

Annual Financial Report

Nunn Fire Protection District

Nunn, Colorado

For the Year Ended December 31, 2019



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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 The Nunn Fire Protection District, State of Colorado as of and for the years ended December 31, 2019, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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, 2019, 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 24-25, the Schedule of Changes in Net Pension Liability / Asset and Related Ratios on page 26 and the Schedule of Contributions on page 27 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
May 20, 2020

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, 2019

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 \$317,278 or 9.10% between 2019 and 2018.
- Total revenues were \$511,824 in 2019 compared to \$465,802 in 2018, an increase of \$46,022 or 9.88%.
- Total expenditures were \$270,429 in 2019 compared to \$207,471 in 2018, an increase of \$62,958 or 30.35%.
- Equipment purchases were \$126,233 in 2019 compared to \$15,510 in 2018.

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

	2019	2018
Assets		
Current	\$ 2,284,605	\$ 2,046,600
Noncurrent	732,694	727,689
Capital assets, net	1,268,760	1,276,072
Total Assets	4,286,059	4,050,361
Deferred Outflows	104,399	40,267
Liabilities		
Long-term debt outstanding	-	-
Other liabilities	13,495	66,374
Total Liabilities	13,495	66,374
Deferred Inflows	572,679	537,248
Net Position:		
Net investment in capital assets	1,268,760	1,276,072
Restricted	15,377	13,974
Unrestricted	2,520,147	2,196,960
Total Net Position	\$ 3,804,284	\$ 3,487,006

Net position of the District increased by \$317,278, the increase was due to property taxes and investment income being more than prior year and an increase in capital assets purchased.

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

	2019	2018
Revenues:		
Operating revenues	\$ 465,611	\$ 445,698
Investment income	42,941	12,482
Miscellaneous revenues	3,272	7,622
Total Revenues	511,824	465,802
Other Financing Sources (Uses)		
Proceeds from sale of assets	750	(1,204)
Pension net asset	75,133	89,107
Total Other Financing Sources (Uses)	75,883	87,903
Expenses:		
Fire administration	99,140	83,809
Fire fighting	37,744	27,540
Depreciation	133,545	96,122
Total Expenses	270,429	207,471
Net Change in Net Position	317,278	346,234
Net Position - beginning of year	3,487,006	3,140,772
Net Position - end of year	\$ 3,804,284	\$ 3,487,006

During 2019, the District's net position increased by \$317,278. Fire administration and fighting expenses increased however, property tax revenues and investment income 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)

	2019	2018
Land	\$ 223,075	\$ 223,075
Building	295,859	295,859
Equipment	2,093,461	1,438,143
Construction in progress	-	538,615
Total Capital Assets	2,612,395	2,495,692
Less: Accumulated depreciation	(1,343,635)	(1,219,620)
Net Capital Assets	\$ 1,268,760	\$ 1,276,072

Capital assets – net of depreciation decreased during 2019 due to capital outlay of \$126,233 (assets acquired) and depreciation of \$133,545. See Note 4 for further discussion.

Economic Factors

The District's revenues are not generally dependent on economic factors. Approximately 85.11% of the District's revenues for 2019 were from property taxes levied upon all real property within the District. Other revenues are comprised of earnings on investments and miscellaneous donations.

The COVID-19 pandemic is having significant effects globally and nationwide, the specific impact to the District could be a potential decline or reduction in specific ownership tax revenues in 2020. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

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, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash in checking	\$ 377,917	\$ 222,929
Cash with Weld County Treasurer	2,492	2,449
Investments:		
Cash in money market	420,134	415,284
Certificates of deposit	990,641	964,513
Accounts receivable - property taxes	478,073	436,646
Accrued interest receivable	3,906	4,068
Prepaid expenditures	11,442	711
Total Current Assets	2,284,605	2,046,600
Noncurrent Assets		
Net pension asset	732,694	727,689
Capital Assets:		
Land	223,075	223,075
Building	295,859	295,859
Equipment	2,093,461	1,438,143
Construction in progress	-	538,615
Total Capital Assets	2,612,395	2,495,692
Less: accumulated depreciation	(1,343,635)	(1,219,620)
Net Capital Assets	1,268,760	1,276,072
Total Noncurrent Assets	2,001,454	2,003,761
Total Assets	4,286,059	4,050,361
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	104,399	40,267
LIABILITIES		
Current Liabilities:		
Accounts payable	13,495	66,374
Total Current Liabilities	13,495	66,374
Total Liabilities	13,495	66,374
DEFERRED INFLOWS		
Unearned revenue - property taxes	478,073	436,646
Deferred inflows related to pensions	94,606	100,602
Total Deferred Inflows	572,679	537,248
NET POSITION		
Net investment in capital assets	1,268,760	1,276,072
Restricted	15,377	13,974
Unrestricted	2,520,147	2,196,960
Total Net Position	\$ 3,804,284	\$ 3,487,006

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT*Statement of Activities*

For the Years Ended December 31, 2019 and 2018

	2019	2018
Expenses:		
Fire administration	\$ 99,140	\$ 83,809
Fire fighting	37,744	27,540
Depreciation	133,545	96,122
Total Expenses	270,429	207,471
Revenues:		
Operating revenues	465,611	445,698
Investment income	42,941	12,482
Miscellaneous Revenues	3,272	7,622
Total Revenues	511,824	465,802
Other Financing Sources (Uses):		
Proceeds from sale of assets	750	(1,204)
Transfers in	-	-
Transfers out	-	-
Pension net increase	75,133	89,107
Total Other Financing Sources (Uses)	75,883	87,903
Net Change in Net Position	317,278	346,234
Net Position - beginning of year	3,487,006	3,140,772
Net Position - end of year	\$ 3,804,284	\$ 3,487,006

See accompanying notes to basic financial statements

NUNN FIRE PROTECTION DISTRICT

Governmental Funds

Balance Sheet

December 31, 2019 and 2018

	General Fund	Total Governmental Funds	
		2019	2018
ASSETS			
Current Assets			
Cash in checking	\$ 377,917	\$ 377,917	\$ 222,929
Cash with Weld County Treasurer	2,492	2,492	2,449
Investments:			
Cash in money market	420,134	420,134	415,284
Certificates of deposit	990,641	990,641	964,513
Accounts receivable - property taxes	478,073	478,073	436,646
Accrued interest receivable	3,906	3,906	4,068
Prepaid expenditures	11,442	11,442	711
Total Current Assets	2,284,605	2,284,605	2,046,600
Total Assets	2,284,605	2,284,605	2,046,600
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	-
Total Assets & Deferred Outflows	\$ 2,284,605	\$ 2,284,605	\$ 2,046,600
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 13,495	\$ 13,495	\$ 66,374
Total Current Liabilities	13,495	13,495	66,374
Total Liabilities	13,495	13,495	66,374
DEFERRED INFLOWS			
Unearned revenue - property taxes	478,073	478,073	436,646
Total Liabilities & Deferred Inflows	491,568	491,568	503,020
FUND BALANCE			
Nonspendable - prepaid	11,442	11,442	711
Restricted - labor	15,377	15,377	13,974
Committed - subsequent year's expenditures	-	-	-
Assigned	-	-	-
Unassigned	1,766,218	1,766,218	1,528,895
Total Fund Balance	1,793,037	1,793,037	1,543,580
Total Liabilities, Deferred Inflows & Fund Balance	\$ 2,284,605	\$ 2,284,605	\$ 2,046,600
Reconciliation of the Balance Sheet to the Statement of Net Position			
Total Governmental Fund Balance		\$ 1,793,037	\$ 1,543,580
<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		742,487	667,354
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund:			
Capital assets		2,612,395	2,495,692
Less: accumulated depreciation		(1,343,635)	(1,219,620)
		1,268,760	1,276,072
Net Position of Governmental Activities		\$ 3,804,284	\$ 3,487,006

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, 2019 and 2018

	Total Governmental Funds		
	General Fund	2019	2018
Revenues			
Operating revenues	\$ 465,611	\$ 465,611	\$ 445,698
Investment income	42,941	42,941	12,482
Miscellaneous Revenues	3,272	3,272	7,622
Total Revenues	511,824	511,824	465,802
Expenditures:			
Fire administration	99,140	99,140	83,809
Fire fighting	37,744	37,744	27,540
Capital outlay	126,233	126,233	15,510
Contingency reserve	-	-	-
Total Expenditures	263,117	263,117	126,859
Excess (Deficiency) of Revenues over Expenditures	248,707	248,707	338,943
Other Financing Sources (Uses):			
Proceeds from sale of assets	750	750	-
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	750	750	-
Net Change in Fund Balance	249,457	249,457	338,943
Fund balance - beginning of year	1,543,580	1,543,580	1,204,637
Fund balance - end of year	\$ 1,793,037	\$ 1,793,037	\$ 1,543,580
 <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		\$ 249,457	\$ 338,943
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		126,233	15,510
Capital asset disposal		-	(1,204)
Depreciation expense		(133,545)	(96,122)
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		75,133	89,107
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		\$ 317,278	\$ 346,234

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, 2019

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 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 83, *Certain Asset Retirement Obligations*. This statement provides financial statement users with information about asset retirement obligations (AROs) that were not addressed in previous GASB Standards. The District identified no AROs, therefore, for year ended December 31, 2019 implementation had no impact to the District's financial statements.

GASB Statement No 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The District identified no fiduciary activities, therefore, for year ended December 31, 2019 implementation had no impact to the District's financial statements

GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The District has no debt, therefore, for year ended December 31, 2019 implementation had no impact to the District's financial statements.

GASB Statement No 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. This statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. The District identified no majority equity interests, therefore, for year ended December 31, 2019 implementation had no impact to the District's financial statements.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 \$2,500 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, 2019 and 2018, 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.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity - Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Equity - Fund Balance

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, or unassigned. The following classifications describe the relative strength of spending constraints:

- (1) ***Nonspendable Fund Balance*** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- (2) ***Restricted Fund Balance*** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions.
- (3) ***Committed Fund Balance*** – the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, District Board. The constraint may be removed or changed only through formal action of District's Board through approval of resolutions.
- (4) ***Assigned Fund Balance*** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the District Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- (5) ***Unassigned Fund Balance*** – the residual portion of fund balance that does not meet any of the criteria described above. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

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.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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 \$15,377 and \$13,974 existed at December 31, 2019 and 2018, 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>2019</u>	<u>2018</u>
Cash in Checking	\$ 377,917	\$ 222,929
Cash with County Treasurer	2,492	2,449
Total Cash Deposits	\$ 380,409	\$ 225,378

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.

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

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

December 31, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)**Investments (continued)**

Total investments at December 31, were as follows:

	2019	2018
Cash in Money Market	\$ 420,134	\$ 415,284
Certificates of Deposit	990,641	964,513
Investments at Fair Value	-	-
Total Investments	\$ 1,410,775	\$ 1,379,797

Maturities of investments at December 31, 2019 were as follows:

	Investment Maturities in Years				Total
	Less than 1	1 to 5	6 to 10	More than 10	
Cash in Money Market	\$ 420,134	\$ -	\$ -	\$ -	\$ 420,134
Certificates of Deposit	990,641	-	-	-	990,641
Investments at Fair Value	-	-	-	-	-
Total Investments	\$ 1,410,775	\$ -	\$ -	\$ -	\$ 1,410,775

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.

The District has the following recurring fair value measurements as of December 31, 2019:

	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	-	-	-	420,134
Certificates of Deposit	-	-	-	990,641
Total Investments	\$ -	\$ -	\$ -	\$ 1,410,775

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.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2019 and 2018.

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 Statues.

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.

Summary

Total cash deposits and investments at December 31:

	2019	2018
Cash Deposits	\$ 380,409	\$ 225,378
Investments	1,410,775	1,379,797
Total Cash Deposits & Investments	\$ 1,791,184	\$ 1,605,175

Investment Income

	2019	2018
Earnings on investments	\$ 25,422	\$ 20,856
Net increase (decrease) in the fair value of investments	17,519	(8,374)
Total Investment Income	\$ 42,941	\$ 12,482

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.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 4 – CAPITAL ASSETS

The following is a summary of capital assets as of December 31, 2019:

<u>Governmental Activities</u>	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	\$ 223,075	\$ -	\$ -	\$ 223,075
Depreciable Assets:				
Building	295,859	-	-	295,859
Equipment	1,438,143	664,848	(9,530)	2,093,461
Construction in progress	538,615	-	(538,615)	-
Total Assets at Historical Cost	2,495,692	664,848	(548,145)	2,612,395
Less: Accumulated Depreciation for:				
Building	(154,160)	(10,108)	-	(164,268)
Equipment	(1,065,460)	(123,437)	9,530	(1,179,367)
Total Accumulated Depreciation	(1,219,620)	(133,545)	9,530	(1,343,635)
Capital Assets - Net	\$ 1,276,072	\$ 531,303	\$ (538,615)	\$ 1,268,760

Depreciation expense was charged to governmental functions as follows:

Administration and general	\$ 133,545
Total Depreciation Expense	\$ 133,545

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, 2019, and 2018, the District did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

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, 2019 and 2018. See Note 10 for further discussion.

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.

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:

	2019	2018
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	13	12
	18	17
Covered Payroll	N/A	N/A

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2019, 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	7.00%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018. All tables using MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Changes in actuarial assumptions	Reducing the current nominal investment assumption from 7.50% to 7.00%; removing the blue collar adjustment from mortality tables being used and update the mortality projection scale from Scale BB to the ultimate rates of the MP-2017 projection scale; and increasing the withdrawal rates by 10%. 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.

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.

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 8 – FIREMEN’S PENSION (CONTINUED)

Investments (continued)

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:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	2.0%	2.52%
Fixed Income	15.0%	2.90%
Managed Futures	4.0%	5.35%
Absolute Return	9.0%	5.08%
Equity Long/Short	9.0%	6.45%
Global Equity	37.0%	8.03%
Private Markets	24.0%	10.00%
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.

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	28,984	-	28,984
Benefit changes	-	-	-
Changes of assumptions	18,258	-	18,258
Diffence between expected and actual experience	(32,720)	-	(32,720)
Benefit payments	(15,405)	(15,405)	-
Employer contributions	-	24,022	(24,022)
Member contributions	-	-	-
State supplemental discretionary payment	-	5,252	(5,252)
Net investment income	-	(179)	179
Adminstrative expenses	-	(5,362)	5,362
Net change in total pension liability	3,323	8,328	(5,005)
Total pension liability - beginning	391,951	1,119,640	(727,689)
Total pension liability - ending	\$ 395,274	\$ 1,127,968	\$ (732,694)

Plan fidiciary net position as a % of the total pension liability	285.36%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

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

December 31, 2019

NOTE 8 – FIREMEN’S PENSION (CONTINUED)**Discount Rate**

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments 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 7.00%; the municipal bond rate is 3.71%; and the resulting Single Discount Rate is 7.00%.

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 6.00%	Current Rate 7.00%	1% Increase 8.00%
Pension Plan's Net Pension Liability / (Asset)	\$ (683,503)	\$ (732,694)	\$ (773,342)

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	\$ 25,343	\$ -	\$ 25,343
Difference between expected and actual experiences	-	53,697	(53,697)
Assumption changes	19,214	-	19,214
Net difference between projected and actual earnings on pension plan investments	85,185	40,909	44,276
Total	\$ 129,742	\$ 94,606	\$ 35,136

The \$25,343 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, 2019.

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

Year Ending December 31.	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ (1,369)
2021	(4,359)
2022	(22)
2023	15,543
2024	-
Thereafter	-
Total	\$ 9,793

NUNN FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 9 – SHORT-TERM DEBT

The District had no short-term debt obligations and had no borrowing during the years ending December 31, 2019 and 2018.

	12/31/2018	Additions	Reductions	12/31/2019
Short-Term Debt	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

Other Debt and Line of Credit

The District has no other debt or unused lines of credit.

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 May 20, 2020, the date on which the financial statements were issued, and did identify events or transactions that would have a material impact on the financial statements.

On March 11, 2020, the District signed an Intergovernmental Agreement for Boundary Realignment (Agreement) with the Town of Pierce and Ault Fire Protection District (Parties). The Agreement specifies which Parties to the Agreement receive property tax revenue for 2021, 2022 and future years.

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic and then on March 13, 2020, President Trump declared a nationwide emergency pursuant to Sec. 501(b) of the Stafford Act. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. Specific to the District, the impact of COVID-19 could be a potential decline or reduction in specific ownership tax revenues in 2020. The financial impact is not reflected in the financial statements as of and for the year ended December 31, 2019 as these events occurred subsequent to year end. However, the full impact of COVID-19 is unknown and cannot be reasonable estimated as these events occurred subsequent to year end and are still developing.

REQUIRED SUPPLEMENTAL INFORMATION

NUNN FIRE PROTECTION DISTRICT

Schedule of Revenues & Expenditures

Budget to Actual - General Fund (unaudited)

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

<i>Non-GAAP Budgetary Basis</i>	2019			2018 Actual
	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:				
Operating Revenues:				
Property taxes	\$ 436,646	\$ 436,275	\$ (371)	\$ 414,201
Specific ownership taxes	31,000	29,336	(1,664)	31,497
Total Operating Revenues	467,646	465,611	(2,035)	445,698
Investment Income:				
Interest income	24,000	25,422	1,422	20,856
Net increase (decrease) in the fair value of investments	-	17,519	17,519	(8,374)
Sale of assets	-	750	750	-
Total Investment Income	24,000	43,691	19,691	12,482
Miscellaneous Revenues:				
Other revenues	6,200	3,272	(2,928)	7,622
Insurance proceeds	-	-	-	-
Total Miscellaneous Revenues	6,200	3,272	(2,928)	7,622
Total Revenues	497,846	512,574	14,728	465,802
EXPENDITURES:				
Fire Administration:				
Treasurer's fee	6,600	6,547	53	6,219
Dues and meetings	500	291	209	250
Telephone and communications	25,000	8,814	16,186	10,731
Repairs and maintenance - building	-	1,344	(1,344)	-
Insurance	20,000	9,910	10,090	17,189
Utilities	15,000	11,966	3,034	14,711
Office expense	800	729	71	578
Fire department fee	2,500	2,500	-	2,000
Professional services	9,000	31,656	(22,656)	7,975
Medical supplies	-	-	-	-
Election expense	-	40	(40)	134
Support expense	25,343	25,343	-	24,022
Total Fire Administration	104,743	99,140	5,603	83,809
Fire Fighting:				
Supplies	30,000	26,351	3,649	15,166
Education and training	5,000	3,666	1,334	4,520
Repairs, maintenance and fuel	15,000	7,727	7,273	7,854
Total Fire Fighting	50,000	37,744	12,256	27,540
Capital Outlay	300,000	126,233	173,767	15,510
Contingency Reserve	-	-	-	-
Total Expenditures	454,743	263,117	191,626	126,859
Excess (Deficiency) of Revenues over Expenditures	\$ 43,103	249,457	\$ 206,354	338,943
Fund Balance - beginning of Year		1,543,580		1,204,637
Fund Balance - End of Year		\$ 1,793,037		\$ 1,543,580

NUNN FIRE PROTECTION DISTRICT

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

Non-GAAP Budgetary Basis	2019			2018 Actual
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Operating revenues	\$ 467,646	\$ 465,611	\$ (2,035)	\$ 445,698
Investment income	24,000	43,691	19,691	12,482
Miscellaneous Revenues	6,200	3,272	(2,928)	7,622
Total Revenues	497,846	512,574	14,728	465,802
Expenditures:				
Fire administration	104,743	99,140	5,603	83,809
Fire fighting	50,000	37,744	12,256	27,540
Capital outlay	300,000	126,233	173,767	15,510
Contingency reserve	-	-	-	-
Total Expenditures	454,743	263,117	191,626	126,859
Excess (Deficiency) of Revenues over Expenditures	\$ 43,103	249,457	\$ 206,354	338,943
Reconciliation of Budgetary Basis to GAAP Basis:				
Capital asset purchases capitalized		126,233		15,510
Capital asset disposal		-		(1,204)
Depreciation expense		(133,545)		(96,122)
Net pension asset		75,133		89,107
Net Change in Net Position		\$ 317,278		\$ 346,234

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,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service Cost	4,206	4,206	4,037	4,037	5,191					
Interest on the Total Pension Liability	28,984	27,743	24,940	23,875	26,303					
Benefit Changes	-	-	58,629	-	-					
Difference between Expected and Actual Experience	(32,720)	-	(48,147)	-	(49,308)					
Assumption Changes	18,258	-	12,735	-	-					
Benefit Payments	(15,405)	(15,405)	(14,418)	(13,035)	(14,898)					
Net Change in Total Pension Liability	3,323	16,544	37,776	14,877	(32,712)	-	-	-	-	-
Total Pension Liability - Beginning	391,951	375,407	337,631	322,754	355,466					
Total Pension Liability - Ending (a)	395,274	391,951	375,407	337,631	322,754	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	24,022	22,770	20,890	19,745	18,698					
Pension Plan Net Investment Income	(179)	140,855	48,321	15,297	53,390					
Benefit Payments	(15,405)	(15,405)	(14,418)	(13,035)	(14,898)					
Pension Plan Administrative Expense	(5,362)	(6,927)	(3,262)	(5,235)	(3,266)					
State Supplemental Discretionary Payment	5,252	18,801	17,771	16,828	15,876					
Net Change in Plan Fiduciary Net Position	8,328	160,094	69,302	33,600	69,800	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	1,119,640	959,546	890,244	856,644	786,844					
Plan Fiduciary Net Position - Ending (b)	1,127,968	1,119,640	959,546	890,244	856,644	-	-	-	-	-
Net Pension Liability/(Asset) -Ending (a)-(b)	(732,694)	(727,689)	(584,139)	(552,613)	(533,890)					
Plan Fiduciary Net Position as a										
Percentage of Total Pension Liability	285.36%	285.66%	255.60%	263.67%	265.42%					
Covered Payroll (1)	N/A	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	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, (a.)	Actuarially Determined Contribution (b.)	Actual Contribution (1) * (c.)	Contribution Deficiency (Excess) (d.) = (b.) - (c.)	Covered Payroll (2) ** (e.)	Actual Contribution as a % of Covered Payroll (f.)
2018	\$ -	\$ 29,274	\$ (29,274)	N/A	N/A
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					

* 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, 2017 determines contributions amounts for 2018 and 2019. Actuarial valuation as of January 1, 2019 determines contributions amounts for 2020 and 2021.

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	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018. All tables using MP-2017 projected scales, and then projected prospectively using the ultimate rates of scale for all years.

* 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.