

Annual Financial Report

Nunn Fire Protection District

Nunn, Colorado

For the Year Ended December 31, 2018



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NUNN FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Nunn Fire Protection District, State of Colorado as of and for the year ended December 31, 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Nunn Fire Protection District, State of Colorado as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

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

Greeley, Colorado
June 6, 2019

Tim Chavies & Associates, Inc.

Tim Chavies & Associates, Inc.
Certified Public Accountants

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

Management's Discussion and Analysis
December 31, 2018

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

Financial Highlights

- The District's total net position increased \$346,234 or 9.07% between 2018 and 2017.
- Total revenues were \$465,802 in 2018 compared to \$443,392 in 2017, an increase of \$22,410 or 19.78%.
- Total expenditures were \$207,471 in 2018 compared to \$263,560 in 2017, a decrease of \$56,089 or 4.70%.
- Equipment purchases were \$15,510 in 2018 compared to \$543,840 in 2017.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

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

	2018	2017
Assets		
Current	\$ 2,046,600	\$ 1,958,599
Noncurrent	727,689	584,139
Capital assets, net	1,276,072	1,357,888
Total Assets	4,050,361	3,900,626
Deferred Outflows	40,267	57,829
Liabilities		
Long-term debt outstanding	-	-
Other liabilities	66,374	339,246
Total Liabilities	66,374	339,246
Deferred Inflows	537,248	478,437
Net Position:		
Net investment in capital assets	1,276,072	1,357,888
Restricted	13,974	13,302
Unrestricted	2,196,960	1,769,582
Total Net Position	\$ 3,487,006	\$ 3,140,772

Net position of the District increased by \$346,234, the increase was due to property taxes being more than prior year, and a decrease in operating expenses.

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

	2018	2017
Revenues:		
Operating revenues	\$ 445,698	\$ 422,046
Investment income	12,482	13,593
Miscellaneous revenues	7,622	7,753
Total Revenues	465,802	443,392
Other Financing Sources (Uses)		
Proceeds from sale of assets	(1,204)	-
Pension net asset	89,107	45,436
Total Other Financing Sources (Uses)	87,903	45,436
Expenses:		
Fire administration	83,809	97,944
Fire fighting	27,540	63,968
Depreciation	96,122	101,648
Total Expenses	207,471	263,560
Net Change in Net Position	346,234	225,268
Net Position - beginning of year	3,140,772	2,915,504
Net Position - end of year	\$ 3,487,006	\$ 3,140,772

During 2018, the District's net position increased by \$346,234. Fire administration and fighting expenses were lower and property tax revenues increased.

Governmental Funds Financial Analysis

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

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

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

Budgetary Highlights

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

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

Capital Assets

Capital Assets (Net of Depreciation)

	2018	2017
Land	\$ 223,075	\$ 223,075
Building	295,859	295,859
Equipment	1,438,143	1,443,606
Construction in progress	538,615	529,430
Total Capital Assets	2,495,692	2,491,970
Less: Accumulated depreciation	(1,219,620)	(1,134,082)
Net Capital Assets	\$ 1,276,072	\$ 1,357,888

Capital assets – net of depreciation decreased during 2018 due to capital outlay of \$15,510 (assets acquired) and depreciation of \$99,122. See Note 4 for further discussion.

Economic Factors

The District's revenues are not generally dependent on economic factors. Approximately 88.92% of the District's revenues for 2018 were from property taxes levied upon all real property within the District. Other revenues are comprised of earnings on investments, miscellaneous donations and insurance proceeds from hail storm.

Financial Contact

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

BASIC FINANCIAL STATEMENTS

NUNN FIRE PROTECTION DISTRICT

Statement of Net Position

December 31, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash in checking	\$ 222,929	\$ 188,518
Cash with Weld County Treasurer	2,449	2,130
Investments:		
Cash in money market	415,284	382,922
Certificates of deposit	964,513	966,210
Accounts receivable - property taxes	436,646	414,716
Accrued interest receivable	4,068	3,398
Prepaid expenditures	711	705
Total Current Assets	2,046,600	1,958,599
Noncurrent Assets		
Net pension asset	727,689	584,139
Capital Assets:		
Land	223,075	223,075
Building	295,859	295,859
Equipment	1,438,143	1,443,606
Construction in progress	538,615	529,430
Total Capital Assets	2,495,692	2,491,970
Less: accumulated depreciation	(1,219,620)	(1,134,082)
Net Capital Assets	1,276,072	1,357,888
Total Noncurrent Assets	2,003,761	1,942,027
Total Assets	4,050,361	3,900,626
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	40,267	57,829
LIABILITIES		
Current Liabilities:		
Accounts payable	66,374	339,246
Total Current Liabilities	66,374	339,246
Total Liabilities	66,374	339,246
DEFERRED INFLOWS		
Unearned revenue - property taxes	436,646	414,716
Deferred inflows related to pensions	100,602	63,721
Total Deferred Inflows	537,248	478,437
NET POSITION		
Net investment in capital assets	1,276,072	1,357,888
Restricted	13,974	13,302
Unrestricted	2,196,960	1,769,582
Total Net Position	\$ 3,487,006	\$ 3,140,772

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT*Statement of Activities*

For the Years Ended December 31, 2018 and 2017

	2018	2017
Expenses:		
Fire administration	\$ 83,809	\$ 97,944
Fire fighting	27,540	63,968
Depreciation	96,122	101,648
Total Expenses	207,471	263,560
Revenues:		
Operating revenues	445,698	422,046
Investment income	12,482	13,593
Miscellaneous Revenues	7,622	7,753
Total Revenues	465,802	443,392
Other Financing Sources (Uses):		
Proceeds from sale of assets	(1,204)	-
Transfers in	-	-
Transfers out	-	-
Pension net increase	89,107	45,436
Total Other Financing Sources (Uses)	87,903	45,436
Net Change in Net Position	346,234	225,268
Net Position - beginning of year	3,140,772	2,915,504
Net Position - end of year	\$ 3,487,006	\$ 3,140,772

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT

Governmental Funds

Balance Sheet

December 31, 2018 and 2017

	General Fund	Total Governmental Funds	
		2018	2017
ASSETS			
Current Assets			
Cash in checking	\$ 222,929	\$ 222,929	\$ 188,518
Cash with Weld County Treasurer	2,449	2,449	2,130
Investments:			
Cash in money market	415,284	415,284	382,922
Certificates of deposit	964,513	964,513	966,210
Accounts receivable - property taxes	436,646	436,646	414,716
Accrued interest receivable	4,068	4,068	3,398
Prepaid expenditures	711	711	705
Total Current Assets	2,046,600	2,046,600	1,958,599
Total Assets	2,046,600	2,046,600	1,958,599
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	-
Total Assets & Deferred Outflows	\$ 2,046,600	\$ 2,046,600	\$ 1,958,599
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 66,374	\$ 66,374	\$ 339,246
Total Current Liabilities	66,374	66,374	339,246
Total Liabilities	66,374	66,374	339,246
DEFERRED INFLOWS			
Unearned revenue - property taxes	436,646	436,646	414,716
Total Liabilities & Deferred Inflows	503,020	503,020	753,962
FUND BALANCE			
Nonspendable - prepaid	711	711	705
Restricted - labor	13,974	13,974	13,302
Committed - subsequent year's expenditures	-	-	-
Assigned	-	-	-
Unassigned	1,528,895	1,528,895	1,190,630
Total Fund Balance	1,543,580	1,543,580	1,204,637
Total Liabilities, Deferred Inflows & Fund Balance	\$ 2,046,600	\$ 2,046,600	\$ 1,958,599
Reconciliation of the Balance Sheet to the Statement of Net Position			
Total Governmental Fund Balance		\$ 1,543,580	\$ 1,204,637
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>			
Net pension asset and deferred outflows/inflows of resources related to participation in FPPA retirement plan is not recorded in the governmental fund but is recorded in the statement of net position		667,354	578,247
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund:			
Capital assets		2,495,692	2,491,970
Less: accumulated depreciation		(1,219,620)	(1,134,082)
		1,276,072	1,357,888
Net Position of Governmental Activities		\$ 3,487,006	\$ 3,140,772

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Years Ended December 31, 2018 and 2017

	<u>Total Governmental Funds</u>		
	<u>General Fund</u>	<u>2018</u>	<u>2017</u>
Revenues			
Operating revenues	\$ 445,698	\$ 445,698	\$ 422,046
Investment income	12,482	12,482	13,593
Miscellaneous Revenues	7,622	7,622	7,753
Total Revenues	465,802	465,802	443,392
Expenditures:			
Fire administration	83,809	83,809	97,944
Fire fighting	27,540	27,540	63,968
Capital outlay	15,510	15,510	543,840
Contingency reserve	-	-	-
Total Expenditures	126,859	126,859	705,752
Excess (Deficiency) of Revenues over Expenditures	338,943	338,943	(262,360)
Other Financing Sources (Uses):			
Proceeds from sale of assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	338,943	338,943	(262,360)
Fund balance - beginning of year	1,204,637	1,204,637	1,466,997
Fund balance - end of year	\$ 1,543,580	\$ 1,543,580	\$ 1,204,637
 <i>Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities</i>			
Net change in fund balance - total governmental funds		\$ 338,943	\$ (262,360)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:			
Capital asset purchases capitalized		15,510	543,840
Capital asset disposal		(1,204)	-
Depreciation expense		(96,122)	(101,648)
Net pension asset and deferred outflows/inflows of resources related to participation in FPPA retirement plan is not recorded in the governmental fund but is recorded in the statement of net position		89,107	45,436
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:			
Donated capital assets		-	-
Change in Net Position of Governmental Activities		\$ 346,234	\$ 225,268

See accompanying notes to basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nunn Fire Protection District (District) was created in the District Court in and for the County of Weld, State of Colorado, on July 20, 1951. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing governmental accounting and financial reporting standards followed by governmental entities

Reporting Entity

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

New Accounting Pronouncements

GASB Statement No 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This statement is the companion statement to GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No 75 enhances accountability and transparency through new and revised note disclosures and required supplementary information (RSI). The District has no OPEB plans, therefore, for year ended December 31, 2018 implementation had no impact to the District's financial statements.

GASB Statement No 85, *Omnibus 2017*. This statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurements and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The District implemented this statement for the year ended December 31, 2018 and had no impact to the District's financial statements.

Basic Financial Statements

Government-Wide Financial Statements consist of Statement of Net Position and Statement of Activities, these statements report information about the reporting entity as a whole. These statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred, regardless of the timing of the related cash flows.

Governmental Fund Financial Statements consist of Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. These statements are presented on the "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recognized when received in cash, except for revenues subject to accrual (generally 60 days after year-end) are recognized when due.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

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

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

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

Budgets and Budgetary Accounting

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

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

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

Encumbrances

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

Cash and Cash Equivalents

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

Investments

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

Prepaid Expenses

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

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the governmental-wide financial statements. The District records its property and equipment at historical cost. The District capitalizes property and equipment with a unit value of \$500 or more. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During years ended December 31, 2018 and 2017, no interest was capitalized.

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

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

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

Use of Estimates

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

Fund Equity

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

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

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

The Amendment also requires the local government to reserve three (3) percent of total expenditures for emergencies in 1995 and years thereafter. (The definition of an “emergency”, under the Amendment is restricted to natural events, but excludes “economic conditions, revenue shortfalls, District salary or fringe benefit increase.”) Accordingly, the District has reviewed the existing reserves and determined that a minimum of three (3) percent or \$13,974 and \$13,302 existed at December 31, 2018 and 2017, respectively, to comply with the provision of the Amendment.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

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

Total cash deposits at December 31, were as follows:

	<u>2018</u>	<u>2017</u>
Cash in Checking	\$ 222,929	\$ 188,518
Cash with County Treasurer	2,449	2,130
<u>Total Cash Deposits</u>	<u>\$ 225,378</u>	<u>\$ 190,648</u>

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

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

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

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

Total investments at December 31, were as follows:

	2018	2017
Cash in Money Market	\$ 415,284	\$ 382,922
Certificates of Deposit	964,513	966,210
Investments at Fair Value	-	-
Total Investments	\$ 1,379,797	\$ 1,349,132

Maturities of investments at December 31, 2018 were as follows:

	Investment Maturities in Years				Total
	Less than 1	1 to 5	6 to 10	More than 10	
Cash in Money Market	\$ 415,284	\$ -	\$ -	\$ -	\$ 415,284
Certificates of Deposit	99,472	865,041	-	-	964,513
Investments at Fair Value	-	-	-	-	-
Total Investments	\$ 514,756	\$ 865,041	\$ -	\$ -	\$ 1,379,797

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

The District has the following recurring fair value measurements as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level:				
US Treasury Bond/Note	\$ -	\$ -	\$ -	\$ -
Federal Agency Obligations	-	-	-	-
Equities	-	-	-	-
Mutual Funds	-	-	-	-
Subtotal	-	-	-	-
Investments measured at Amortized Cost:				
Money market account	-	-	-	415,284
Certificates of Deposit	-	-	-	964,513
Total Investments	\$ -	\$ -	\$ -	\$ 1,379,797

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

Custodial Credit Risk is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investment (or related collateral securities that are held by an outside party). The District had no custodial credit risk for its investments at December 31, 2018 and 2017.

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

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

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

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

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

December 31, 2018

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)**Summary**

Total cash deposits and investments at December 31:

	2018	2017
Cash Deposits	\$ 225,378	\$ 190,648
Investments	1,379,797	1,349,132
Total Cash Deposits & Investments	\$ 1,605,175	\$ 1,539,780

Investment Income

	2018	2017
Earnings on investments	\$ 20,856	\$ 18,559
Net increase (decrease) in the fair value of investments	(8,374)	(4,966)
Total Investment Income	\$ 12,482	\$ 13,593

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

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital assets as of December 31, 2018:

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	\$ 223,075	\$ -	\$ -	\$ 223,075
Depreciable Assets:				
Building	295,859	-	-	295,859
Equipment	1,443,606	6,325	(11,788)	1,438,143
Construction in progress	529,430	9,185	-	538,615
Total Assets at Historical Cost	2,491,970	15,510	(11,788)	2,495,692
Less: Accumulated Depreciation for:				
Building	(143,938)	(10,222)	-	(154,160)
Equipment	(990,144)	(85,900)	10,584	(1,065,460)
Total Accumulated Depreciation	(1,134,082)	(96,122)	10,584	(1,219,620)
Capital Assets - Net	\$ 1,357,888	\$ (80,612)	\$ (1,204)	\$ 1,276,072

Depreciation expense was charged to governmental functions as follows:

Administration and general	\$ 96,122
Total Depreciation Expense	\$ 96,122

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 5 - ASSESSMENTS

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

The fiscal year assessments calendar is as follows:

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

NOTE 6 - RISK FINANCING

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and subcontractors, and natural disasters. The District purchases commercial insurance for most risks of loss. As of December 31, 2018, and 2017, the District did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NOTE 7 - CONTINGENCIES

In the opinion of the District's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the District's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2018 and 2017.

NOTE 8 – FIREMEN'S PENSION

Plan Description

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

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

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Plan Description (continued)

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

System Description

The FPPA administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at: FPPAco.org. Once on the site, locate the site map at the bottom of the web page and you will find the “Annual Report” link.

Membership

Plan membership at December 31, consisted of the following:

	2018	2017
Inactive members or beneficiaries currently receiving benefits	4	4
Inactive members entitled to but not yet receiving benefits	1	1
Active members not entitled to benefits	12	12
	17	17
Covered Payroll	N/A	N/A

Actuarial Assumptions

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

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

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

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Investments

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	2.0%	2.26%
Fixed income	15.0%	3.00%
Managed futures	4.0%	6.85%
Absolute return	9.0%	6.46%
Long short	9.0%	7.15%
Global public equity	37.0%	8.33%
Private capital	24.0%	9.70%
Total	100.0%	

Plan Contributions

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

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability (a.)	Plan Fidiciary Net Position (b.)	Net Pension Liability (Asset) (a.) - (b.)
Changes for the year:			
Service cost	\$ 4,206	\$ -	\$ 4,206
Interest on the total pension liability	27,743	-	27,743
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Diffence between expected and actual experience	-	-	-
Benefit payments	(15,405)	(15,405)	-
Employer contributions	-	22,770	(22,770)
Member contributions	-	-	-
State supplemental discretionary payment	-	18,801	(18,801)
Net investment income	-	140,855	(140,855)
Adminstrative expenses	-	(6,927)	6,927
Net change in total pension liability	16,544	160,094	(143,550)
Total pension liability - beginning	375,407	959,546	(584,139)
Total pension liability - ending	\$ 391,951	\$ 1,119,640	\$ (727,689)

Plan fidiciary net position as a % of the total pension liability	285.66%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting Single Discount Rate is 7.50%.

Sensitivity to Single Discount Rate Assumption

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

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Pension Plan's Net Pension Liability / (Asset)	\$ (680,580)	\$ (727,689)	\$ (766,872)

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Contributions subsequent to measurement date	\$ 24,022	\$ -	\$ 24,022
Difference between expected and actual experiences	-	46,057	(46,057)
Assumption changes	7,641	-	7,641
Net difference between projected and actual earnings on pension plan investments	32,626	54,545	(21,919)
Total	\$ 64,289	\$ 100,602	\$ (36,313)

The \$24,022 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

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

Year Ending December 31.	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ (13,740)
2020	(14,984)
2021	(17,974)
2022	(13,637)
2023	-
Thereafter	-
Total	\$ (60,335)

NOTE 10 – SUBSEQUENT EVENTS

The District has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through June 6, 2019, the date on which the financial statements were issued, and did not identify any events or transactions that would have a material impact on the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

NUNN FIRE PROTECTION DISTRICT

Schedule of Revenues & Expenditures
*Budget to Actual - **General Fund** (unaudited)*
 Year Ended December 31, 2018
 With Comparative Actual Amounts For the Year Ended December 31, 2017

<i>Non-GAAP Budgetary Basis</i>	2018			2017 Actual
	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:				
Operating Revenues:				
Property taxes	\$ 414,716	\$ 414,201	\$ (515)	\$ 391,628
Specific ownership taxes	30,000	31,497	1,497	30,418
Total Operating Revenues	444,716	445,698	982	422,046
Investment Income:				
Interest income	17,000	20,856	3,856	18,559
Net increase (decrease) in the fair value of investments	-	(8,374)	(8,374)	(4,966)
Sale of assets	-	-	-	-
Total Investment Income	17,000	12,482	(4,518)	13,593
Miscellaneous Revenues:				
Other revenues	7,000	7,622	622	7,753
Insurance proceeds	-	-	-	-
Total Miscellaneous Revenues	7,000	7,622	622	7,753
Total Revenues	468,716	465,802	(2,914)	443,392
EXPENDITURES:				
Fire Administration:				
Treasurer's fee	6,000	6,219	(219)	5,877
Dues and meetings	657	250	407	357
Telephone and communications	25,000	10,731	14,269	25,951
Repairs and maintenance - building	-	-	-	-
Insurance	16,000	17,189	(1,189)	17,853
Utilities	14,000	14,711	(711)	14,886
Office expense	1,200	578	622	1,095
Fire department fee	2,000	2,000	-	2,000
Professional services	7,800	7,975	(175)	7,155
Medical supplies	-	-	-	-
Election expense	50	134	(84)	-
Support expense	24,022	24,022	-	22,770
Total Fire Administration	96,729	83,809	12,920	97,944
Fire Fighting:				
Supplies	25,000	15,166	9,834	35,022
Education and training	5,000	4,520	480	4,645
Repairs, maintenance and fuel	20,000	7,854	12,146	24,301
Total Fire Fighting	50,000	27,540	22,460	63,968
Capital Outlay	300,000	15,510	284,490	543,840
Contingency Reserve	-	-	-	-
Total Expenditures	446,729	126,859	319,870	705,752
Excess (Deficiency) of Revenues over Expenditures	\$ 21,987	338,943	\$ 316,956	(262,360)
Fund Balance - beginning of Year		1,204,637		1,466,997
Fund Balance - End of Year		\$ 1,543,580		\$ 1,204,637

NUNN FIRE PROTECTION DISTRICT

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

<i>Non-GAAP Budgetary Basis</i>	2018			2017 Actual
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Operating revenues	\$ 444,716	\$ 445,698	\$ 982	\$ 422,046
Investment income	17,000	12,482	(4,518)	13,593
Miscellaneous Revenues	7,000	7,622	622	7,753
Total Revenues	468,716	465,802	(2,914)	443,392
Expenditures:				
Fire administration	96,729	83,809	12,920	97,944
Fire fighting	50,000	27,540	22,460	63,968
Capital outlay	300,000	15,510	284,490	543,840
Contingency reserve	-	-	-	-
Total Expenditures	446,729	126,859	319,870	705,752
Excess (Deficiency) of Revenues over Expenditures	\$ 21,987	338,943	\$ 316,956	(262,360)
Reconciliation of Budgetary Basis to GAAP Basis:				
Capital asset purchases capitalized		15,510		543,840
Capital asset disposal		(1,204)		-
Depreciation expense		(96,122)		(101,648)
Net pension asset		89,107		45,436
Net Change in Net Position		\$ 346,234		\$ 225,268

NUNN FIRE PROTECTION DISTRICT

Schedule of Changes in Net Position Liability / (Asset) and Related Ratios For The Last 10 Years (to be built prospectively)

Measurement Date Ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	4,206	4,037	4,037	5,191						
Interest on the Total Pension Liability	27,743	24,940	23,875	26,303						
Benefit Changes	-	58,629	-	-						
Difference between Expected and Actual Experience	-	(48,147)	-	(49,308)						
Assumption Changes	-	12,735	-	-						
Benefit Payments	(15,405)	(14,418)	(13,035)	(14,898)						
Net Change in Total Pension Liability	16,544	37,776	14,877	(32,712)	-	-	-	-	-	-
Total Pension Liability - Beginning	375,407	337,631	322,754	355,466						
Total Pension Liability - Ending (a)	391,951	375,407	337,631	322,754	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	22,770	20,890	19,745	18,698						
Pension Plan Net Investment Income	140,855	48,321	15,297	53,390						
Benefit Payments	(15,405)	(14,418)	(13,035)	(14,898)						
Pension Plan Administrative Expense	(6,927)	(3,262)	(5,235)	(3,266)						
State Supplemental Discretionary Payment	18,801	17,771	16,828	15,876						
Net Change in Plan Fiduciary Net Position	160,094	69,302	33,600	69,800	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	959,546	890,244	856,644	786,844						
Plan Fiduciary Net Position - Ending (b)	1,119,640	959,546	890,244	856,644	-	-	-	-	-	-
Net Pension Liability/(Asset) -Ending (a)-(b)	(727,689)	(584,139)	(552,613)	(533,890)						
Plan Fiduciary Net Position as a										
Percentage of Total Pension Liability	285.66%	255.60%	263.67%	265.42%						
Covered Payroll (1)	N/A	N/A	N/A	N/A						
Net Pension Liability/(Asset) as a										
Percentage of Covered Payroll (1)	N/A	N/A	N/A	N/A						

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

NUNN FIRE PROTECTION DISTRICT

Schedule of Contributions

For The Last 10 Years (to be built prospectively)

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution (1) *	Contribution Deficiency (Excess) (d.) = (b.) - (c.)	Covered Payroll (2) **	Actual Contribution as a % of Covered Payroll (f.)
(a.)	(b.)	(c.)		(e.)	(f.)
2017	\$ -	\$ 41,571	\$ (41,571)	N/A	N/A
2016	\$ -	\$ 38,661	\$ (38,661)	N/A	N/A
2015	\$ -	\$ 36,573	\$ (36,573)	N/A	N/A
2014	\$ -	\$ 34,574	\$ (34,574)	N/A	N/A
2013					
2012					
2011					
2010					
2009					
2008					

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

** The plan participants are unpaid volunteers, so payroll is not applicable.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

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

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

FPPA SYSTEM DESCRIPTION

The Fire & Protection Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org. Once on the site, locate the site map at the bottom of the web page and you will find the "Annual Report" link.