

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**

**FINANCIAL STATEMENTS**

**December 31, 2017**

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Office of the State Auditor

April 12, 2018



**Wall,  
Smith,  
Bateman** Inc.  
Certified Public Accountants

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
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**December 31, 2017**

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## INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board of Directors  
Alamosa County Fire Protection District  
Alamosa, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alamosa County Fire Protection District (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### 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. 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 auditors' 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

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

**Certified Public Accountants**

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## **Other Matters**

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America required 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the pension information on pages 20 through 22 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.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

April 10, 2018

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**BASIC FINANCIAL STATEMENTS**

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**

**STATEMENT OF NET POSITION**

**December 31, 2017**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 398,864
Due from other governments	4,395
Property taxes receivable	445,201
Prepaid expenditures	17,723
<b>Total Current Assets</b>	<u>866,183</u>
<b>Noncurrent Assets</b>	
Capital assets	
Land	19,544
Buildings	281,577
Equipment	423,096
Vehicles	2,275,904
Less: Accumulated depreciation	<u>(2,060,630)</u>
<b>Total Noncurrent Assets</b>	<u>939,491</u>
<b>TOTAL ASSETS</b>	<u>1,805,674</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	<u>57,482</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>57,482</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	<u>2,904</u>
<b>Total Current Liabilities</b>	<u>2,904</u>
<b>Long-Term Liabilities</b>	
Pension liability	<u>51,414</u>
<b>Total Long-Term Liabilities</b>	<u>51,414</u>
<b>TOTAL LIABILITIES</b>	<u>54,318</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	445,201
Pensions	<u>28,893</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>474,094</u>
<b>NET POSITION</b>	
Net investment in capital assets	939,491
Restricted for tabor reserve	11,714
Unrestricted	<u>383,539</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,334,744</u>

The accompanying notes are an integral part of this financial statement.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Administration	\$ 115,758	\$ -	\$ -	\$ -	\$ (115,758)
Fire Fighting	362,629	-	7,849	-	(354,780)
<b>Total Governmental Activities</b>	<b>\$ 478,387</b>	<b>\$ -</b>	<b>\$ 7,849</b>	<b>\$ -</b>	<b>(470,538)</b>
		<b>General Revenues:</b>			
		Taxes		444,079	
		Interest		1,417	
		Miscellaneous		294	
		<b>Total General Revenues</b>		<b>445,790</b>	
		Change in Net Position		(24,748)	
		<b>Net Position, Beginning of Year</b>		<b>1,359,492</b>	
		<b>Net Position, End of Year</b>		<b>\$ 1,334,744</b>	

The accompanying notes are an integral part of this financial statement.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT  
GOVERNMENTAL FUND BALANCE SHEET  
December 31, 2017**

	<b>GENERAL FUND</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 398,864
Due from other governments	4,395
Property taxes receivable	445,201
Prepaid expenditures	<u>17,723</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 866,183</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 2,904</u>
<b>TOTAL LIABILITIES</b>	<u>2,904</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	<u>445,201</u>
<b>FUND BALANCES</b>	
Nonspendable	
Prepaid expenses	17,723
Restricted	
Labor reserve	11,714
Unassigned	<u>388,641</u>
<b>TOTAL FUND BALANCES</b>	<u>418,078</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u><u>\$ 866,183</u></u>

The accompanying notes are an integral part of this financial statement.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT  
OF NET POSITION  
December 31, 2017**

<b>Total Governmental Fund Balance</b>	<b>\$</b>	<b>418,078</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		939,491
<p>Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.</p>		57,482
<p>Net pension liabilities are not due and payable in the current period and are not reported in the funds</p>		(51,414)
<p>Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.</p>		(28,893)
		<hr/>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>1,334,744</u></b>

The accompanying notes are an integral part of this financial statement.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT  
GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Year Ended December 31, 2017**

	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Taxes	\$ 444,079
Intergovernmental Revenue	7,849
Interest	1,417
Miscellaneous	294
<b>TOTAL REVENUES</b>	<b>453,639</b>
 <b>EXPENDITURES</b>	
Administration	115,758
Fire Fighting	208,365
Capital outlay	98,551
<b>TOTAL EXPENDITURES</b>	<b>422,674</b>
 Net Change in Fund Balance	 30,965
 <b>Fund Balance, Beginning of year</b>	 <b>387,113</b>
 <b>Fund Balance, End of year</b>	 <b>\$ 418,078</b>

The accompanying notes are an integral part of this financial statement.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2017**

**Net change in fund balances - total governmental funds** \$ 30,965

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. This is the difference  
between capital outlay and depreciation expense in the current period.

Fixed asset additions	\$ 98,551	
Depreciation expense	<u>(157,132)</u>	(58,581)

Certain items reported in the statement of activities do not require the use of current  
financial resources and are not reported as expenditures in the governmental  
funds. This item consists of the change in pension expenses.

		<u>2,868</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>(24,748)</u></u></b>

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIREMEN'S PENSION AGENCY FUND**  
**For the Year Ended December 31, 2017**

**ASSETS**

Cash and cash equivalents	\$ 501
Property taxes receivable	13,425
	13,425

**Total Assets**

13,926

**LIABILITIES**

-

**DEFERRED INFLOWS OF RESOURCES**

Unavailable property tax revenue	13,425
	13,425

**Total Deferred Inflows of Resources**

13,425

**LIABILITIES - RESTRICTED FOR PENSION BENEFITS**

\$ 501

The accompanying notes are an integral part of this financial statement.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the District reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

**REPORTING ENTITY**

***Primary Government***

Alamosa County Fire Protection District is a political subdivision of the State of Colorado duly organized and existing pursuant to the Constitution and laws of the State. Its purpose is to perform volunteer fire protection services in Alamosa County from fire houses located in Alamosa and Mosca, Colorado.

***Component Units***

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is fiscal dependency by the organization on the District
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District

Based on the aforementioned criteria, the District has no component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the District, except for fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

Separate financial statements are provided for governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 60 days of the end of the current fiscal period. Expenditures are generally 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 District reports the following major governmental fund:

- The **General Fund** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fiduciary fund financial statements consist of the Firemen's Pension Agency Fund established to record transactions relating to assets held by the District in an agent capacity.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

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

***Cash***

The District's cash and cash equivalents are considered to be cash in bank, certificates of deposit and liquid investments with maturity of three months or less.

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer. The 2017 property tax levy due January 1, 2018 has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

***Capital Assets***

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and has a life of more than one year. Capital assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Vehicles & Equipment	5-10

***Compensated Absences***

A liability for compensated absences has not been recorded in the accounts. Due to the voluntary nature of this organization, absences are not compensated.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position reports a separate section of deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until that period.

In addition to liabilities, the statement of net position reports a separate section of deferred inflows of resources. This represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pensions must be deferred.

***Pensions***

The District participates in the Affiliated Local Plans, administered by the Fire and Police Pension Association of Colorado (FPPA), an agent-multiple employer Public Employee Retirement System (PERS). The Affiliated Local Plans represent the assets of numerous separate plans that have been pooled for investment purposes. The District has elected to affiliate with FPPA for plan administration and investment only. The net pension liability, 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 Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Net Position***

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt should be included in this component of net position.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted components of net position.

***Fund Balance***

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance*- amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid expenditures.
- *Restricted Fund Balance*- amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*- amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Directors, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance*- amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Directors or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*- amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

***Encumbrances***

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

***Use of Estimates***

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

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

***Budgets and Budgetary Accounting***

Alamosa County Fire Protection District follows the procedures set forth in the Colorado Local Budget Law when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). All budget amounts presented reflect the original budget and the final amended budget, if applicable. The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The District did adopt supplemental appropriations during fiscal year 2017.

**NOTE 3 CASH AND DEPOSITS**

A summary of cash and deposits for the District are as follows:

Cash in Banks	\$	399,365
Total Cash and Deposits on Hand and in Banks	\$	399,365
Government-wide Statement of Net Position	\$	398,864
Fiduciary Funds Statement of Net Position		501
	\$	399,365

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits in 2017 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At December 31, 2017, \$628 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

***Credit Risk***

The District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

While the District has not formally adopted an investment policy all investment activity is approved by the Board of Directors.

**NOTE 4 PROPERTY TAXES RECEIVABLE**

At December 31, 2017, the District had an estimated property tax receivable as follows:

<i>Governmental Activities:</i>	
General Fund	\$ 445,201
<i>Fiduciary Funds:</i>	
Firemen's Pension Agency Fund	\$ 13,425

**NOTE 5 DUE FROM OTHER GOVERNMENTS**

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2017, the District had \$4,395 due from local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land	\$ 19,544	\$ -	\$ -	\$ 19,544
Total capital assets not being depreciated	19,544	-	-	19,544
Capital assets being depreciated				
Buildings	281,577	-	-	281,577
Equipment	324,545	98,551	-	423,096
Vehicles	2,275,904	-	-	2,275,904
Total capital assets being depreciated	2,882,026	98,551	-	2,980,577
Less accumulated depreciation for:				
Buildings	108,559	5,630	-	114,189
Equipment	288,607	24,971	-	313,578
Vehicles	1,506,332	126,531	-	1,632,863
Total accumulated depreciation	1,903,498	157,132	-	2,060,630
Total Capital Assets being depreciated, net	978,528	(58,581)	-	919,947
<b><i>Governmental Activities Capital Assets, Net</i></b>	<b>\$ 998,072</b>	<b>\$ (58,581)</b>	<b>\$ -</b>	<b>\$ 939,491</b>

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

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

Governmental Activities:	
Fire Fighting	\$ 157,132
Total depreciation expense - governmental activities	\$ 157,132

**NOTE 7 VOLUNTEER FIREMEN'S PENSION PLAN**

***General Information about the Pension Plan***

*Plan description*

The District's defined benefit pension plan (the Plan), provides retirement, survivor, and funeral benefits to plan members and beneficiaries. The Plan is affiliated with the Affiliated Local Plans (AFL), an agent multiple-employer pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). Title 31, Article 30, part 4 of the Colorado Revised Statutes provides for the creation of a Fireman's Pension Trust Fund and assigns the authority to establish and amend the benefit provisions of the plans that participate in AFL to the respective employer entities; for the Plan, that authority rests with a Board of Trustees composed of District board members and firefighters selected in accordance with Colorado Statutes. FPPA issues a publicly available comprehensive annual financial report that can be obtained at [FPPAco.org](http://FPPAco.org). Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

*Benefits provided*

A volunteer fireman who has reached age 50 and attained 20 years of service may be granted a pension, not to exceed \$200 per month. In the event of injury or death, an annuity not to exceed \$100 per month may be granted to the fireman or his survivors. In addition, a one time lump sum will be provided for funeral benefits. If at any time there is not sufficient money in the Fund to pay the full amount to which each beneficiary is entitled, an equal percentage of such monthly payment shall be made to each beneficiary until the Fund is replenished as to permit full payment.

*Volunteers covered by the plan*

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

Retirees and beneficiaries	18
Inactive, nonretired members	1
Active Members	24
Total	43

*Contributions*

There are no paid employees within the volunteer firefighter's pension plan. The State of Colorado provides a discretionary contribution to the Plan as defined in the Colorado Revised Statutes. The District contributes to the Plan with proceeds from a local mill levy.

Contributions to the Plan from the District were \$13,893 for the year ended December 31, 2017.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

*Net Pension Liability*

At December 31, 2017, the District reported a net position liability of \$51,414. The District's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017.

*Actuarial assumptions*

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

Inflation	3.00%
Salary changes	N/A
Long-term investment rate of return net of pension plan investment expenses, including inflation	7.50%

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, as appropriate with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2017 valuation were based on the actuary's analysis and recommendations from the 2015 Experience Study.

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 which eliminates the 2.5% inflation assumptions, for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	36.00%	6.75%
Equity Long/Short	10.00%	4.85%
Illiquid Alternatives	23.00%	8.25%
Fixed Income	15.00%	0.50%
Absolute Return	10.00%	4.05%
Managed Futures	4.00%	4.05%
Cash	2.00%	0.00%*
Total	100.00%	

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

*Discount rate*

The discount rate used to measure the total pension liability was 7.50 percent; the municipal bond rate was 3.78 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on the actuarially determined rates and are available upon request from FPPA. Based on those assumptions, the 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.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

*Changes in the net pension liability*

The Schedule of Changes in Net Pension Liability and Related Ratio's presented in the Required Supplementary Information section presents multi-year trend information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The Total Pension Liability as of December 31, 2017, is based on the results of the most recent actuarial valuation date and rolled-forward using generally accepted actuarial procedures.

*Sensitivity of the net pension liability to changes in the discount rate*

The following presents the net pension liability/(asset) of the District, calculated using the discount rate of 7.5 percent, as well as the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent) or one percentage point higher (8.5 percent):

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.50%	7.50%	8.50%
\$122,688	\$51,414	(\$8,046)

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

For the year ended December 31, 2017, the District recognized pension income of \$2,868. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 28,893
Changes in assumptions	12,413	-
Net difference between projected and actual earnings on pension plan investments	31,175	-
Contributions subsequent to measurement date	13,894	-
Total	\$ 57,482	\$ 28,893

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,		
2018	\$	1,324
2019		4,877
2020		5,991
2021		2,503
2022		-
Thereafter		-
Total	\$	14,695

**NOTE 8 TABOR EMERGENCY RESERVE**

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

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2017**

governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 7, 2006, voters approved a ballot question which stated that the District, without creating any new tax or increasing any current taxes, shall be permitted in 2009, and each subsequent year thereafter, to retain, spend, or reserve District revenues from any lawful source, as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under Article X, Section 20 or the Colorado Constitution, or Under Section 29-1-201, et seq., of the Colorado Revised Statutes, utilizing such revenues for District operations, capital improvements, equipment, and any other lawful purpose.

The amendment also requires Emergency Reserves that must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as a restricted fund balance in the General Fund Balance Sheet and a restricted net position in the government-wide Statement of Net Position. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 9 PENSION AGENCY FUND BUDGET AND ACTUAL**

The District is required by statute to budget for agency funds. In accordance with GAAP, however, there is not a statement of revenues, expenses and changes in net position for agency funds to report the budget information, because agency funds do not recognize revenues, expenses or net position in accordance with GAAP. Therefore, the budget and actual amounts for agency funds received and disbursed for the year ended December 31, 2017, are presented below:

	Original Budget	Final Budget	Actual	Variance
Agency Fund Receipts	\$ 74,650	\$ 74,650	\$ 13,893	\$ (60,757)
Agency Fund Disbursements	(34,749)	(34,749)	(14,000)	20,749
Increase (Decrease) in Agency Deposits	39,901	39,901	(107)	(40,008)
Beginning Balance of Agency Deposits	539,022	539,022	608	(538,414)
Ending Balance of Agency Deposits	<u>\$ 578,923</u>	<u>\$ 578,923</u>	<u>\$ 501</u>	<u>\$ (578,422)</u>

**NOTE 10 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. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

# **ALAMOSA COUNTY FIRE PROTECTION DISTRICT**

## **REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund, and if applicable, each of the District's major special revenue funds. In addition, changes in the District's net pension liability and related ratio's as well as the District's pension plan contributions are required to supplement the basic financial statements.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2017**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ 466,300	\$ 466,300	\$ 444,079	\$ (22,221)
Intergovernmental Revenue	5,000	5,000	7,849	2,849
Interest	1,000	1,000	1,417	417
Miscellaneous	-	-	294	294
<b>TOTAL REVENUES</b>	<u>472,300</u>	<u>472,300</u>	<u>453,639</u>	<u>(18,661)</u>
<b>EXPENDITURES</b>				
Administration	128,300	128,300	115,758	12,542
Fire Fighting	169,500	220,500	208,365	12,135
Capital outlay	156,497	105,497	98,551	6,946
<b>TOTAL EXPENDITURES</b>	<u>454,297</u>	<u>454,297</u>	<u>422,674</u>	<u>31,623</u>
Net change in Fund Balance	18,003	18,003	30,965	12,962
<b>Fund Balance, Beginning of year</b>	<u>455,291</u>	<u>455,291</u>	<u>387,113</u>	<u>(68,178)</u>
<b>Fund Balance, End of year</b>	<u>\$ 473,294</u>	<u>\$ 473,294</u>	<u>\$ 418,078</u>	<u>\$ (55,216)</u>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**

For the Measurement Period Ending December 31,

	2016	2015	2014
<b>Total Pension Liability</b>			
Service Cost	\$ 5,767	\$ 5,767	\$ 5,593
Interest on the Total Pension Liability	47,170	45,946	46,113
Benefit Changes	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	(35,069)	-	(18,616)
Changes of Assumptions	17,179	-	-
Benefit Payments	(35,400)	(35,400)	(35,400)
Net Change in Total Pension Liability	(353)	16,313	(2,310)
Total Pension Liability - Beginning	643,480	627,167	629,477
Total Pension Liability - Ending	\$ 643,127	\$ 643,480	\$ 627,167
<b>Plan Fiduciary Net Position</b>			
Contributions- Employer	\$ 14,162	\$ 47,200	\$ 11,604
Net Investment Income	30,440	9,779	35,136
Benefit Payments	(35,400)	(35,400)	(35,400)
Pension Plan Administrative Expense	(1,183)	(2,017)	(1,194)
State of Colorado Supplemental Discretionary Payment	-	11,453	10,444
Net Change in Plan Fiduciary Net Position	8,019	31,015	20,590
Plan Fiduciary Net Position- Beginning (Market Value of Assets at Beginning of Year)	583,694	552,679	532,089
Plan Fiduciary Net Position- Ending (Market Value of Assets at End of Year)	\$ 591,713	\$ 583,694	\$ 552,679
<b>Net Pension Liability/(Asset)</b>	\$ 51,414	\$ 59,786	\$ 74,488
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.01%	90.71%	88.12%
<b>Covered Payroll</b>			
Net Pension Liability/ (Asset) as a percentage of covered payroll	N/A	N/A	N/A
	N/A	N/A	N/A

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

**Notes to the Required Supplementary Information**

There were no changes to the actuarial assumptions or inputs used.

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT  
SCHEDULE OF CONTRIBUTIONS**

**For the Measurement Period Ending December 31,**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 12,900	\$ 16,885	\$ 16,885
Actual Contributions**	<u>14,162</u>	<u>58,653</u>	<u>22,048</u>
Contribution Deficiency (Excess)	<u>\$ (1,262)</u>	<u>\$ (41,768)</u>	<u>\$ (5,163)</u>
Covered Payroll	N/A	N/A	N/A
Actual Contribution as a % of Covered Payroll	N/A	N/A	N/A

\*\*Includes both District contributions and State of Colorado Supplemental Discretionary Payment

**Notes to the Schedule**

**Valuation Date:**

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% Multiplier for off-duty mortality; Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled; RP-2000 Disabled Mortality Table, All tables projected with Scale AA

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.