due to/due from other funds. All interfund receivables/payables are expected to be liquidated within the next fiscal year.

Capital assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets (Continued)

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation is provided over the estimated useful lives using the straight-line method.

Property taxes

Property taxes are levied by December 15, on assessed valuation as of August 25 of each year and attach as an enforceable lien on January 1 of the following year. These taxes are due in full by April 30; however, they are not delinquent if paid in installments by February 28, and June 15. Taxes become delinquent after those dates and are subject to interest charges.

Property owners within the boundaries of the District have been assessed \$911,822 in taxes for 2018. Since these taxes are levied for operations during 201, the taxes are classified as deferred inflows. Taxes are collected and remitted to the District by the Treasurer's office of Boulder and Gilpin Counties.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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. Accordingly, the item, *unavailable revenue*, is reported for taxes levied in the current year but collected or remitted to the District in the next fiscal period.

Capital leases

Leasing agreements, for which the economic substance is a financing arrangement, are recorded as capital leases. Accordingly, where the District is the lessee, the asset and corresponding obligation are recorded in the District's financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Fund balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted funds include amounts restricted for TABOR emergencies (\$31,642) and for water storage projects (\$21,101).

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balance (Continued)

Committed – Amounts that can be used only for specific purposes determined by a formal action of District’s Board. The Board is the highest level of decision making body for the district. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. At December 31, 2018, the District has no committed funds.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. The General Fund and Capital Replacement Fund assigned funds are to be expended in the 2019 budget.

Unassigned – All other spendable amounts.

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

Tax, spending, and debt limitations

TABOR establishes revenue and spending limits, and imposes other specific requirements on state and local governments. In May 1998, the District’s voters approved changes that reduced certain limits imposed by TABOR. As a result, the District is permitted to retain all revenues from all resources. 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.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and volunteers and natural disasters. It carries commercial insurance coverage of these risks of loss. Claims have not exceeded coverage in any of the last three fiscal years.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Services

The Board of Directors and the Volunteer Firefighters volunteer their time and perform a variety of tasks that assist the District in its operations. No amounts have been reflected in the financial statements for such services.

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - CASH AND INVESTMENTS

The District has adopted Governmental Accounting Standards Board Statement No. 40, Deposits and Investment Risk Disclosure (GASB 40). GASB 40 established and modifies disclosure requirements related to investment risks including credit risk (custodial credit risk and concentrations of credit risk), interest rate risk and foreign currency risk.

The District maintains its investments and deposits with financial institutions in accordance with state statutes for the investment of public funds. Deposits are stated at cost, which approximates market value.

The District's cash and cash equivalents at December 31, 2018 are as follows:

Checking and money market accounts – interest bearing	\$ <u>934,776</u>
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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 regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2018, the carrying amount and bank balance of the District's deposits were \$934,776 and \$941,048. Of the bank balances, \$250,000 was covered by FDIC insurance and \$691,048 was covered by the PDPA.

Investments

The District is required to comply with State statutes which specify instruments meeting defined rating, maturity and concentration risk criteria in which local governments may invest. State statutes do not address custodial risk. The District has no investment policy but follows State statutes.

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in general fixed assets during 2018:

	<u>12/31/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2018</u>
Capital assets, not being depreciated:				
Land	\$ 125,065	\$ 0	\$ 0	\$ 125,065
Capital assets, being depreciated:				
Building	1,450,558	7,115	0	1,457,673
Equipment	3,475,188	100,466	0	3,575,654
Water storage	<u>152,737</u>	<u>0</u>	<u>0</u>	<u>152,737</u>
Totals fixed assets	<u>5,078,483</u>	<u>107,581</u>	<u>0</u>	<u>5,186,064</u>
Accumulated depreciation:				
Building	596,142	33,703	0	629,845
Equipment	1,742,538	300,706	0	2,043,244
Water storage	<u>84,425</u>	<u>6,110</u>	<u>0</u>	<u>90,535</u>
Total depreciation	<u>2,423,105</u>	<u>340,519</u>	<u>0</u>	<u>2,763,624</u>
Net Fixed Assets	<u>2,655,378</u>	<u>(232,938)</u>	<u>0</u>	<u>2,422,440</u>
Total	<u>\$ 2,780,443</u>	<u>\$ (232,938)</u>	<u>\$ 0</u>	<u>\$ 2,547,505</u>

Depreciation expense was charged to the functions of the government as follows:

Administration	\$ 33,703
Fire fighting	<u>306,816</u>
	<u>\$ 340,519</u>

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds and the government-wide statement of net position and statement of activities follows:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Also, current year additions are an expenditure in the funds, but are capitalized and depreciated over their respective useful lives in the statement of net position. As a result, \$2,547,505 was adjusted to increase capital assets in the statement of net position, and \$107,581 was adjusted to decrease current year expenditures in the statement of activities. An adjustment was also made to record current year depreciation of \$340,519 in the statement of activities. An adjustment was made to record current year gain on disposal of assets of \$1,000. An adjustment was made to record the capital lease payable net of principal payments and accrued interest payable. A final adjustment was made to record a net pension asset and a net pension related deferred outflow for the District's pension plan.

NOTE 5 - PENSION PLANS

The District maintains the following separately administered pension plans:

Plan Name	Plan Type
Volunteer Firefighters' Pension Plan	Agent multiple-employer defined benefit
Statewide Defined Benefit Plan	Cost-sharing multiple-employer defined benefit plan
Statewide Hybrid Plan-Defined Benefit Component	Cost-sharing multiple-employer defined benefit plan

The defined benefit plans are administered by the Fire and Police Pension Association of Colorado ("FPPA"). It is reported in the FPPA comprehensive annual financial report (CAFR). The CAFR of the FPPA may be obtained by contacting FPPA at 5290 DTC parkway, Suite 100, Greenwood Village, Colorado 80111-2721.

Volunteer Firefighters' Pension Plan

Plan Description - The District has established the Volunteer Firefighters' Pension Plan (the "Volunteer Plan"), an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by State of Colorado Statute.

Benefits Provided - Any firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a full benefit monthly pension of \$200. Any firefighter who has completed ten to twenty years of active service shall be eligible for a benefit of \$10 for each year served. The Volunteer Plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter.

Spouses of deceased firefighters receive benefits equal to one-half those of a firefighter. Benefits are determined by the Volunteer Firefighter Pension Board.

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

Contributions - In addition to contributions from the District, the Volunteer Plan received contributions from the State in an amount not to exceed one-half mill of property tax revenue. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions.

Amounts to be contributed are determined by the District as part of its budget process. The actuarial study as of January 1, 2018, indicated that the current level of contributions to the fund, approximately \$31,607 per year, is adequate to support, on an actuarially sound basis, the prospective benefits for the present Volunteer Plan. For the year ended December 31, 2018 the District and State actual contributions of \$20,000 and \$13,770, respectively, were equal to the required contributions to the Volunteer Plan. The State contribution is included in the financial statements as an on-behalf payment.

State of Colorado Fire and Police Pension Association-Defined Benefit Plan

Plan Description - The District contributes to the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the FPPA for the District's paid permanent staff. During 2018 the District joined the Statewide Hybrid Plan, which paid permanent staff had the option to join.

The SWDB provides retirement benefits for member and beneficiaries. Death and disability coverage is provided for plan members through the Statewide Death and Disability Plan, which is also administered by the FPPA. All paid permanent firefighters are members of the Statewide Death and Disability Plan.

Plan Benefits - The benefits requirements of plan members and the District are established by State statute. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2% of the average of the member's highest three years' base salary of each of the credited service up to ten years, plus 2.5% of each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index.

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

Plan Contributions - Contribution rates for the SWDB plan are set by State statute. Employer contribution rates can only be amended by State statute. Member contribution rates can be amended by State statute or election of the membership.

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

The contribution rate is 9% of covered salary for all plan members and 8% for the District. Beginning 2015, member contribution rates will increase 0.5% annually through 2022 to a total of 12% percent of base salary. The District's contribution will remain at 8% resulting in a combined rate of 20% in 2022.

The District's contributions were \$20,000 for the year ended December 31, 2018.

All Defined Benefit Plans

Employees Covered by Benefit Terms- Employee membership data related to the Volunteer Plan, as of January 1, 2017 was as follows:

Retirees and beneficiaries currently receiving benefits	54
Terminated employees entitled to but not yet receiving benefits	3
Active plan members	<u>10</u>
Total	<u><u>67</u></u>

Pension Assets and Liabilities - At December 31, 2018, the Volunteer Plan reported a net pension liability of \$192,310. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018.

At December 31, 2018, the District reported an asset of \$28,979 for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2017, the District's proportion was 0.0201%, which was an increase of 0.0086% from its proportion measured as of December 31, 2016.

At December 31, 2018, the District reported an asset of \$0 for its proportionate share of the SWH net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2017, the District's proportion was .0%, which was a decrease of .0% from its proportion measured as of December 31, 2016.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2018, the District recognized expense of \$49,812 related to the Volunteer Plan and revenue of \$26,924 related to the SWDB and revenue of \$0 related to the SWH.

In addition, the District reported deferred outflows of resources and deferred inflows of resources from the following sources for each plan:

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 62,499	\$ 90,019
District contributions subsequent to the measurement date	<u>\$ 20,000</u>	<u>0</u>
Total	<u>\$ 82,499</u>	<u>\$ 90,019</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>SWDB</u>		
Differences between expected and actual experience	\$ 20,898	\$ 321
Change in assumptions	4,366	0
Changes in proportion and differences between District contributions and proportionate share of contributions	2,375	0
District contributions subsequent to the measurement date	<u>17,222</u>	<u>0</u>
Total	<u>\$ 44,861</u>	<u>\$ 321</u>

The District's contributions subsequent to the measurement date, \$20,000 for the volunteer plan and \$17,222 for SWDB plan and \$0 for the SWH Plan will be recognized as a reduction of the net pension liability in the year ending December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension liability are as follows. For the Volunteer Plan the inflation rate was changed from 3% and the mortality tables for the January 1, 2018 valuation. Beginning January 1, 2018, the mortality tables for the SWDB and SWH were also changed.

	<u>Volunteer</u>	<u>SWDB</u>	<u>SWH</u>
Measurement date	Dec. 31, 2017	Dec. 31, 2017	Dec. 31, 2017
Actuarial cost method	January 1, 2018	January 1, 2018	January 1, 2018
Actual cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar open	Level percentage of payroll, open	Level percentage of payroll, open
Remaining amortization period	17 years	30 years	30 years
Asset valuation method	5 year smoothed Market	5 year smoothed market	5 year smoothed market
Inflation	3.00%	2.5%	2.5%
Salary increases	N/A	N/A	N/A
Investment rate of return	7.5%	7.5%	7.5%

For the Volunteer Plan mortality Pre and Post-retirement: RP-2000 Combined Mortality Table with Blue Collar adjustment, and pre-retirement 40% multiplier for off-duty mortality. Disabled retirement: RP-2000 Disabled Mortality Table. All tables projected with Scale AA. For SWDB and SWH Plans mortality the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The 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 0.00020.

For both plans, the long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are as follows:

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	37.0%	8.33%
Equity Long/Short	9.0%	7.15%
Illiquid Alternatives	24.0%	9.70%
Fixed Income	15.0%	3.00%
Absolute Return	9.0%	6.46%
<u>D</u> Managed Futures	4.0%	6.85%
<u>i</u> Cash	2.0%	2.26%

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, where applicable, employer, employee and state contributions will be made at the current contribution rate and will also be made at the current statutorily required or actuarially determined rates.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Department's Net Pension Liability - Changes in the Department's net pension liability for the Volunteer Plan for the year ended December 31, 2018 were as follows:

	<u>Increase (Decrease)</u>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	<u>[a]</u>	<u>[b]</u>	<u>[a] - [b]</u>
<u>Volunteer Plan</u>			
Balance, December 31, 2017	\$ 1,937,293	\$ 1,648,958	\$ 288,335
Changes for the year:			
Service cost	9,048	0	9,048
Interest	139,440	0	139,440
Change in assumptions	(168,096)	0	(168,096)
Net investment income	0	230,521	(230,521)
Contributions - employer	0	15,300	(15,300)
Benefit payments including refunds of employee contributions	0	(168,096)	168,096
Administrative expense	0	(15,078)	15,078
State of Colorado supplemental discretionary payment	0	13,770	(13,770)
Net changes	<u>(19,608)</u>	<u>76,417</u>	<u>(96,025)</u>
Balance, December 31, 2018	<u>\$ 1,917,685</u>	<u>\$ 1,725,375</u>	<u>\$ 192,310</u>

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 - PENSION PLANS (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's net pension liability (asset) or the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	Discount rate	Volunteer Plan		SWDB	SWH
1% decrease	6.5%	\$ 364,760	\$	31,482	\$ 0
Current discount rate	7.5%	192,310		(28,979)	0
1% increase	8.5%	44,328		(79,070)	\$ 0

NOTE 6 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2018:

	Balance at December 31, 2017	Additions	Reductions	Balance at December 31, 2018	Due Within One Year
Governmental Activities	\$ 663,837	\$ 0	\$ 126,124	\$ 537,713	\$ 129,362

The activity of the District's long-term obligations is as follows:

Capital Leases

On January 30, 2013, the District entered into a capital lease obligation to five pumpers valued at \$1,908,554. The District sold existing equipment as part of the planned rotation of equipment and financed the remaining \$1,262,886. The lease is on an annual basis for 10 years with payments of \$143,163, due August 1st, consisting of principal and interest, with a rate of 2.567%. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases as of December 31, 2018 are as follows:

	Governmental Activities
Equipment	\$ 1,908,554
Less accumulated depreciation	(1,049,705)
Total	<u>\$ 858,849</u>

The lease purchase agreements do not constitute general obligation debts of the District as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreements.

TIMBERLINE FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, are as follows:

	<u>Governmental Activities</u>
2019	\$ 129,362
2020	132,682
2021	136,088
2022	<u>139,581</u>
Total minimum lease payments	<u>\$ 537,713</u>

NOTE 7 - NEW ACCOUNTING PRONOUNCEMENTS

Governmental Accounting Standards Board Statement No. 87, *Leases*. In June of 2017 the GASB issued Statement No. 87. The objective of this Statement is to better meet the needs of financial statement users by improving accounting and financial reporting for leases by governments by establishing a single model for lease accounting. Under this guidance, the District will be required to recognize a right-to-use lease asset and a lease liability for leases that were previously reported as operating leases. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently determining the effects of the implementation of this statement on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TIMBERLINE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND

For the Year Ended December 31,	Original and Final Budget	Actual	2018 Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 620,481	\$ 618,810	\$ (1,671)
Specific ownership taxes	56,065	63,072	7,007
Investment earnings	2,041	2,010	(31)
Intergovernmental revenues	0	0	0
Contribution and grants	102,163	107,663	5,500
Miscellaneous	<u>130,552</u>	<u>91,333</u>	<u>(39,219)</u>
Total revenues	<u>911,302</u>	<u>882,888</u>	<u>(28,414)</u>
<u>Expenditures</u>			
Current:			
Administration	401,859	386,082	15,777
Fire fighting	49,000	83,305	(34,305)
Fire prevention	0	0	0
Training	25,000	25,282	(282)
Communications	5,000	3,919	1,081
Repair service	153,219	139,588	13,631
Medical	87,271	80,796	6,475
Stations and buildings	65,051	59,734	5,317
Pension fund contributions	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Total expenditures	<u>806,400</u>	<u>798,706</u>	<u>7,694</u>
<u>Special item</u>			
Proceeds from sale of asset	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Excess (deficiency) of revenue over (under) expenditures	104,902	85,182	(19,720)
Other financing uses operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>\$ 104,902</u>	85,182	<u>\$ (19,720)</u>
Fund balances – January 1		759,724	
Fund balances – December 31		<u>\$ 844,906</u>	

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
VOLUNTEER PENSION TRUST FUND
LAST 10 FISCAL YEARS*

Measurement period ending December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service cost	\$ 9,048	\$ 16,736	\$ 16,736	\$ 21,725
Interest	139,440	119,977	120,768	117,944
Benefit changes	0	222,964	0	115,215
Differences between expected and actual experience	0	2,491	0	(79,054)
Changes of assumptions	0	65,641	0	0
Benefit payments including refunds of employee contributions	<u>(168,096)</u>	<u>(161,072)</u>	<u>(135,505)</u>	<u>(135,921)</u>
Net changes	<u>(19,608)</u>	<u>266,737</u>	<u>1,999</u>	<u>39,909</u>
Total pension liability-beginning	<u>1,937,293</u>	<u>1,670,556</u>	<u>1,668,557</u>	<u>1,628,648</u>
Total pension liability-ending	<u>\$1,917,685</u>	<u>\$1,937,293</u>	<u>\$1,670,556</u>	<u>\$1,668,557</u>
Plan Fiduciary Net Position				
Net investment income	\$ 230,521	\$ 86,515	\$ 28,455	\$ 115,299
Contributions - employer	15,300	15,300	17,837	15,300
Benefit payments including refunds of employee contributions	(168,096)	(161,072)	(135,505)	(135,921)
Administrative expense	(15,078)	(2,872)	(1,200)	(3,025)
State contributions	<u>13,770</u>	<u>16,053</u>	<u>13,770</u>	<u>41,220</u>
Net changes	<u>76,417</u>	<u>(46,076)</u>	<u>(76,643)</u>	<u>32,873</u>
Plan fiduciary net position-beginning	<u>1,648,958</u>	<u>1,695,034</u>	<u>1,771,677</u>	<u>1,738,804</u>
Plan fiduciary net position-ending	<u>1,725,375</u>	<u>1,648,958</u>	<u>1,695,034</u>	<u>1,771,677</u>
Net pension liability/(asset)-ending	<u>\$ 192,310</u>	<u>\$ 288,335</u>	<u>\$ (24,478)</u>	<u>\$(103,120)</u>
Plan fiduciary net position as a percentage of total pension liability	89.97%	85.12%	101.47%	106.18%
Covered employee payroll	N/A	N/A	N/A	N/A
Net pension liability as percentage of covered employee payroll	N/A	N/A	N/A	N/A

*- Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS
VOLUNTEER PENSION TRUST FUND
LAST 10 FISCAL YEARS*

Measurement period ending December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 6,032	\$ 6,032	\$ 15,179	\$ 15,179
Actual contribution	<u>29,070</u>	<u>31,353</u>	<u>31,607</u>	<u>56,520</u>
Contribution excess	<u>\$ (23,038)</u>	<u>\$ (25,321)</u>	<u>\$ (16,428)</u>	<u>\$ (41,341)</u>
Covered payroll	N/A	N/A	N/A	N/A
Actual contribution as a percentage of covered employee payroll	N/A	N/A	N/A	N/A

*- Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION
LIABILITY
STATEWIDE DEFINED BENEFIT PLAN
LAST 10 FISCAL YEARS*

Measurement period ending December 31,	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion (percentage) of the collective net pension liability	.02010%	0.0115%	0.0173%	0.0237%	0.0372%
District's proportionate share of the collective net pension liability (asset)	\$ (28,979)	\$ 4,140	\$ 306	\$ 26,716	\$ 33,281
Covered-employee payroll	\$ 152,425	\$ 152,425	\$ 152,425	\$ 84,025	\$ 106,450
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(19.01%)	2.716%	0.20%	31.80%	31.26%
Plan fiduciary net pension as a percentage of the total pension liability	106.30%	98.21%	100.10%	106.80%	105.80%

*- Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS*

Reporting period ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contributions	\$ 12,194	\$ 12,194	\$ 12,194	\$ 29,070	\$ 56,520	\$ 80,500
Contributions in relation to the statutorily required contributions	<u>12,194</u>	<u>12,194</u>	<u>12,194</u>	<u>31,607</u>	<u>56,520</u>	<u>86,300</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,537)</u>	<u>\$ 0</u>	<u>\$ (5,800)</u>
Covered-employee payroll	\$ 152,425	\$ 152,425	\$ 152,425	\$ 84,025	\$ 106,450	\$ 161,663
Contribution as a percentage of covered of employee payroll	8%	8%	8%	8%	8%	8%

*Fiscal year 2015 was the first year of implementation, therefore only available years are shown.

SUPPLEMENTARY INFORMATION

TIMBERLINE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
CAPITAL REPLACEMENT FUND

<u>For the Year Ended December 31,</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>2018 Variance Favorable (Unfavorable)</u>
<u>Revenues</u>			
Taxes:			
Property taxes	\$ 293,666	\$ 293,012	\$ (654)
Grant	0	0	0
Intergovernmental revenues	0	0	0
Other income	0	75,000	75,000
Investment earnings	500	857	357
Total revenues	<u>294,166</u>	<u>368,869</u>	<u>74,703</u>
<u>Expenditures</u>			
Capital outlay	217,780	188,821	28,959
Debt service			
Principal	126,124	126,124	0
Interest	17,039	17,039	0
Current:			
Fire fighting	0	0	0
Administration	<u>8,223</u>	<u>8,184</u>	<u>39</u>
Total expenditures	<u>369,166</u>	<u>340,168</u>	<u>28,998</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (75,000)</u>	28,701	<u>\$ 103,701</u>
Fund balances – January 1		<u>82,514</u>	
Fund balances – December 31		<u>\$ 111,215</u>	