

BRIGGSDALE FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

Year Ended December 31, 2016



TABLE OF CONTENTS

Independent Auditors' Report.....	1
GENERAL FUND BALANCE SHEET/STATEMENT OF NET POSITION.....	3
STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES	4
BUDGETARY COMPARISON STATEMENT.....	5
STATEMENT OF FIDUCIARY NET POSITION.....	6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION.....	7
NOTES TO FINANCIAL STATEMENTS.....	8



Independent Auditors' Report

Board of Directors
Briggsdale Fire Protection District
Briggsdale, Colorado

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Briggsdale Fire Protection District as of December 31, 2016, and for the year then ended, as listed in the table of contents and the related notes to the financial statements.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Basis for Qualified Opinion

The District has not adopted the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, including disclosures and required supplementary information. An actuarial valuation has not been obtained. The effects on the financial statements of the failure to adopt these standards has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Briggsdale Fire Protection District as of December 31, 2016, and the changes in its financial position and the budgetary comparison for the year then ended in conformity with accounting principles generally accepted in the United States.

Other Matter

The District has not calculated or presented the management discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of 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. Our opinion on the basic financial statements is not affected by this missing information.

Anderson & Whitney, P.C.

July 14, 2017

BRIGGS DALE FIRE PROTECTION DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2016	General Fund	Adjustments	Statement of Net Position
<u>ASSETS</u>			
Cash	\$ 1,519,883	\$ -	\$ 1,519,883
Property Taxes Receivable	831,402	-	831,402
Capital Assets:			
Land and improvements	-	20,357	20,357
Buildings and improvements	-	125,353	125,353
Equipment and vehicles	-	836,955	836,955
Construction in Progress	-	759,433	759,433
Accumulated depreciation	-	(253,773)	(253,773)
TOTAL ASSETS	\$ 2,351,285	1,488,326	3,839,611
<u>LIABILITIES</u>			
Accounts Payable	\$ 195,065	\$ -	\$ 195,065
TOTAL LIABILITIES	195,065	-	195,065
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Property Taxes	831,402	-	831,402
Total Deferred Inflows	831,402	-	831,402
TOTAL LIABILITIES & DEFERRED INFLOWS	1,026,467	-	1,026,467
<u>FUND BALANCE/NET POSITION</u>			
Fund Balances:			
Reserved for TABOR emergencies	35,592	(35,592)	-
Unassigned	1,289,226	(1,289,226)	-
Total Fund Balance	1,324,818	(1,324,818)	-
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 2,351,285		
Net Position:			
Net Investment in capital assets		1,488,326	1,488,326
Restricted for emergencies		35,592	35,592
Unrestricted		1,289,226	1,289,226
		\$ 2,813,144	\$ 2,813,144

See Accompanying Notes to Financial Statements.

BRIGGSDALE FIRE PROTECTION DISTRICT

STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

Year Ended December 31, 2016	General Fund	Adjustments	Statement of Activities
Revenue:			
General property taxes	\$ 1,120,175	\$ -	\$ 1,120,175
Specific ownership taxes	64,660	-	64,660
Donations	853	-	853
Interest earnings	720	-	720
Total Revenue	1,186,408	-	1,186,408
Expenditures:			
Current Operating:			
Administration	29,781	-	29,781
Fire fighting and emergency response	187,973	-	187,973
Capital outlay	922,595	(922,595)	-
Depreciation	-	58,384	58,384
Total Expenditures	1,140,350	(864,211)	276,138
Revenue Over Expenditures	46,058	864,211	910,270
Fund Balance/Net Position, Beginning of Year	1,278,760	624,114	1,902,874
Fund Balance/Net Position, End of Year	\$ 1,324,818	\$ 1,488,325	\$ 2,813,144

See Accompanying Notes to Financial Statements.

BRIGGSDALE FIRE PROTECTION DISTRICT**BUDGETARY COMPARISON STATEMENT**

Year Ended December 31, 2016	Actual	Final Budget	Variance From Budget
Revenue:			
General property taxes	\$ 1,120,175	\$ 1,120,218	\$ (43)
Specific ownership taxes	64,660	53,000	11,660
Donations	853	-	853
Interest earnings	720	-	720
Total Revenue	1,186,408	1,173,218	13,190
Expenditures:			
Administration:			
Postage & office supplies	2,766	1,200	(1,566)
Dues & memberships	75	175	100
Trash & sanitation	648	1,500	852
Electricity	2,076	4,000	1,924
Water	580	500	(80)
Propane	3,019	10,000	6,981
Telephone & Communications	6,308	7,000	692
Legal	2,888	2,500	(388)
Elections	2,190	100	(2,090)
Bookkeeping	2,550	12,000	9,450
Professional services	6,090	-	(6,090)
Travel & miscellaneous	592	3,500	2,908
Total Administration	29,781	42,475	12,694
Fire Fighting:			
Vehicle expense	33,028	22,000	(11,028)
Operating supplies and equipment	17,781	50,000	32,219
Public awareness	491	-	(491)
Fire prevention	-	600	600
Training	5,903	10,000	4,097
Repairs and maintenance	7,359	4,000	(3,359)
Firefighter stipend	17,745	23,000	5,255
Shop supplies	1,080	-	(1,080)
Insurance	28,680	20,000	(8,680)
Banking services	4	250	246
County treasurer fees	16,803	11,000	(5,803)
Pension fund contributions	44,809	45,000	191
Payroll expenses	14,247	14,500	253
Interest	43	100	57
Total Fire Fighting	187,973	200,450	12,477
Capital Outlay:			
Buildings & land	728,153	758,605	30,452
Vehicles, equipment, furniture & fixtures	194,442	174,547	(19,895)
Communications	-	20,000	20,000
Total Capital Outlay	922,595	953,152	30,557
Total Expenditures	1,140,350	1,196,077	55,727
Revenue Over Expenditures	46,058	(22,859)	68,917
Fund Balance, January 1, 2016	1,278,760	1,278,760	-
Fund Balance, December 31, 2016	\$ 1,324,818	\$ 1,255,901	\$ 68,917

See Accompanying Notes to Financial Statements.

BRIGGSDALE FIRE PROTECTION DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2016	Volunteer Pension Trust Fund
<u>ASSETS</u>	
Bank Money Market	\$ 102,243
Total Assets	102,243
<u>LIABILITIES</u>	
Distributions Payable	-
Total Liabilities	-
NET POSITION HELD FOR PENSION BENEFITS	\$ 102,243

See Accompanying Notes to Financial Statements.

BRIGGSDALE FIRE PROTECTION DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2016	Volunteer Pension Trust Fund
Additions:	
Contributions:	
District	\$ 44,809
Total Contributions	44,809
Investment income:	
Interest	18
Total Investment Income	18
Total Additions	44,827
Deductions:	
Benefits	25,200
Total Deductions	25,200
Net Increase	19,627
Net Assets Held for Pension Benefits, Beginning of Year	82,616
Net Assets Held for Pension Benefits, End of Year	\$ 102,243

See Accompanying Notes to Financial Statements.

BRIGGSDALE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the Briggsdale Fire Protection District (the District) conform to generally accepted accounting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity:

The financial report of the District includes all of the integral parts of the District's operations. The District has determined that it has no financial accountability for any other agency which would require it to be in the reporting entity.

Government-wide and Fund Financial Statements:

The District reports as a special purpose government engaged in a single governmental program. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

Separate financial statements are provided for the governmental fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 a 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

BRIGGSDALE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued:

Property taxes and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 District.

The District also reports the following fund type:

The *Volunteer Pension Trust Fund* accounts for the activities of the Briggsdale Fire Protection District Volunteer Pension Plan (the Plan), which accumulates resources for pension benefit payments to qualified volunteers. The Plan uses the accrual basis of accounting. Matching and District contributions are recognized as revenues in the period in which the contributions are due. Benefits are recognized when due and payable in accordance with terms of the Plan.

Capital Assets:

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Acquisitions of capital assets are recorded as capital outlay expenditures within the governmental funds. Depreciation has been provided on capital assets, using straight line methods over the useful lives of the assets (buildings 50 years, trucks 20 years, and equipment 10 years). The District's capitalization level is \$5,000.

Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the same year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The District uses the Weld County Treasurer to bill and collect its property taxes. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible. Taxes levied in December 2016 are recorded as taxes receivable and unearned revenue as of December 31, 2016.

The original January 1, 2016 levy for the General Fund of the District was 4.002 mills or approximately \$1,120,218.

BRIGGSDALE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Budget:

An annual budget and appropriation resolution is adopted by the Board of Directors in accordance with the Local Government Budget Law. The budget is prepared on a basis consistent with generally accepted accounting principles for all funds. The fund level of classification is the level at which expenditures may not legally exceed appropriations. All annual appropriations lapse at year end.

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution. The budget was not amended in 2016.

Fund Equity:

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by law or outside parties for use for specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at December 31, 2016 are \$35,593.

Assigned fund balances, if any, are amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official to which the Board delegates authority. Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

Net Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition and construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

BRIGGSDALE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments:

The District's bank accounts at year-end were entirely covered by federal depository insurance or by collateral held by the District's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages and deeds of trust.

State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school district, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

NOTE 3 - Capital Assets:

	Balance, 1/1/16	Additions	Deletions	Balance, 12/31/16
Land and Improvements	\$ 20,357	\$ --	\$ --	\$ 20,357
Construction in Progress	31,280	728,153	--	759,433
Buildings and Improvements	125,353	--	--	125,353
Equipment and Vehicles	642,513	194,442	--	836,955
Total Capital Assets	819,503	922,595	--	1,742,098
Less Accumulated Depreciation:				
Building and Improvements	58,328	2,507	--	60,835
Equipment and Vehicles	137,060	55,877	--	192,937
Total Accumulated Depreciation	195,388	58,384	--	253,772
Capital Assets, net	\$ 624,115	\$ 864,211	\$ --	\$1,488,326

BRIGGSDALE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Volunteer Pension Plan:

The District's defined benefit pension plan for volunteers provides retirement and disability benefits and death benefits to plan members and beneficiaries.

Contribution requirements of the District are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2016 included \$44,809 by the District.

During 2013, a one-time pension payment was adopted at \$100 per month of service with at least 20 years of service, although the District has not had an actuarial valuation. For the year ended December 31, 2016 there was one beneficiary who received \$25,200 in gross distributions.

NOTE 5 – Contingencies:

In 1992 the Colorado voters approved the "Taxpayer's Bill of Rights" (TABOR). TABOR requires voter approval for any new tax, tax rate increase, mill levy increase, or new debt. Included in the accompanying financial statements are emergency reserves of at least 3% of fiscal year spending.

In 2008, the electors of the District voted to supersede TABOR and to collect, retain, and expend the full proceeds of all taxes, fees, and other revenue without increasing or adding taxes of any kind.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The District purchases commercial insurance for risks of loss in excess of deductible amounts. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 6 – Reconciliation Between General Fund Balance Sheet and the Statement of Net Position:

Amounts reported in the statement of net position are different because:

<u>December 31, 2016</u>	
Fund balance of General Fund	\$ 1,324,818
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	1,488,326
<u>Total Net Position</u>	<u>\$ 2,813,144</u>

BRIGGSDALE FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the General Fund to the Statement of Activities:

<u>Year Ended December 31</u>	<u>2016</u>
Net change in fund balance – General Fund	\$ 46,059
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The General Fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year	864,211
<u>Change in Net Position of Governmental Activities</u>	<u>\$ 910,270</u>
