

**BROADMOOR FIRE PROTECTION  
DISTRICT**

FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION  
With Independent Auditors' Report

Year Ended December 31, 2016



**RECEIVED**

*By the Office of the State Auditor at 9:00 am, Aug 29, 2017*

BROADMOOR FIRE PROTECTION DISTRICT  
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DECEMBER 31, 2016

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Broadmoor Fire Protection District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Broadmoor Fire Protection District, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 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, based on our audit, 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 Broadmoor Fire Protection District, as of December 31, 2016, 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 and required supplementary information as listed in the table of contents 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Broadmoor Fire Protection District's basic financial statements. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Hoelting & Company, Inc.*

Colorado Springs, Colorado  
August 18, 2017

# **BROADMOOR FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Broadmoor Fire Protection District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2016. The Management's Discussion and Analysis (MD&A) includes currently known information that management is aware of at the date of the auditor's report. Please read it in conjunction with the District's financial statements that follow this section.

## **FINANCIAL POSITION AND RESULTS FROM OPERATIONS**

- The District's overall financial position remains strong during the year ending December 31, 2016. **Net Position** increased by \$82,086 or 9.1%; the net position at year-end was \$988,327.
- **Capital assets net of depreciation** at year-end were \$352,916 which is a 9.8% decrease from 2015; capital outlays amounted to \$7,432 and there was a sale of a capital asset.

## **USING THIS ANNUAL REPORT**

This annual report includes a series of financial statements that consist of the MD&A, fund specific basic financial statements, notes to the financial statements and supplemental information. The basic financial statements consist of the Statement of Net Position, the Statement of Activities, the Balance Sheet, the Reconciliation of the Balance Sheet to the Statement of Net Position, the Statement of Revenues, Expenditures and Change in Fund Balance, and the Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance to the Statement of Activities. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to units of local government and promulgated by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB), as applicable.

**MD&A** - This statement provides an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, and conditions. The MD&A provides the District's financial managers with the opportunity to present both short and long-term analyses of the organization's activities.

**Statement of Net Position** - Reports all financial and capital resources (assets), obligations (liabilities), and deferred inflows/outflows of resources, 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.

**Statement of Activities** – Presents information reporting how the District's net position changed during the most recent fiscal year. This statement measures the results from operations and can be used to determine whether the District's revenues are adequate to recover expenses.

**Balance Sheet** – Reports the assets, liabilities, and fund balance of the entity as of a specific date.

**Reconciliation of the Balance Sheet to the Statement of Net Position** – Reconciles the total fund balance from the Balance Sheet to the total net position from the Statement of Net Position. Differences occur primarily due to the way capital assets and long-term liabilities are reported on the respective statements.

**Statement of Revenues, Expenditures and Change in Fund Balance** – Presents the revenues, expenditures, and the resulting increase or decrease in fund balance for a specific period of time.

**Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance to the Statement of Activities** – Reconciles the net change in fund balance from the Statement of Revenues, Expenditures and Change in Fund Balance to the change in net position from the Statement of Activities. Differences occur primarily due to the way certain expenditures and expenses are reported on the respective statements.

The financial statements also include **Notes to the Financial Statements and Supplemental Information** that explains specific information found in the financial statements and other required information.

## CONDENSED FINANCIAL STATEMENTS

### Condensed Statement of Net Position as of December 31, 2016 and 2015

	2016	2015	Variance	Percent Variance
Assets				
Current and Other Assets	\$ 1,132,240	\$ 1,105,874	\$ 26,366	2.4
Capital Assets, Net of Depreciation	352,916	391,358	(38,442)	(9.8)
Total Assets	<u>1,485,156</u>	<u>1,497,232</u>	<u>(12,076)</u>	<u>(0.8)</u>
Deferred Outflows of Resources				
Deferred Pension Outflows	110,236	29,999	80,237	267.5
Total Deferred Outflows of Resources	<u>110,236</u>	<u>29,999</u>	<u>80,237</u>	<u>267.5</u>
Liabilities				
Current liabilities	20,060	15,888	4,172	26.3
Total Liabilities	<u>20,060</u>	<u>15,888</u>	<u>4,172</u>	<u>26.3</u>
Deferred Inflows of Resources				
Deferred Pension Inflows	2,590	1,349	1,241	92.0
Unearned Revenue	584,415	603,753	(19,338)	(3.2)
Total Deferred Inflows of Resources	<u>587,005</u>	<u>605,102</u>	<u>(18,097)</u>	<u>(3.0)</u>
Net Position				
Investment in Capital Assets	352,916	391,358	(38,442)	(9.8)
Restricted	21,480	20,070	1,410	7.0
Unrestricted	613,931	494,813	119,118	24.1
Total Net Position	<u>\$ 988,327</u>	<u>\$ 906,241</u>	<u>\$ 82,086</u>	<u>9.1</u>

**Condensed Statement of Activities for the Year Ended December 31, 2016 and 2015**

	2016	2015	Variance	Percent Variance
Program Revenues:				
Charges for Services	\$ 41,654	\$ 46,298	\$ (4,644)	(10.0)
Operation Grant and Contributions	-	50,000	(50,000)	(100.0)
General Revenues:				
Taxes	671,801	621,342	50,459	8.1
Other Revenue	52,386	1,158	51,228	4423.8
Total Revenues	765,841	718,798	47,043	6.5
Expenses:				
General and Administrative	52,539	47,010	5,529	11.8
Fire and Emergency Medical Services	631,216	607,067	24,149	4.0
Total Expenses	683,755	654,077	29,678	4.5
Change in Net Position	82,086	64,721	17,365	26.8
Net Position - Beginning of Period	906,241	841,520	64,721	7.7
Net Position - End of Period	\$ 988,327	\$ 906,241	\$ 82,086	9.1

**FINANCIAL ANALYSIS OF THE GENERAL FUND**

The District is a political subdivision of the State of Colorado. It uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** – The focus of governmental funds 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 a government’s net resources available for spending at the end of the fiscal year.

The District uses one governmental fund—the **general fund**—to account for its operations. At the end of the current fiscal year, unassigned fund balance of the general fund was \$497,810 while total fund balance reached \$526,625. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 76.3% percent of total general fund expenditures, while total fund balance represents 80.7% percent of that same amount.

During the current fiscal year, the fund balance of the District’s general fund increased \$113,399.

## CAPITAL ASSETS AS OF DECEMBER 31, 2016 AND 2015

### Capital Assets

	2016	2015	Variance	Percent Variance
Vehicles	\$ 563,134	\$ 674,831	\$ (111,697)	(16.6)
Equipment	256,514	249,082	7,432	3.0
Accumulated Provision for Depreciation	(466,732)	(532,555)	65,823	(12.4)
Total Net Capital Assets	<u>\$ 352,916</u>	<u>\$ 391,358</u>	<u>\$ (38,442)</u>	<u>(9.8)</u>

## BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance with state law. The 2016 budget was not amended during the year.

## FINANCIAL HIGHLIGHTS AND OUTLOOK

### *Economic Factors –*

- The District's revenues and expenditures historically change little from year to year. 2017 activity is expected to be similar to this year.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, property owners, creditors and other financial users with a general overview of the District's finances. If you have questions about this report or need additional financial information, please contact the District's Board President, Dan Butler 750 El Pomar Road, Colorado Springs, Colorado 80906.

## **BASIC FINANCIAL STATEMENTS**

BROADMOOR FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2016

**ASSETS**

Cash and cash equivalents	\$ 533,317
Accounts receivable	6,033
Property tax receivable	584,415
Prepaid expenses	7,335
Capital assets, net of accumulated depreciation	352,916
Net pension asset	1,140
	1,485,156
Total assets	1,485,156

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pension outflows	110,236
	110,236

**LIABILITIES**

Accounts payable	9,712
Accrued salaries	10,348
	20,060
Total liabilities	20,060

**DEFERRED INFLOWS OF RESOURCES**

Deferred pension inflows	2,590
Unearned revenue	584,415
	587,005
Total deferred inflows of resources	587,005

**NET POSITION**

Investment in capital assets	352,916
Restricted	21,480
Unrestricted	613,931
	988,327
Total net position	\$ 988,327

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

BROADMOOR FIRE PROTECTION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:					
General and administrative	\$ 52,539	\$ -	\$ -	\$ -	\$ (52,539)
Fire and emergency medical services	631,216	41,654	-	-	(589,562)
Total governmental activities	\$ 683,755	\$ 41,654	\$ -	\$ -	(642,101)
General revenues:					
General property tax					602,328
Specific ownership tax					69,473
Investment earnings					2,386
Gain on disposal of capital assets					50,000
Total general revenues					724,187
Change in net position					82,086
Net position, beginning					906,241
Net position - ending					\$ 988,327

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

BROADMOOR FIRE PROTECTION DISTRICT  
BALANCE SHEET  
DECEMBER 31, 2016

**ASSETS**

Cash and cash equivalents	\$ 533,317
Accounts receivable	6,033
Property tax receivable	584,415
Prepaid expenses	<u>7,335</u>
Total assets	<u><u>\$ 1,131,100</u></u>

**LIABILITIES**

Accounts payable	\$ 9,712
Accrued salaries	<u>10,348</u>
Total liabilities	<u>20,060</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	<u>584,415</u>
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**FUND BALANCE**

Nonspendable	7,335
Restricted for TABOR	21,480
Unassigned	<u>497,810</u>
Total fund balance	<u>526,625</u>

Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 1,131,100</u></u>
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The accompanying notes are an integral part of these financial statements.

BROADMOOR FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2016

Total fund balance of governmental funds	\$ 526,625
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds. The details of this difference are as follows:	
Capital assets	819,648
Accumulated depreciation	(466,732)
The net pension asset is not available in the current period and, therefore, is not reported as an asset in the funds.	1,140
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred outflows of resources.	110,236
Other long-term liabilities are not due and payable in the current period and, therefore, are reported as deferred inflows of resources.	<u>(2,590)</u>
Total Net Position of governmental activities in the Statement of Net Position	<u><u>\$ 988,327</u></u>

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

BROADMOOR FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016

**REVENUES**

General property tax	\$ 602,328
Specific ownership tax	69,473
Wildland income	41,654
Investment earnings	2,386
Proceeds from sale of capital assets	<u>50,000</u>
Total revenues	<u>765,841</u>

**EXPENDITURES**

General and administrative	54,970
Fire and emergency medical services	590,040
Capital outlays	<u>7,432</u>
Total expenditures	<u>652,442</u>
Net change in fund balance	113,399
Fund balance - beginning	<u>413,226</u>
Fund balance - ending	<u><u>\$ 526,625</u></u>

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

BROADMOOR FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

Total net change in fund balance of governmental funds	\$ 113,399
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Amounts reported for governmental activities in the Statement of Activities are different because:

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. The details of this difference are as follows:

Depreciation expense	(45,874)
Capital outlays	7,432

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.	<u>7,129</u>
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Change in net position of governmental activities	<u><u>\$ 82,086</u></u>
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The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Broadmoor Fire Protection District (the District) is organized under the laws of the State of Colorado to operate and maintain a special district for the purpose of providing emergency paramedical services to its residents and serve as a backup fire protection unit for the City of Colorado Springs.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

*A. REPORTING ENTITY*

The District is a special district governed by an elected five-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The District has no component units for which either discrete or blended presentation is required.

*B. BASIS OF PRESENTATION—GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

*C. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS*

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental funds:

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

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The 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 period or soon enough thereafter to pay liabilities of the current fiscal 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, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

*E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE*

*Cash and cash equivalents*

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

*Receivables*

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*

*Prepaid insurance*

Payments made for insurance that will benefit periods beyond December 31, 2016 are recorded as prepaid insurance.

*Capital Assets*

Capital assets, which include vehicles and equipment, are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Vehicles and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 to 15 years
Equipment	5 to 10 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net position.

*Pensions*

Broadmoor Fire Protection District participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*

*Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

*Net Position flow assumption*

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

*Fund balance classification*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

**Nonspendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND  
NET POSITION/FUND BALANCE (CONTINUED)*

*Fund balance classification (continued)*

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted or committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

*F. REVENUES AND EXPENDITURES/EXPENSES*

*Program revenues*

Amounts reported as *program revenues* include 1) fees and 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. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

*Property taxes*

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are payable in two installments due February 28 and June 15, or are payable one installment due April 30. El Paso County bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services. The tax rate to finance general governmental services for the year ended December 31, 2016 was 4.5 mills. The District’s assessed valuation for 2016 was \$134,167,300.

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*F. REVENUES AND EXPENDITURES/EXPENSES (CONTINUED)*

*Compensated absences*

The District's policy is that each regular full time employee earns six days paid vacation at the end of one year with one additional day per year until the employee has earned a maximum of eight days. Vacation time must either be taken or paid to the employee prior to the end of the year. Any accrued vacation pay is paid to the employee at the time they leave the District's employment.

Employees are allowed to accumulate up to fourteen days sick leave by earning four days the first year of employment and one additional day each year until they reach their maximum number of days. Accrued sick days are not paid to an employee at the time they leave the District.

Accumulated unpaid vacation, sick pay and other employee benefit amounts are not material. Therefore, a liability for these benefits has not been reflected in these financial statements. Compensated absences are recorded as expenditures when they are paid.

*G. ESTIMATES*

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGET INFORMATION*

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

1. In the fall, the District submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Any revisions that alter the budget must be approved by the Board by passage of a resolution.
5. Formal budgetary integration is employed as a management control device during the year.
6. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or amended by the Board.
7. Appropriations lapse at the end of the year.

BROADMOOR FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**NOTE 3 - DEPOSITS AND INVESTMENTS**

*CASH DEPOSITS WITH FINANCIAL INSTITUTIONS*

*Custodial credit risk—deposits.* Colorado State Statutes govern the entity’s deposit of cash. The Public Deposit Protection Acts for banks and savings and loans require the state regulators to certify eligible depositories for public deposits. The acts require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. 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 assets in the pool must be at least equal to 102% of the uninsured deposits.

At December 31, 2016, the carrying amounts of the District’s deposits were \$85,340 and the bank balances were \$89,773. Of the total bank balances, all were covered by FDIC insurance.

*INVESTMENTS*

The District is authorized by Colorado statutes to invest in the following:

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

At December 31, 2016 the District’s investment balances were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
CSAFE	Less than 60 days	\$ <u>447,977</u>

*Credit Risk.* State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2016 all of the District’s investments were rated AAAM by Standard & Poor’s.

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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

*INVESTMENTS (CONTINUED)*

Colorado Surplus Asset Fund Trust (CSAFE) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by CSAFE. Investments of CSAFE consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes.

Reconciliation of total deposits and investments to the government-wide financial statements at December 31, 2016:

Deposits	\$ 85,340
Investments	<u>447,977</u>
 Total cash and cash equivalents	 <u>\$ 533,317</u>

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Vehicles	\$ 674,831	\$ -	\$ (111,697)	\$ 563,134
Equipment	<u>249,082</u>	<u>7,432</u>	<u>-</u>	<u>256,514</u>
Total capital assets, being depreciated	923,913	7,432	(111,697)	819,648
Less accumulated depreciation	<u>(532,555)</u>	<u>(45,874)</u>	<u>111,697</u>	<u>(466,732)</u>
Total capital assets, net	<u>\$ 391,358</u>	<u>\$ (38,442)</u>	<u>\$ -</u>	<u>\$ 352,916</u>

Depreciation expense was charged to functions/programs of as follows:

Fire and emergency medical services	\$ <u>45,874</u>
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BROADMOOR FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**NOTE 5 - NET POSITION**

Net position is reported in three separate categories – net investment in capital assets; net position – restricted; and net position – unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and capital-related deferred outflows of resources; reduced by borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, net investment in capital assets was as follows:

Investment in Capital Assets:	
Capital assets, net of depreciation	<u>\$ 352,916</u>

Net position-restricted is the difference between non-capital assets whose use is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation, and related liabilities and deferred inflows of resources (excluding capital-related borrowings). As of December 31, 2016, the District had net position - restricted as follows:

Net Position – Restricted:	
TABOR emergency reserve	<u>\$ 21,480</u>

Any portion of net position not already classified as either net investment in capital assets or net position – restricted, is automatically classified as net-position – unrestricted.

**NOTE 6 - OPERATING LEASE**

The District entered into an operating lease with the Broadmoor Hotel on March 18, 2005 in the amount of \$435,228 for a new fire station. Rental payments are \$3,125 per month from April 1, 2005 to March 1, 2012. Beginning April 1, 2012 monthly rental payments are \$750 increasing 4% annually on April 1 through lease termination on March 31, 2024. This lease may be renewed for an additional ten year period at the same terms and conditions. Total costs for the year ended December 31, 2016 were \$10,427. The future minimum lease payments for this lease are as follows:

<u>Year ended December 31:</u>	<u>Amount</u>
2017	\$ 10,845
2018	11,278
2019	11,729
2020	12,198
2021	12,686
2022 – 2024	<u>30,670</u>
Total	<u>\$ 89,406</u>

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 7 - DEFINED BENEFIT PENSION PLAN**

*General Information about the Pension Plan*

*Plan description.* Eligible employees of the Broadmoor Fire Protection District are provided with pensions through the Statewide Defined Benefit Plan (SWDB) – a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). Plan benefits are specified in Title 31, Article 30 of the Colorado Revised Statutes (C.R.S.). FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

*Benefits provided.* The SWDB provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by FPPA.

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

Members of the SWDB plan and their employers are contributing at the rate of 8.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 16.5 percent in 2015. 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.

BROADMOOR FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4.25 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.25 percent in 2015. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Employer contributions are recognized by the SWDB in the period in which the compensation becomes payable to the member and the Broadmoor Fire Protection District is statutorily committed to pay the contributions to the SWDB. Employer contributions recognized by the SWDB from Broadmoor Fire Protection District were \$24,432 for the year ended December 31, 2016.

*Actuarial assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuations used the following actuarial assumption and other inputs:

	Actuarially Determined Contributions	
	January 1, 2016	January 1, 2015
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment Rate of Return*	7.5%	7.5%
Projected Salary Increases*	4.0% - 14.0%	4.0% -14.0%
Cost of Living Adjustments (COLA)	0.0%	0.0%
*Includes Inflation at	2.5%	3.0%

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

BROADMOOR FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016 and were used in the rollforward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

*Long-term rate of return.* 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, 2015 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%*
<b>Total</b>	<b>100.0%</b>	

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

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 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.

BROADMOOR FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**NOTE 7 - DEFINED BENEFIT PENSION PLAN (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 (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).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (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 7.50%.

*Sensitivity of the Broadmoor Fire Protection District proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the proportionate share of the net pension liability (asset), calculated using the discount rate of 7.50 percent, as well as what the 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:

<b>1% Decrease 6.50%</b>	<b>Single Discount Rate Assumption 7.50%</b>	<b>1% Increase 8.50%</b>
\$ 159,663	\$ (1,140)	\$ (134,520)

*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 [www.fppaco.org](http://www.fppaco.org).

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At December 31, 2016, the Broadmoor Fire Protection District reported an asset of \$1,140 for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The Broadmoor Fire Protection District proportion of the net pension liability was based on Broadmoor Fire Protection District contributions to the SWDB for the calendar year 2015 relative to the total contributions of participating employers to the SWDB.

At December 31, 2015, the Broadmoor Fire Protection District’s proportion was 0.064654044 percent, which was a decrease of 0.0000358830 percent from its proportion measured as of December 31, 2014.

BROADMOOR FIRE PROTECTION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

For the year ended December 31, 2016, the Broadmoor Fire Protection District recognized pension expense of \$17,303. At December 31, 2016, the Broadmoor Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 9,218	\$ 1,346
Changes of assumptions or other inputs	17,902	-
Net difference between projected and actual earnings on pension plan investments	58,008	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	675	1,244
Contributions subsequent to the measurement date	24,432	-
Total	\$ 110,236	\$ 2,590

\$24,432 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. 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:	
2017	17,567
2018	17,566
2019	17,245
2020	16,211
2021	2,788
Thereafter	11,837

**NOTE 8 - RELATED PARTY TRANSACTIONS**

It is customary that the District has a Board member from the Broadmoor Hotel. This relationship has nothing to do with any special arrangement between the two parties other than a lessor, lessee arrangement as described in Note 6.

BROADMOOR FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**NOTE 9 - RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during the past three fiscal years.

**NOTE 10 - AMENDMENT TO COLORADO CONSTITUTION**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has 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. On May 2, 2000, the voters of Broadmoor Fire Protection District approved that taxes be increased \$116,979 in 2001 and annually thereafter in such amount as are received each year by the imposition of an additional mill levy of 1.449 mills upon taxable property within the District, commencing with the tax collection year 2001, and continuing thereafter, such revenues, together with any and all other revenues collected by the District for the purposes of defraying salaries, other operating expenses of the District, and/or other lawful purposes, as a voter approved revenue change and an exception to the spending, revenue raising, and other limits which would otherwise apply under Article X, Section 20, of the Colorado Constitution. The District believes 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BROADMOOR FIRE PROTECTION DISTRICT**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY AND COVERED PAYROLL**  
**JUNE 30, 2016**

	<u>2013</u>	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.066133586%	0.064689927%	0.064654044%
District's proportionate share of the net pension liability (asset)	\$ (59,136)	\$ (73,007)	\$ (1,140)
District's covered-employee payroll	\$ 287,245	\$ 290,912	\$ 313,425
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-20.59%	-25.10%	-0.36%
Plan fiduciary net position as a percentage of the total pension liability	105.8%	106.8%	100.1%

\* The amounts presented for each fiscal year were determined as of 12/31.

\* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

**BROADMOOR FIRE PROTECTION DISTRICT**  
**SCHEDULE OF EMPLOYER'S STATUTORY PAYROLL CONTRIBUTIONS AND COVERED PAYROLL**  
**JUNE 30, 2016**

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Statutorily required contribution	\$ 22,980	\$ 23,273	\$ 25,074
Contributions in relation to the statutorily required contribution	<u>(22,980)</u>	<u>(23,273)</u>	<u>(25,074)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 287,245	\$ 290,912	\$ 313,425
Contributions as a percentage of covered-employee payroll	8.00%	8.00%	8.00%

\* The amounts presented for each fiscal year were determined as of 12/31.

\* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

BROADMOOR FIRE PROTECTION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property tax	\$ 604,403	\$ 604,403	\$ 602,328	\$ (2,075)
Specific ownership tax	50,000	50,000	69,473	19,473
Wildland income	50,000	50,000	41,654	(8,346)
Investment earnings	2,000	2,000	2,386	386
Proceeds from sale of capital assets	-	-	50,000	50,000
Total revenues	706,403	706,403	765,841	59,438
<b>EXPENDITURES</b>				
General and administrative	45,300	45,300	54,970	(9,670)
Fire and emergency medical services	661,103	661,103	590,040	71,063
Capital outlay	-	-	7,432	(7,432)
Total expenditures	706,403	706,403	652,442	53,961
Net change in fund balance	-	-	113,399	113,399
Fund balances - beginning	-	-	413,226	413,226
Fund balance - ending	\$ -	\$ -	\$ 526,625	\$ 526,625

See the accompanying independent auditors' report.

## **SUPPLEMENTAL INFORMATION**

BROADMOOR FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
General property tax	\$ 602,328	\$ 604,403	\$ (2,075)
Specific ownership tax	69,473	50,000	19,473
Wildland income	41,654	50,000	(8,346)
Investment earnings	2,386	2,000	386
Gain on disposition of capital assets	50,000	-	50,000
Beginning fund balance	413,226	-	413,226
Total revenues	<u>1,179,067</u>	<u>706,403</u>	<u>472,664</u>
<b>EXPENDITURES</b>			
General & Administrative:			
Auditing	6,050	6,000	(50)
Bank service charges	210	600	390
Dues and subscriptions	2,839	1,500	(1,339)
Office and postage expense	637	700	63
Professional services	18,936	18,000	(936)
Rent	10,427	10,000	(427)
Telephone	8,065	5,000	(3,065)
Treasurer's fees	9,049	-	(9,049)
Health Club Membership	-	500	500
Miscellaneous	(1,243)	3,000	4,243
Total General & Administrative	<u>54,970</u>	<u>45,300</u>	<u>(9,670)</u>
Fire and emergency medical services			
Salaries	433,233	449,903	16,670
Payroll tax expense	15,956	18,000	2,044
Employee Benefits H.S.A.	1,587	6,000	4,413
Group health and life insurance	29,417	25,000	(4,417)
Pension plan	24,432	45,000	20,568
Education	1,797	3,000	1,203
Workmen's compensation insurance	45,640	30,000	(15,640)
Liability insurance	10,599	10,000	(599)
Medical supplies	2,730	6,000	3,270
Interest expense	42	-	(42)
Station expenses	4,868	3,000	(1,868)
Truck gas and oil	2,597	5,000	2,403
Truck and maintenance	5,408	8,000	2,592
Uniforms	1,544	2,200	656
Wildland expense	10,190	50,000	39,810
Total fire and emergency medical services	<u>\$ 590,040</u>	<u>661,103</u>	<u>\$ 71,063</u>

See the accompanying independent auditors' report.

BROADMOOR FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Actual	Budget	Variance Favorable (Unfavorable)
<b>EXPENDITURES (continued)</b>			
Capital outlay	\$ 7,432	\$ -	\$ (7,432)
Emergency reserves	-	-	-
Total expenditures	652,442	706,403	53,961
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	526,625	\$ -	\$ 526,625
Less:			
Beginning fund balance	(413,226)		
<b>NET CHANGE IN FUND BALANCE</b>	\$ 113,399		

See the accompanying independent auditors' report.