

Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
December 31, 2016



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**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
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***rfarmer, llc***  
***a certified public accounting and consulting firm***

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*Independent Auditor's Report*

The Governing Body  
Las Animas/Bent County Fire Protection District also dba Bent County Ambulance Service

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas/Bent County Fire Protection District also dba Bent County Ambulance Service (the 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***

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion 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 (1) unmodified opinion on the business-type activities and each major fund and (2) our qualified opinion on the governmental activities.

***Basis for Qualified Opinion on the Governmental Activities***

Effective for years ending December 31, 2015, for entities that have defined benefit plans, management was to have an actuarial study completed to determine the amount of any unfunded liability or a funded deferred cash outflow so the proper disclosures could be made in the governmental activities financial statements, including the footnotes. Due to management not having an actuarial study completed, as required by accounting principles generally accepted in the United States of America, the amounts that would be disclosed in the financial statements, including the footnotes, are not known.

***Qualified Opinion on the Governmental Activities***

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on the Governmental Activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities of Las Animas/Bent County Fire Protection District also

dba Bent County Ambulance Service, as of December 31, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinion on the Business-Type Activities and the Major Funds***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Las Animas/Bent County Fire Protection District also dba Bent County Ambulance Service, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

Accounting principles generally accepted in the United States of America require that the Budget to Actual—Major Funds 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.

Management has not presented the 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. Our opinion on the basic financial statements is not affected by this missing information.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Las Animas/Bent County Fire Protection District also dba Bent County Ambulance Service’s basic financial statements. The Budget to Actual—Ambulance Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budget to Actual—Ambulance Fund schedule 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 our opinion, the supplementary information] is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***rfarmer, llc***

May 22, 2017

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Statement of Net Position  
December 31, 2016**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Equivalents	\$ 98,590	\$ 582,411	\$ 681,001
Receivables	174,448	217,237	391,685
Due from Other Governmental Agencies	74,389	-	74,389
Capital Assets:			
Land	11,513	-	11,513
Buildings	151,304	79,400	230,704
Equipment and Furniture	1,042,826	834,934	1,877,760
Less: Accumulated Depreciation	<u>(753,896)</u>	<u>(717,536)</u>	<u>(1,471,432)</u>
Total Capital Assets	<u>451,747</u>	<u>196,798</u>	<u>648,545</u>
Total Assets	<u>799,174</u>	<u>996,446</u>	<u>1,795,620</u>
<b>LIABILITIES</b>			
Accounts payable	-	20,563	20,563
Total liabilities	<u>-</u>	<u>20,563</u>	<u>20,563</u>
<b>Deferred Cash Inflow of Resources</b>			
Deferred property taxes	<u>174,448</u>	<u>169,602</u>	<u>344,050</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	495,803	196,798	692,601
Unrestricted	128,923	609,483	738,406
Total net position	<u>\$ 624,726</u>	<u>\$ 806,281</u>	<u>\$ 1,431,007</u>

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Statement of Activities  
For the Year Ended December 31, 2016**

Functions/Programs Primary government	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Public Safety	\$ 128,086	\$ 17,032	\$ 11,824	\$ 74,389	\$ (24,841)	\$ -	\$ (24,841)
Total governmental activities	<u>128,086</u>	<u>17,032</u>	<u>11,824</u>	<u>74,389</u>	<u>(24,841)</u>	<u>-</u>	<u>(24,841)</u>
Business-type activities:							
Ambulance Services	486,350	403,015	-	-	-	(83,335)	(83,335)
Total business-type activities	<u>486,350</u>	<u>403,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,335)</u>	<u>(83,335)</u>
Total primary government	<u>\$ 614,436</u>	<u>\$ 420,047</u>	<u>\$ 11,824</u>	<u>\$ 74,389</u>	<u>(24,841)</u>	<u>(83,335)</u>	<u>(108,176)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					\$ 98,621	\$ 99,558	\$ 198,179
Unrestricted investment earnings					391	307	698
Total general revenues, special items, and transfers					<u>99,012</u>	<u>99,865</u>	<u>198,877</u>
Change in net assets					74,171	16,530	90,701
Net position - beginning					550,555	789,751	1,340,306
Net position - ending					<u>\$ 624,726</u>	<u>\$ 806,281</u>	<u>\$ 1,431,007</u>

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Balance Sheet  
Governmental Funds  
December 31, 2016**

	<b>General</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 98,590	\$ 98,590
Taxes receivable, net	174,448	174,448
Receivable from other governments	74,389	74,389
Total assets	347,427	347,427
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	-	-
Total liabilities	-	-
 Deferred Cash Inflow of Resources:		
Deferred property taxes	174,448	174,448
 Fund balances:		
Unassigned	172,979	172,979
Total fund balances	172,979	172,979
Total liabilities and fund balances	\$ 347,427	\$ 347,427

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2016**

Total fund balance, governmental funds	\$	172,979
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	451,747
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Net Assets of Governmental Activities in the Statement of Net Position	<u>\$</u>	<u>624,726</u>
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The accompanying notes to financial statements  
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2016**

	<b>General</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>		
Property Taxes	\$ 98,621	\$ 98,621
Intergovernmental	84,389	84,389
Investment earnings	391	391
Miscellaneous	18,856	18,856
Total revenues	202,257	202,257
<b>EXPENDITURES</b>		
Current:		
General government	15,963	15,963
Public Safety	68,067	68,067
Capital Outlay	-	-
Total Expenditures	84,030	84,030
Excess (deficiency) of revenues over expenditures	118,227	118,227
Net change in fund balances	118,227	118,227
Fund balances - beginning	54,752	54,752
Fund balances - ending	\$ 172,979	\$ 172,979

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2016**

Net change in fund balances - total governmental funds: \$ 118,227

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlay of \$0 is more than depreciation of \$44,056 in the current period.

(44,056)

Change in net assets of governmental activities

\$ 74,171

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Statement of Net Position  
Proprietary Funds  
December 31, 2016**

	<b>Ambulance</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 582,411
Accounts Receivable, net	47,635
Other receivables	169,602
Total current assets	799,648
Non-current assets:	
Capital Assets:	
Buildings	79,400
Equipment and Furniture	834,934
Less Accumulated depreciation	(717,536)
Total non-current assets	196,798
Total assets	996,446
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	20,563
Total current liabilities	20,563
Total liabilities	20,563
 Deferred Cash Inflow of Resources:	
Deferred property taxes	169,602
 <b>NET POSITION</b>	
Net Investment in capital assets	196,798
Unrestricted	609,483
Total net position	\$ 806,281

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2016**

	<u><b>Ambulance</b></u>
<b>REVENUES</b>	
Routine Services	\$ 394,582
Other operating income	99,558
Total operating revenues	494,140
 <b>OPERATING EXPENSES</b>	
Personal services	281,341
Contractual services	44,332
Utilities	10,734
Repairs and maintenance	6,148
Office supplies and expenses	4,726
Operating supplies	37,275
Bad debts	21,017
Miscellaneous expenses	35,128
Insurance claims and expenses	4,205
Depreciation	41,444
Total Operating Expenses	486,350
Operating income (loss)	7,790
 <b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest and investment revenue	307
Miscellaneous revenue	8,433
Total non-operating revenue (expenses)	8,740
Change in net position	16,530
Total net position - beginning	789,751
Total net position - ending	\$ 806,281

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Statement of Cash Flows  
Proprietary Fund Type  
For the Year Ended December 31, 2016**

	<b>Ambulance 2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Ambulance Services	\$ 402,103
Cash Received from Other Operating Income	99,558
Cash Payments to Suppliers for Goods & Services	(189,852)
Cash Payments to Employees	(281,341)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>30,468</b>
 <b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>	
Cash received from Capital Grant	20,408
<b>NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>20,408</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Income	307
Miscellaneous Nonoperating Income (Expenses)	8,433
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>8,740</b>
<b>NET (DECREASE) INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>59,616</b>
<b>CASH &amp; CASH EQUIVALENTS:</b>	
Beginning of Year	522,795
 End of Year	582,411
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Income (Loss)	7,790
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:	
Depreciation	41,444
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable, net of allowance	7,521
Increase (Decrease) in Payables	(26,287)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 30,468</b>

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

**Las Animas/Bent County Fire Protection District**  
**also dba Bent County Ambulance Service**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Fund**  
**December 31, 2016**

**ASSETS:**

Cash and investments	\$ 160,562
Property Taxes Receivable	<u>15,264</u>
Total Assets	<u>175,826</u>

**LIABILITIES:**

Deferred Cash Inflow of Resources-property taxes	<u>15,264</u>
Total Liabilities	<u>15,264</u>

**NET ASSETS:**

Held in Trust for the benefits of others	<u><u>\$ 160,562</u></u>
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The accompanying notes to financial statements  
are an integral part of these statements.

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Year Ended December 31, 2016**

**ADDITIONS:**

State Contribution	\$ 13,328
Interest Income	678
Property Taxes	<u>15,684</u>
Total Additions	<u>29,690</u>

**DEDUCTIONS:**

Pension Payments	28,800
Miscellaneous	<u>195</u>
Total Deductions	<u>28,995</u>
Change in Net Assets	695
Net Assets-Beginning	<u>159,867</u>
Net Assets-Ending	<u><u>\$ 160,562</u></u>

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

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Notes to Financial Statements  
December 31, 2016**

**Note 1 Description of Entity:**

Las Animas/Bent County Fire Protection District, also dba Bent County Ambulance Service, (the District) is a governmental entity organized under provisions of the Colorado Revised Statutes. It operates solely within Bent County but is not a part of the County's government. The District is a special purpose governmental entity engaged in governmental and business-type activities.

**Note 2 Summary of Significant Accounting Policies:**

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

Financial Reporting Entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

The District has examined other entities and there are no other entities that should be included as defined in numbers 2 and 3 above.

Basis of Presentation and Accounting

The District's Enterprise Fund's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The District applies all Governmental Accounting Standards Board (GASB) pronouncements.

All activities of the District are accounted for in a governmental fund, a proprietary (enterprise) fund and a pension fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis

be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District's Ambulance Fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net assets (i.e., total assets net of total liabilities) are segregated into "invested in capital assets, net of related liabilities"; "restricted for capital activity and debt service"; and "unrestricted" components.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expense during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities, among other accounts. Actual results may differ from those estimates.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certificates of deposit are included in cash and cash equivalents.

#### Property, Plant & Equipment

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net assets. Their reported net assets (net total assets) is segregated into "invested in capital assets, net of related debt" as of December 31. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

All fixed assets are valued at historical cost or estimated historical costs if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund statement of net assets.

The straight-line method of computing depreciation is used with estimated useful lives of 5 - 50 years.

The District does not have any infrastructure.

The District will capitalize fixed assets that cost more than \$500 or will be reimbursed with grant funds.

## Budgets

Annual budgets are adopted as required by Colorado Revised Statutes (CRS). Formal budgetary integration is employed as a management control device during the year. Budgets are adopted on a basis that is consistent with generally accepted accounting principles.

The budget calendar is as follows:

- |                         |   |
|-------------------------|---|
| August 25               | Assessors must submit abstract of assessments, reflecting all assessed values of property in the County by class and subclass to the Division of Property Taxation. |
| October 15              | Statutory deadline for submission of proposed budget to the local governing body. "Notice of Budget" to be published when budget received.                          |
| Dec. 31                 | Statutory deadline for local governing body to adopt budget.  |
| On or before<br>Dec. 31 | Local Governing Body shall enact an ordinance or resolution making appropriations for the ensuing fiscal year.  |

Appropriations are adopted by resolution in total. Overexpenditures are not deemed to exist unless the fund as a total has actual expenses in excess of appropriations. All appropriations lapse at year-end. A supplemental budget was adopted during 2015 due to unanticipated expenditures and grants received.

## Property Taxes

Annual property taxes are levied and assessed on January 1, and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property. The County Treasurer also collects the property taxes and remits collections on a monthly basis to the County. County property tax revenues are recognized, as they become current receivables from the County Treasurer. One-half of the property taxes are due by February 28 and one-half due by June 15 or all may be paid by April 30 to avoid penalties and interest.

Taxes receivable represent 2016 assessed tax to be collected in 2017.

## Long-Term Obligations and Costs

Long-term obligations are reported at face value, net of applicable premiums and discounts. Premiums and discounts, issuance costs, and gains or losses on advance refundings and defeasances, are deferred and amortized over the life of the bond.

There were no long-term obligations or costs as of year-end.

### Allowance for Doubtful Accounts

The District reviews the accounts receivable balances to determine if any are doubtful account balances. An allowance is established based upon the review. As of December 31, 2016 and 2015, an allowance of \$132,722 and \$127,782 respectively was established to cover potential uncollectible balances of the Ambulance Fund.

### Compensation for Future Absences

Accumulated vacation and the portion of sick leave eligible to be paid to employees at termination are recorded as an expense and liability when employees take time off. Once a quarter the total PTO time is reviewed and adjusted accordingly. There were not any compensated absences at year end.

### Claims and Judgments

These events and obligations are recorded on the accrual basis when the event occurs and the obligation arises.

### Capital Contributions

Contributions are recognized in the statement of revenues, expenses and changes in net assets when earned. There were no contributed capital transactions during the year.

### Special and Extraordinary Items

Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence. Special items are significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. If such items exist during the reporting period, they are reported separately in the statement of revenues, expenses and changes in net assets.

### Net Position

Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investment in capital assets; restricted for capital activity and debt service; and unrestricted net assets. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt, that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted for capital activity and debt service consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net assets not included in the above categories.

### Revenues and Rate Structure

Revenues from routine charges for services are recognized as operating revenues on the accrual basis as earned. Services are provided to ambulance patients under a rate structure designed to produce revenues sufficient to provide for operating and maintenance costs, capital outlay and reserves.

Donations, lease income, capital grants and interest income are considered non-operating revenues.

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation of Government-Wide and Fund Financial Statements

The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by the total column. Fiduciary activities of the District are not included in these statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct 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 of *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the District's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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 District considers revenues to be available if they are collected within sixty 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.

The primary revenue sources, which have been treated as susceptible to accrual by the District, are property taxes and services. All other revenue items are considered to be measurable and available only when cash is received by the District.

### Interfund Transactions

Transactions between funds that would be treated as revenues, expenditures or expenses if they involved organizations external to the District are accounted for as revenues, expenditures or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expended in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. At year-end, outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

### Fund Equity

In the fund financial statements the following classifications describe the relative strength of spending constraints.

- *Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory and prepaid amounts) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* – The portion of fund balance constrained for specific purposes according to the limitations imposed by the District’s highest level of decision making authority, its governing board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes but is neither restricted nor committed. The intended use may be expressed by the governing board or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

When both restricted and unrestricted fund balance are available for use, it is the District’s policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned and unassigned.

**Note 3 Deposits:**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At year-end, the District's cash balances totaled \$681,001 consisting of cash on hand and cash in bank.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and/or the requirements as prescribed by PDPA. The District is not exposed to custodial credit risk due to having all its cash and investments in one bank, with that bank having FDIC coverage and following PDPA requirements.

**Note 4 Retirement Plans:**

The District (specifically the Ambulance Fund) provides pension benefits for all of its full-time employees and part-time employees that work at least 32 hours per week for 12 months out of the year through a defined contribution plan administered by CCOERA. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after 90 days of service. The District's rate of contribution is 5%. The employee must contribute 5% and may contribute more at their election. The District's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately. Plan provisions and contribution requirements are established and may be amended by the District's Board. The employer's contributions vest at 20% per year until fully vested.

A deferred compensation plan under Section 457 of the Internal Revenue Code is also available to all eligible employees for voluntary contributions of up to a maximum specified by the Internal Revenue Service. Employees are eligible to participate after 90 days of service. The plan is administered by CCOERA and plan provisions are established and may be amended by the District's Board.

The District had approximately 3 full-time employees with those employees employed by the Ambulance Fund. Total wages were \$212,508 and eligible wages were \$94,420. The contributions paid by the employer and the employee during 2016 were \$4,721 each.

**Note 5 Funding Sources:**

The majority of ambulance revenues are received from Medicare, third party insurance providers and private pay patients.

Property taxes are received by the General, Ambulance and Pension Funds.

Interest and investment income, miscellaneous income and capital grants are recorded as non-operating income.

**Note 6 Capital Assets:**

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and Water	\$ 11,513	\$ -	\$ -	\$ 11,513
Total capital assets not being depreciated	11,513	-	-	11,513
Capital assets, being depreciated:				
Building	151,304	-	-	151,304
Equipment and Furniture	1,042,826	-	-	1,042,826
Total capital assets being depreciated	1,194,130	-	-	1,194,130
Less Accumulated depreciation:				
Total accumulated depreciation	(709,840)	(44,056)	-	(753,896)
Total capital assets, being depreciated, net	484,290	\$ (44,056)	\$ -	440,234
<b>Governmental activities capital assets, net</b>	<b>\$ 495,803</b>			<b>\$ 451,747</b>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Equipment	\$ 432,544	\$ -	\$ -	\$ 432,544
Buildings	79,400	-	-	79,400
Vehicles	402,390	-	-	402,390
Total capital assets being depreciated	914,334	-	-	914,334
Less Accumulated depreciation:				
Total accumulated depreciation	(676,092)	(41,444)	-	(717,536)
Total capital assets, being depreciated, net	\$ 238,242	\$ (41,444)	\$ -	\$ 196,798

**Note 7 Tax, Spending and Debt Limitations:**

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. 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.

**Note 8 Risk Management:**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

The District, in their opinion, has obtained adequate coverage as required by Colorado Revised Statutes to settle claims in the ordinary course of business. However, due to the unknown nature of potential liability, some claims may arise that fall outside the coverage limits for which the District could be financially responsible.

**Note 9 Volunteer Firemen's Pension Plan**

The District, through the Volunteer Firemen's Pension Fund, provides retirement benefits to individual volunteer firemen who have met certain requirements set by the Volunteer Firemen's Pension Board (the Board). The retirement benefits are paid monthly and are currently set by the Board at \$150 per month. The Board can make changes to the monthly amounts as needed. The funds are invested in certificates of deposit in the local bank.

The pension fund is a defined benefit plan as defined by the applicable governmental standards.

During 2016, the Board voted to transfer all pension plan investments to the Fire and Police Pension Association (FPPA). The investments were not able to be transferred by year-end as FPPA was not accepting funds from retirement plans during 2016. As soon as FPPA starts accepting retirement funds the Board will transfer all investments to FPPA.

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Budget and Actual  
General  
For the year ended December 31, 2016**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property Taxes	\$ 98,929	\$ 98,929	\$ 98,621
Intergovernmental	83,600	83,600	84,389
Investment earnings	400	400	391
Miscellaneous	2,060	2,060	18,856
Total revenues	<u>184,989</u>	<u>184,989</u>	<u>202,257</u>
<b>EXPENDITURES</b>			
Current:			
General government	16,398	16,398	15,963
Public Safety	232,145	232,145	68,067
Total Expenditures	<u>248,543</u>	<u>248,543</u>	<u>84,030</u>
Excess (deficiency) of revenues over expenditures	<u>(63,554)</u>	<u>(63,554)</u>	<u>118,227</u>
Net change in fund balances	(63,554)	(63,554)	118,227
Fund balances - beginning	187,121	187,121	54,752
Fund balances - ending	<u>\$ 123,567</u>	<u>\$ 123,567</u>	<u>\$ 172,979</u>

**Las Animas/Bent County Fire Protection District  
also dba Bent County Ambulance Service  
Budget and Actual  
Ambulance  
For the year ended December 31, 2016**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>
	<b>Original</b>	<b>Final</b>	
<b>REVENUES</b>			
Property Taxes	\$ 94,218	\$ 94,218	\$ 99,558
Charges for services	450,000	450,000	394,582
Operating grants and contributions	5,000	5,000	-
Investment earnings	-	-	307
Miscellaneous	6,000	6,000	8,433
Total revenues	<u>555,218</u>	<u>555,218</u>	<u>502,880</u>
<b>EXPENSES:</b>			
Personal services	303,095	303,095	281,341
Contractual Services	53,783	53,783	44,332
Operating Supplies	43,200	43,200	37,275
Utilities	12,300	12,300	10,734
Repairs and maintenance	31,200	31,200	6,148
Other supplies and expenses	34,600	34,600	25,743
Miscellaneous Expense	17,386	17,386	35,128
Insurance claims and expenses	5,195	5,195	4,205
Depreciation	34,132	34,132	41,444
Total Expenditures	<u>534,891</u>	<u>534,891</u>	<u>486,350</u>
Excess (deficiency) of revenues over expenditures	<u>20,327</u>	<u>20,327</u>	<u>16,530</u>
Net change in fund balances	<u>20,327</u>	<u>20,327</u>	<u>16,530</u>
Fund balances - beginning	878,819	878,819	789,751
Fund balances - ending	<u>\$ 899,146</u>	<u>\$ 899,146</u>	<u>\$ 806,281</u>