FRANKTOWN FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Franktown Fire Protection District
Franktown, Colorado 80116

I have audited the accompanying financial statements of the governmental activities and each major fund of the Franktown Fire Protection District, Franktown, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Member of American Institute of Certified Public Accountants
Member of Colorado Society of Certified Public Accountants

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 25 and the pension schedules on page 26-29 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Franktown Fire Protection District has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franktown Fire Protection District's basic financial statements. The Other Supplemental Information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Bruce L. Fosdick, CPA, PC

Bruce L. Fosdick, CPA, PC
Castle Rock, Colorado
July 18, 2018

BASIC FINANCIAL STATEMENTS

FRANKTOWN FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS		
Cash Deposits	$	308,194
Investments		4,654,072
Receivables:		
Property Tax		2,478,874
EMS, Net		67,638
Other		16,626
Prepaid Expenses		26,691
Capital Assets, Not Being Depreciated		18,279
Capital Assets, Being Depreciated (Net of Accumulated Depreciation)		3,074,721
Net Pension Asset		2,213,548
Total Assets		12,858,643
DEFERRED OUTFLOWS OF RESOURCES		
Related to Pension		628,935
Total Deferred Outflows of Resources		628,935
LIABILITIES		
Accounts Payable		24,183
Accrued Wages		32,774
Compensated Absences		3,501
Net Pension Liability		76,383
Total Liabilities		136,841
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax		2,478,874
Related to Pension		25,719
Total Deferred Inflows of Resources		2,504,593
NET POSITION		
Investments in Capital Assets		3,093,000
Restricted for Emergencies		88,304
Restricted for Pension - Volunteer Plan		2,396,449
Restricted for Pension - Defined Benefit Plan		343,932
Unrestricted		4,924,459
Total Net Position	$	10,846,144

See accompanying Notes to Financial Statements.

FRANKTOWN FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
General Administrative	$ 304,935	$ 28,130	$ -	$ (276,805)
Fire and Emergency Medical Services	2,122,190	255,016	-	(1,867,174)
Total	$ 2,427,125	$ 283,146	$ -	(2,143,979)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purpose				2,350,836
Specific Ownership Taxes				257,762
Investment Earnings				56,262
Miscellaneous				55,826
Total General Revenues				2,720,686
Change in Net Position				576,707
Net Position - Beginning				10,269,437
Net Position - Ending				$ 10,846,144

See accompanying Notes to Financial Statements.

FRANKTOWN FIRE PROTECTION DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2017

		General
ASSETS		
ASSETS		
Cash Deposits	$	308,194
Investments		4,654,072
EMS Accounts Receivable, Net		67,638
Other Accounts Receivable		16,626
Prepaid Items		26,691
Property Tax Receivable		2,478,874
Total Assets	$	7,552,095
LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$	24,183
Accrued Wages and Payroll Liabilities		32,774
Total Liabilities		56,957
DEFERRED INFLOWS OF RESOURCES		
Deferred Property Tax		2,478,874
Deferred EMS Billing Revenue		37,029
Total Deferred Inflows of Resources		2,515,903
FUND BALANCES		
Nonspendable		26,691
Restricted		88,304
Assigned		2,404
Unassigned		4,861,836
Total Fund Balances		4,979,235
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$	7,552,095

See accompanying Notes to Financial Statements.

FRANKTOWN FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Amounts reported for governmental activities in the statement of net position are different because:	
Total Fund Balances of the Governmental Funds	$ 4,979,235
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital Assets, net	3,093,000
Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds:	
Emergency Medical Service Fees	37,029
Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Net Pension Asset	2,213,548
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Contributions Subsequent to the Measurement Date	133,157
Change in Investment Earnings	207,990
Change in Assumptions	217,258
Change in Experience	68,201
Change in Proportionate Share	2,329
Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Change in Experience	(23,882)
Change in Proportionate Share	(1,837)
Some liabilities, including leases payable, accrued interest payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the fund balance sheet.	
Net Pension Liability	(76,383)
Compensated Absences	(3,501)
Net Position of Governmental Activities	$ 10,846,144

See accompanying Notes to Financial Statements.

FRANKTOWN FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2017

	General Fund
REVENUES	
Property Taxes	$ 2,350,836
Specific Ownership Taxes	257,762
Charges for Services	217,987
Rental Income	28,130
Investment Income	56,262
Other	32,480
Total Revenues	2,943,457
EXPENDITURES	
General Expenditures	
General & Administrative	206,621
Fire & Emergency Medical Services	2,139,510
Capital Outlay	365,534
Total Expenditures	2,711,665
EXCESS REVENUE OVER EXPENDITURES	231,792
OTHER FINANCING SOURCES	
Sale of Capital Asset	3,000
Insurance Proceeds	20,346
Total Other Financing Sources	23,346
NET CHANGE IN FUND BALANCE	255,138
Fund Balance - Beginning	4,724,097
FUND BALANCE - ENDING	$ 4,979,235

See accompanying Notes to Financial Statements.

FRANKTOWN FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

A reconciliation reflecting the differences between the governmental funds deficiencies in revenues over expenditures and changes in net position reported for governmental activities in the statement of activities is as follows:		
Net Change in Fund Balances - Total Governmental Funds	$	255,138
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay		365,534
Depreciation		(229,524)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Emergency Medical Services		37,029
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Pension Expense		134,191
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		14,339
Change in Net Position	$	576,707

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of Reporting Entity

Franktown Fire Protection District (the District) is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection services and emergency medical services to Southeastern Douglas County, Colorado.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization. The District is not a component unit of any other primary governmental.

Significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and emergency medical service revenue.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, including emergency medical services, are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures for property and equipment are shown as increases in assets and payment of compensated absences are recorded as a reduction in liabilities. Employer and plan member contributions are recognized in the period that contributions are due.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property tax and emergency medical service fees. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or when the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government.

Budgets

In accordance with the State Budget Law, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's board of directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Cash and Investments

Investments are carried at net asset value and amortized cost.

Property Taxes

Property taxes are levied by the District board of directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected.

Other Receivables

All service fees related receivables are shown net of an allowance for doubtful accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical collection trends.

Capital Assets

Capital assets, which include land, buildings and improvements, vehicles, fire trucks, equipment and office furniture, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000. Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at their acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Buildings	10 -40 Years
Vehicles & Fire Trucks	5 – 10 Years
Equipment	5 – 10 Years
Office Furniture	7 Years
Improvements	5 Years

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report separate sections for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred outflow of resources related to GASB Statement No. 68 has been recorded as of December 31, 2017, which consists of five components: 1) contributions subsequent to measurement date; 2) change in experience; 3) change in assumptions; 4) change in investment earnings; and 5) change in proportionate share. (See Notes 6 and 7 for additional information.)

Compensated Absences

The District has a policy that allows employees to accumulate unused vacation, sick pay and compensatory time benefits up to certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report separate sections for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has four items that qualify for reporting as deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected. EMS revenue is considered a deferred inflow of resources for amounts not collected within the period of availability or 60 days as determined by the District. A deferred inflow related to GASB Statement No. 68 has been recorded as of December 31, 2017, which consists of two components: 1) change in experience; and 2) change in proportionate share. (See Notes 6 and 7 for additional information.)

Fund Balance

The District reports fund balances in the governmental funds in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. As of December 31, 2017, fund balances of governmental funds are classified as follows:

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

Restricted – amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Emergency reserves have been provided for as required under Article X, Section 20 of the Constitution of the state of Colorado (see Note 9).

Committed – amounts that are subject to a purpose constraint imposed by a formal action of the board of directors. The board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the board. The District had no commited fund balance as of December 31, 2017.

Assigned – amounts that are subject to a purpose constraint that represents an intended use established by the District in its budget process. The purpose of the assignment must be narrower than the purpose of the General Fund. The District shows assigned fund balance due to a budgeted deficit for fiscal year 2018 within the General Fund.

Unassigned – represents the residual classification for the District's General Fund and could report a surplus or deficit.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered expended. For expenditures in which any unrestricted fund balance classification could be used, committed fund balance is considered first expended, then assigned, then unassigned.

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of December 31, 2017 consist of the following:

Deposits with Financial Institutions	$	308,194
Investments		4,654,072
Total Cash and Investments	$	4,962,266

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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

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

At December 31, 2017, the District’s cash deposits had a carrying balance of $308,194.

Investments

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools
- Certain reverse repurchase agreements
- Certain certificates of participation
- Certain securities lending transactions

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of local government securities, corporate and bank securities and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years of less.

As of December 31, 2017, the District had the following investments:

Investment	Maturity	Fair Value
Colorado Local Government Liquid Asset Trust - PLUS	Less than One Year	$ 4,602,952
Colorado Surplus Asset Fund Trust	Less than One Year	51,120
Total		$ 4,654,072

Fair Value

As of December 31, 2017, the District had invested $4,602,952 in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2017, the District had invested $51,120 in the Colorado Surplus Asset Fund Trust, an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdraws. The custodians internal records segregates investments owned by CSAFE. The Trust is rated AAAm by Standard & Poor's and is valued at amortized cost. Based on the valuation method, additional disclosures are not required under GASB Statement No. 72.

NOTE 3 PROPERTY AND EQUIPMENT

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

	Balance at January 1, 2017	Additions	Deletions	Balance December 31, 2017
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 18,279	$ -	$ -	$ 18,279
Total Capital Assets, Not Being Depreciated	18,279	-	-	18,279
Capital Assets, Being Depreciated				
Buildings	3,637,772	6,631	-	3,644,403
Improvements	48,796	-	-	48,796
Vehicles & Fire Trucks	2,077,378	358,903	25,000	2,411,281
Furniture	46,170	-	-	46,170
Equipment	726,831	-	-	726,831
Total Capital Assets, Being Depreciated	6,536,947	365,534	25,000	6,877,481
Less Accumulated Depreciation for				
Buildings	1,401,926	97,431	-	1,499,357
Improvements	47,760	519	-	48,279
Vehicles & Fire Trucks	1,610,105	75,124	25,000	1,660,229
Furniture	44,776	364	-	45,140
Equipment	493,669	56,086	-	549,755
Total Accumulated Depreciation	3,598,236	229,524	25,000	3,802,760
Total Capital Assets, Being Depreciated, Net	2,938,711	136,010	-	3,074,721
Government Capital Assets, Net	$ 2,956,990	$ 136,010	$ -	$ 3,093,000

NOTE 3 PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense for the year ended December 31, 2017 was $229,524, of which $98,314 was allocated to general and administrative expenses and $131,210 allocated to fire and emergency medical services

NOTE 4 COMPENSATED ABSENCES

Paid personnel are entitled to take vacation annually. At December 31, 2017, there was $3,501 in unpaid vacation benefits. Compensated absences activity for the year ended December 31, 2017, was as follows:

	Balance at January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Compensated Absences	$ 17,840	55,721	70,060	$ 3,501	3,501

NOTE 5 NET POSITION

The District has net position consisting of three components – investments in capital assets, restricted, and unrestricted.

Investments in capital assets consists of capital assets, net of accumulated depreciation. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. If there were any outstanding borrowings that were attributable to the acquisition, construction or improvement of those assets, this amount would be reduced by such borrowings. Total amount of investments in capital assets as of December 31, 2017 was $3,093,000.

Restricted net position includes resources that are restricted for use by external sources, such as creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As noted in Note 9, the District was required to establish emergency reserves in the amount of $88,304 as of December 31, 2017. In addition, the District had $2,396,449 and $343,932 restricted for pension activity on the statement of net position for the Volunteer pension plan and the Defined Benefit Plan, respectively. This balance represents the difference between the net pension asset and deferred outflows of resources, less the net pension liability and deferred inflows of resources associated with the FPPA volunteer pension plan and the FPPA Statewide Defined Benefit Plan.

NOTE 6 VOLUNTEERS' PENSION FUND

Plan Descriptions and Provisions

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statues (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area or 1-800-332-FPPA (3772) from outside the metro area.

Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service, are entitled to a benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

Volunteers Covered by Benefit Terms

At December 31, 2017, the following Volunteers were covered by the benefit terms:

Retirees or Beneficiaries Currently Receiving Benefits	22
Inactive Volunteers Entitled to but not Yet Receiving Benefits	1
Active Volunteers	10
Total	33

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2017. Contributions into the pension fund are derived from two sources: contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2017, the District's contributions were $36,000.

NOTE 6 VOLUNTEERS' PENSION FUND (CONTINUED)

Net Pension Asset

The total pension liability is based on an actuarial valuation performed as of January 1, 2017 and a measurement date of December 31, 2016. This measurement date is within two years of the plan sponsor's fiscal year-end of December 31, 2017 and may be used for December 31, 2017 reporting purposes.

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method Period	5-Year smoothed fair value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.

Mortality rates were based on the following:

- Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality.
- Post-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment
- Disabled: RP-2000 Disabled Mortality Table

All tables were projected and based on Scale AA.

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

Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations. The primary changes are as follows:

Inflation	2.50%

Mortality rates were based on the following:

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

NOTE 6 VOLUNTEERS' PENSION FUND (CONTINUED)

- Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.5%.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). Being that the plan's fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 7.5% was used as the discount rate.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2015	$ 859,477	$ 2,937,187	$ (2,077,710)
Changes for the Year			
Service Cost	7,043	-	7,043
Interest	62,336	-	62,336
Difference Between Expected and Actual Experience	(45,178)	-	(45,178)
Benefit Terms	-	-	-
Changes in Assumptions	25,042	-	25,042
Contributions – Employer	-	-	-
Contributions – Employee	-	-	-
Net Investment Income	-	157,618	(157,618)
Benefit Payments, Including Refunds of			-
Employee Contributions	(64,750)	(64,750)	-
Administrative Expenses	-	(4,937)	4,937
State of Colorado Supplemental			-
Discretionary Payment	-	32,400	(32,400)
Net Changes	(15,507)	120,331	(135,838)
Balance at December 31, 2016	$ 843,970	$ 3,057,518	$ (2,213,548)

Sensitivity of the net pension liability to the changes in the discount rate. The following table presents the net pension liability of the District, calculated using the discount rate of 7.5%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) then the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's Net Pension Liability (Asset)	$ (2,124,016)	$ (2,213,548)	$ (2,288,671)

NOTE 6 VOLUNTEERS' PENSION FUND (CONTINUED)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the District recognized pension expense of ($156,064) for the Volunteer Pension Plan. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 19,997
Changes of Assumptions	11,084	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	155,814	-
District Contributions Subsequent to the Measurement Date	36,000	-
Total	$ 202,898	$ 19,997

$36,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (increase to asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Amounts
2018	$ 40,255
2019	49,168
2020	45,218
2021	12,260
2022	-
Thereafter	-
Total	$ 146,901

NOTE 7 STATE FIRE AND POLICE PENSION PLAN

Plan Descriptions and Provisions

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 (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid firefighters of the District are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign 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. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

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

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

Contributions

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

Members of this SWDB plan and their employers are contributing at the rate of 9 percent and 8 percent, respectively, of base salary for a total contribution rate of 17 percent in 2016.

NOTE 7 STATE FIRE AND POLICE PENSION PLANS (CONTINUED)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022. Contributions to the pension plan from the District were $97,157 for the year ended December 31, 2017.

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the District reported a net pension liability of $76,383 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2016, the District's proportion was 0.2113%, which was an increase of 0.0007% from its proportion measured as of December 31, 2015.

For the year ended December 31, 2017, the District recognized pension expense of $21,873. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 68,201	$ 3,885
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	52,176	-
Changes of Assumptions or Other Inputs	206,174	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	2,329	1,837
District Contributions Subsequent to the Measurement Date	97,157	-
Total	$ 426,037	$ 5,722

$97,157 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Amounts
2018	$ 78,760
2019	78,760
2020	74,057
2021	30,169
2022	13,894
Thereafter	47,518
Total	$ 323,158

NOTE 7 STATE FIRE AND POLICE PENSION PLANS (CONTINUED)

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.0 - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35
Illiquid Alternatives	23.0%	10.75
Fixed Income	15.0%	4.10
Absolute Return	10.0%	6.55
Managed Futures	4.0%	5.50
Cash	2.0% *	0.00%
Totals	100.0%	

*While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized.

NOTE 7 STATE FIRE AND POLICE PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.5%)	1% Increase (8.50%)
District's Proportionate Share of the Net Pension Liability (asset)	$ 649,895	$ 76,383	$ (399,947)

Pension Plan Fiduciary Net Position

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

Deferred Compensation Plan

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is administered by ICMA (International City Managers Association). Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years. For the years ended December 31, 2017 and December 31, 2016, the District contributed $28,774 and $29,125, respectively.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for all risks of loss. The District did not have any claim settlements in excess of coverage for each of the past three years.

NOTE 9 COMMITMENTS AND CONTINGENCIES

Tax, Spending, and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

One election issue was put to the voters in November of 1997, under the TABOR amendment and passed;

> Shall Franktown Fire Protection District taxes be increased $116,000 annually in 1998 and by whatever additional amounts are raised thereafter from an increase in the District's property tax levy of 2 mills; and commencing January 1, 1997, and continuing thereafter, shall the District be authorized to collect, retain and spend for fire protection, ambulance and emergency medical services such tax revenue and all other revenues and other funds received from any source, as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under Artticle X, Section 20 of the Colorado Constitution, Section 29-1-301, C.R.S., or any other law?

Another election issue was put to the voters in May 2004 under the TABOR amendment and passed;

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Shall Franktown Fire Protection District taxes be increased $424,025 annually in the first full fiscal year, or by such amount as may be raised by the imposition of an additional ad valorem property tax rate of 3.882 mills, commencing January 1, 2005, and continuing thereafter to provide fire, rescue, emergency medical and ambulance services, resulting in a total District mill levy rate, exclusive of refunds, abatements, or debt service, not to exceed 13.000 mills; and shall the District be authorized to collect, retain and spend all tax revenue collected from such total property tax rate, and all other revenue received from any source, commencing January 1, 2015, and continuing thereafter, as a voter – approved revenue change, offset and exception to the limits which would otherwise apply under TABOR (Article X, Section 20 of the Colorado Constitution) or any other law andas a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.

REQUIRED SUPPLEMENTARY INFORMATION

FRANKTOWN FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 2,354,264	$ 2,350,836	$ (3,428)
Specific Ownership Taxes	165,000	257,762	92,762
Charges for Services	250,000	217,987	(32,013)
State Matching VPF	31,860	-	(31,860)
Rental Income	23,000	28,130	5,130
Investment Income	10,000	56,262	46,262
Other	10,000	55,826	45,826
Total Revenues	2,844,124	2,966,803	122,679
EXPENDITURES			
General & Administrative	272,500	206,621	65,879
Fire & Emergency Medical Services	2,367,960	2,139,510	228,450
Capital Outlay	662,000	365,534	296,466
Total Expenditures	3,302,460	2,711,665	590,795
EXCESS REVENUE OVER (UNDER) EXPENDITURES	(458,336)	255,138	713,474
NET CHANGE IN FUND BALANCE	(458,336)	255,138	713,474
Fund Balance - Beginning	4,613,022	4,724,097	111,075
FUND BALANCE - ENDING	$ 4,154,686	$ 4,979,235	$ 824,549

FRANKTOWN FIRE PROTECTION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FIRE AND POLICE PENSION ASSOCIATION STATEWIDE DEFINED BENEFIT PLAN
LAST FOUR FISCAL YEARS

	2016	2015	2014	2013*
District's Proportion of the Net Pension Liability (Asset)	0.211%	0.211%	0.213%	0.211%
District's Proportionate Share of the Net Pension Liability (Asset)	35,816	(3,712)	(190,501)	(189,215)
District's Covered Payroll	1,075,900	1,016,678	961,511	921,567
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	3.33%	(0.37)%	(19.81)%	(20.53)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.21%	100.10%	106.80%	105.80%

*The amounts presented for year fiscal year were determined as of December 31. Information prior to 2013 is not available.

FRANKTOWN FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION STATEWIDE DEFINED BENEFIT PLAN
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually Required Contribution	$ 97,157	$ 86,072	$ 81,334	$ 76,921	$ 73,725	$ 70,781	$ 71,720	$ 78,265	$ 78,633	$ 78,728
Contributions in Relation to the Contractually Required Contribution	97,157	86,072	81,334	76,921	73,725	70,781	71,720	78,265	78,633	78,728
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 1,214,463	$ 1,075,900	$ 1,016,678	$ 961,511	$ 921,567	$ 884,761	$ 896,506	$ 978,318	$ 982,912	$ 984,098
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

*The amounts for each fiscal year were determined as of December 31.

FRANKTOWN FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FIRE AND POLICE PENSION ASSOCIATION VOLUNTEER PENSION FUND
LAST THREE FISCAL YEARS

	2016	2015	2014*
Total Pension Liability			
Service Cost	$ 7,043	$ 7,043	$ 3,445
Interest	62,336	62,274	34,691
Changes in Benefit Terms	-	-	372,168
Differences Between Expected and Actual Experience	(45,178)	-	20,538
Changes of Assumptions	25,042	-	-
Benefit Payments, Including Refunds of Employee Contributions	(64,750)	(67,205)	(67,440)
Net Change in Total Pension Liability	(15,507)	2,112	363,402
Total Pension Liability - Beginning of Year	859,477	857,365	493,963
Total Pension Liability - End of Year	843,970	859,477	857,365
Plan Fiduciary Net Position			
Contributions - Employer	-	36,000	36,000
Net Investment Income	157,618	51,755	183,361
Benefit Payments, Including Refunds of Employee Contributions	(64,750)	(67,025)	(67,440)
Administrative Expenses	(4,937)	(5,379)	(4,602)
State of Colorado Supplemental Discretionary Payment	32,400	32,400	32,400
Net Change in Plan Fiduciary Net Position	120,331	47,751	179,719
Plan Fiduciary Net Position - Beginning of Year	2,937,187	2,889,436	2,709,717
Plan Fiduciary Net Position - End of Year	3,057,518	2,937,187	2,889,436
Net Pension Liability (asset) - End of Year	$ (2,213,548)	$ (2,077,710)	$ (2,032,071)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	362.28%	341.74%	337.01%
Covered Payroll	N/A	N/A	N/A
County's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

*Information prior to 2014 is unavailable.

FRANKTOWN FIRE PROTECTION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION VOLUNTEER PENSION FUND
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution	$ 36,000	$ -	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 46,000	$ 40,000	$ 44,000
Contributions in Relation to the Actuarially Determined Contribution	36,000	-	36,000	36,000	36,000	36,000	36,000	46,000	40,000	44,000
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015 determines the contribution amounts for 2016 and 2017.

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 Fair Value
Inflation	3.0%
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-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment. Disabled: RP-2000 Disabled Mortality Table. All tables projected with Scale AA.

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

Assumption Changes

Following a regularly scheduled experience study in 2015, the Board adopted a new assumption set for first use in the January 1, 2016 valuations. Due to the biennial valuation process, the new assumptions will first apply to the January 1, 2017 Volunteer valuations.

The primary changes, which can be observed in the January 1, 2017 valuation, as compared to the assumptions shown are as follows:

Inflation	2.50%
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

STATISTICAL INFORMATION

FRANKTOWN FIRE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED (UNAUDITED)
DECEMBER 31, 2017

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy (1)	Mills Levied	Total Property Taxes Levied	Total Property Taxes Collected Currently	Percent Collected to Levied
2013	$ 161,772,350	13.170	$ 2,130,542	$ 2,102,929	98.70%
2014	156,583,460	13.020	2,038,717	2,041,040	100.11%
2015	174,942,340	13.020	2,277,749	2,053,147	90.14%
2016	174,942,340	13.020	2,277,749	2,278,207	100.02%
2017	180,811,500	13.020	2,354,166	2,350,836	99.86%
Estimated for the Year Ending December 31, 2018	$ 190,301,980	13.026	$ 2,478,874		

NOTE:
Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements of valuations in prior years. Information received from the County Treasurer does not permit identification of specific year of assessment.

(1) On October 14, 1999, the Division of Local Government reviewed the District's November 1997 election question and found the language of the ballot question sufficient to waive the 5.5% property tax revenue limitation.