

# BRIGGSDALE FIRE PROTECTION DISTRICT

## FINANCIAL STATEMENTS

Year Ended December 31, 2017



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Office of the State Auditor

July 24, 2018



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## Independent Auditors' Report

Board of Directors  
Briggsdale Fire Protection District  
Briggsdale, Colorado

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Briggsdale Fire Protection District as of December 31, 2017, and for the year then ended, as listed in the table of contents and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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

### **Emphasis of Matter**

As discussed in Notes 1 and 4 to the financial statements, the District adopted the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

### **Other Matter**

Accounting principles generally accepted in the United States require that management discussion and analysis and supplementary pension plan information 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, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 evidence sufficient to express an opinion or provide any assurance.

*Anderson & Whitney, P.C.*

July 18, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the Briggsdale Fire Protection District (BFPD) for the year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the District's financial performance.

### FINANCIAL HIGHLIGHTS

- \* BFPD's assets exceeded liabilities by \$3.4 million at December 31, 2017.
- \* The General Fund balance was \$1.7 million as of December 31, 2017. Of this amount, \$27,080 is reserved for emergencies.
- \* The December 31, 2017 General Fund balance is \$391,246 more than the previous year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements contain three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. BFPD, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. BFPD has one governmental fund, a General Fund.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide adjustments to facilitate this comparison between *governmental funds* and *governmental activities*, which are also explained in the notes.

The basic governmental fund financial statements can be found on pages 8 and 9 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 21 of this report.

**Budgetary Comparisons.** BFPD adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund on page 10 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2017, assets exceeded liabilities by \$3,411,280.

The following table provides a summary of the District's net position:

December 31	2017	2016
<b>Assets:</b>		
Current and other assets	\$ 2,427,674	\$ 2,351,285
Capital assets	1,710,366	1,488,326
<b>Total Assets</b>	<b>4,138,040</b>	<b>3,839,611</b>
<b>Liabilities:</b>		
Current liabilities	(2,116)	195,065
Net pension liability	15,150	--
<b>Total Liabilities</b>	<b>13,034</b>	<b>195,065</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Property Taxes	713,726	831,402
<b>Total Deferred Inflows</b>	<b>713,726</b>	<b>831,402</b>
<b>Net Position:</b>		
Net Investment in capital assets	1,710,366	1,488,326
Restricted	27,080	35,592
Unrestricted	1,673,834	1,289,226
<b>Total Net Position</b>	<b>\$ 3,411,280</b>	<b>\$ 2,813,144</b>

A significant portion of BFPD's net position represents unrestricted net position of \$1,688,984 which may be used to meet the District's ongoing obligations to patrons.

Another significant portion of the District's net position reflects its investment in capital assets. These assets include land, building, equipment, and vehicles. These capital assets are used to provide services to patrons; consequently, they are not available for future spending.

An additional \$27,080 of the District's net position represents resources that are subject to external restriction on how they may be used. Included in this category are the TABOR emergency reserves of \$27,080.

The following table indicates the changes in net position:

Years Ended December 31	2017	2016
<b>Revenues:</b>		
<b>General revenues:</b>		
Property and S.O. taxes	\$ 895,333	\$ 1,184,835
Investment earnings	744	720
Other revenue	6,587	853
<b>Total Revenues</b>	<b>902,664</b>	<b>1,186,408</b>
<b>Expenses:</b>		
Administrative	35,223	29,781
Program services	191,475	187,973
Depreciation	77,828	58,384
<b>Total Expenses</b>	<b>304,526</b>	<b>276,138</b>
<b>Increase in Net Position</b>	<b>\$ 598,138</b>	<b>\$ 910,270</b>

**Governmental Activities.** Governmental activities increased BFPD's net position by \$598,138 in 2017. Key elements of this increase are as follows:

- \* Total revenues were \$902,664, down 24% from the prior year. This is primarily due to decreased property taxes, from lower oil and gas production.
- \* Expenses totaled \$304,526. This represents a 10% increase over the previous year, primarily due to increased program services.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes:

Year Ended December 31, 2017	Final Budget	Actual
Beginning Fund Balance	\$ 1,324,818	\$ 1,324,818
Revenue	897,402	902,664
Expenditures	695,660	511,418
<b>Ending Fund Balance</b>	<b>\$ 1,526,560</b>	<b>\$ 1,716,064</b>

## **CAPITAL ASSET ADMINISTRATION**

*Capital Assets.* BFPD's investment in capital assets for its governmental type activities as of December 31, 2017, totals \$1,710,366 (net of accumulated depreciation). This investment includes all land, buildings, equipment, and vehicles. The primary capital activity of 2017 was the purchase of new equipment and apparatus.

The District implemented the straight-line depreciation method under GASB 34 for its capital assets, except for land which is not depreciated. Additional information on the District's capital assets can be found in Note 3 of this report.

## **OTHER MATTERS**

The following factors are expected to have a significant effect on the District's financial position and results of operations and were taken into account in developing the 2018 budget:

- The assessed valuation of property in the District increased for 2018, resulting in a property taxes expected of \$713,726.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of BFPD's finances for all those with an interest in the District's finances. Questions concerning any of the information provided or for additional financial information should be addressed to the District, Box 1, Briggsdale, Colorado 80611.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## BALANCE SHEET/STATEMENT OF NET POSITION

December 31, 2017	General Fund	Adjustments	Statement of Net Position
<b><u>ASSETS</u></b>			
Cash	\$ 1,713,948	\$ -	\$ 1,713,948
Property Taxes Receivable	713,726	-	713,726
Capital Assets:			
Land and improvements	-	20,357	20,357
Buildings and improvements	-	125,353	125,353
Equipment and vehicles	-	1,042,436	1,042,436
Construction in Progress	-	853,821	853,821
Accumulated depreciation	-	(331,601)	(331,601)
<b>TOTAL ASSETS</b>	<b>\$ 2,427,674</b>	<b>1,710,366</b>	<b>4,138,040</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ (2,116)	\$ -	\$ (2,116)
Net Pension Liability	-	15,150	15,150
<b>TOTAL LIABILITIES</b>	<b>(2,116)</b>	<b>15,150</b>	<b>13,034</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Property Taxes	713,726	-	713,726
Total Deferred Inflows	713,726	-	713,726
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>711,610</b>	<b>15,150</b>	<b>726,760</b>
<b><u>FUND BALANCE/NET POSITION</u></b>			
Fund Balances:			
Reserved for TABOR emergencies	27,080	(27,080)	-
Unassigned	1,688,984	(1,688,984)	-
Total Fund Balance	1,716,064	(1,716,064)	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 2,427,674</b>		
Net Position:			
Net Investment in capital assets		1,710,366	1,710,366
Restricted for emergencies		27,080	27,080
Unrestricted		1,673,834	1,673,834
		<b>\$ 3,411,280</b>	<b>\$ 3,411,280</b>

See Accompanying Notes to Financial Statements.

# BRIGGSDALE FIRE PROTECTION DISTRICT

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

Year Ended December 31, 2017	General Fund	Adjustments	Statement of Activities
Revenue:			
General property taxes	\$ 830,036	\$ -	\$ 830,036
Specific ownership taxes	65,297	-	65,297
Donations	300	-	300
Interest earnings	744	-	744
Other income	6,287	-	6,287
Total Revenue	902,664	-	902,664
Expenditures:			
Current Operating:			
Administration	35,223	-	35,223
Fire fighting and emergency response	176,325	15,150	191,475
Capital outlay	299,870	(299,870)	-
Depreciation	-	77,828	77,828
Total Expenditures	511,418	(206,892)	304,526
Revenue over Expenditures	391,246	206,892	598,138
Fund Balance/Net Position, Beginning of Year	1,324,818	1,488,324	2,813,142
Fund Balance/Net Position, End of Year	\$ 1,716,064	\$ 1,695,216	\$ 3,411,280

See Accompanying Notes to Financial Statements.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## BUDGETARY COMPARISON STATEMENT

Year Ended December 31, 2017	Actual	Final Budget	Variance From Budget
<b>Revenue:</b>			
General property taxes	\$ 830,036	\$ 831,402	\$ (1,366)
Specific ownership taxes	65,297	66,000	(703)
Donations	300	-	300
Interest earnings	744	-	744
Other income	6,287	-	6,287
<b>Total Revenue</b>	<b>902,664</b>	<b>897,402</b>	<b>5,262</b>
<b>Expenditures:</b>			
<b>Administration:</b>			
Postage & office supplies	1,161	500	(661)
Dues & memberships	704	280	(424)
Trash & sanitation	1,007	1,500	493
Electricity	3,939	5,000	1,061
Water	483	500	17
Propane	82	10,000	9,918
Telephone and communications	7,357	7,000	(357)
Legal	6,187	2,500	(3,687)
Elections	-	100	100
Bookkeeping	2,771	-	(2,771)
Professional services	10,643	10,000	(643)
Travel and miscellaneous	889	9,000	8,111
<b>Total Administration</b>	<b>35,223</b>	<b>46,380</b>	<b>11,157</b>
<b>Fire Fighting:</b>			
Vehicle expense	36,052	27,000	(9,052)
Operating supplies and equipment	42,627	12,000	(30,627)
Public awareness	291	-	(291)
Fire prevention	-	600	600
Training	2,275	5,000	2,725
Repairs and maintenance	1,587	7,500	5,913
Firefighter stipend	16,035	20,000	3,965
Shop supplies	-	-	-
Insurance	15,861	19,500	3,639
Banking services	20	280	260
County treasurer fees	12,470	12,000	(470)
Pension fund contributions	33,256	34,000	744
Payroll expenses	15,851	16,000	149
Interest	-	400	400
<b>Total Fire Fighting</b>	<b>176,325</b>	<b>154,280</b>	<b>(22,045)</b>
<b>Capital Outlay:</b>			
Buildings and land	94,389	150,000	55,611
Vehicles, equipment, furniture and fixtures	205,481	325,000	119,519
Communications	-	20,000	20,000
<b>Total Capital Outlay</b>	<b>299,870</b>	<b>495,000</b>	<b>195,130</b>
<b>Total Expenditures</b>	<b>511,418</b>	<b>695,660</b>	<b>184,242</b>
Revenue Over Expenditures	391,246	201,742	189,504
Fund Balance, January 1, 2017	1,324,818	1,324,818	-
<b>Fund Balance, December 31, 2017</b>	<b>\$ 1,716,064</b>	<b>\$ 1,526,560</b>	<b>\$ 189,504</b>

See Accompanying Notes to Financial Statements.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## STATEMENT OF FIDUCIARY NET POSITION

	Volunteer Pension Trust Fund
December 31, 2017	
<u>ASSETS</u>	
Bank Money Market Account	\$ 135,525
Total Assets	135,525
<u>LIABILITIES</u>	
Distributions Payable	-
Total Liabilities	-
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 135,525

See Accompanying Notes to Financial Statements.

## BRIGGSDALE FIRE PROTECTION DISTRICT

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2017	Volunteer Pension Trust Fund
Additions:	
Contributions:	
District	\$ 33,256
Total Contributions	33,256
Investment income:	
Interest	26
Total Investment Income	26
Total Additions	33,282
Deductions:	
Benefits	-
Total Deductions	-
Net Increase	33,282
Net Position Restricted for Pension Benefits, Beginning of Year	102,243
Net Position Restricted for Pension Benefits, End of Year	\$ 135,525

See Accompanying Notes to Financial Statements.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - Summary of Significant Accounting Policies:**

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

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#### Reporting Entity:

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

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#### Government-wide and Fund Financial Statements:

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

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

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#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – Summary of Significant Accounting Policies - Continued:

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

Property taxes and interest associated with the current year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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

The District also reports the following fund type:

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

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Capital Assets:

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

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

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Property Taxes:

Property taxes are levied in December and attach as an enforceable lien on property as of January 1 of the same year. Taxes are payable in two installments on March 1 and June 15, or in full on April 30. The District uses the Weld County Treasurer to bill and collect its property taxes. An allowance for uncollectible taxes is not provided as the uncollectible amounts were determined to be negligible. Taxes levied in December 2017 are recorded as taxes receivable and unearned revenue as of December 31, 2017.

The original January 1, 2017 levy for the General Fund of the District was 4.002 mills or approximately \$831,402.

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# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Budget:

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

The Board is authorized to transfer budgeted amounts within departments of each fund. Any revisions that alter the total appropriation for each department must be approved by the Board through a supplemental appropriation resolution. The budget was not amended in 2017.

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#### Fund Equity:

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

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

#### Restricted for Emergencies:

These restrictions are established to comply with TABOR. Recorded TABOR emergency reserves at December 31, 2017 are \$27,080.

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

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#### Net Position:

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

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

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# BRIGGS DALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Pensions:

BFPD participates in a defined benefit pension fund administered by the District. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, if any, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position 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.

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#### Implementation of GASB Statement No. 73:

As of December 31, 2017, the District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*. The implementation of this standard requires governments to calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The additional disclosures required by this standard are included in Note 4.

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### NOTE 2 - Cash and Investments:

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

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

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

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# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - Capital Assets:

	Balance, 1/01/17	Additions	Deletions	Balance, 12/31/17
Land and Improvements	\$ 20,357	\$ --	\$ --	\$ 20,357
Construction in Progress	759,432	94,389	--	853,821
Buildings and Improvements	125,353	--	--	125,353
Equipment and Vehicles	836,955	205,481	--	1,042,436
<b>Total Capital Assets</b>	<b>1,742,097</b>	<b>299,870</b>	<b>--</b>	<b>2,041,967</b>
Less Accumulated Depreciation:				
Building and Improvements	60,836	2,507	--	63,343
Equipment and Vehicles	192,937	75,321	--	268,258
<b>Total Accumulated Depreciation</b>	<b>253,773</b>	<b>77,828</b>	<b>--</b>	<b>331,601</b>
<b>Capital Assets, net</b>	<b>\$1,488,324</b>	<b>\$ 222,042</b>	<b>\$ --</b>	<b>\$1,710,366</b>

### NOTE 4 – Volunteer Pension Plan:

The District's defined benefit pension plan for volunteers provides retirement and benefits to plan members and beneficiaries. The plan does not have separate financial statements. The District's board of directors has authorized the plan and can amend it. The plan does not have assets accumulated in a trust.

Contribution requirements of the District are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Districts are allowed to levy up to a 1.00 mil property tax to provide pension contributions and may also contribute other revenues. Contributions to the plan for the year ended December 31, 2017 included \$-0- from State of Colorado matching and \$33,256 of property taxes levied by the District.

At December 31, 2017, pension plan membership consisted of 14 active members and no retired members. The monthly pension benefit is \$100. Two current active members are eligible to receive a lump sum payment of \$1,200 times their years of service. That provision was subsequently eliminated; the balance of active members have their benefits valued as a straight life annuity.

At December 31, 2017, BFPD reported a liability of \$15,150 for its net pension liability. The net pension liability was measured as of December 31, 2017.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – Volunteer Pension Plan – Continued:

For the year ended December 31, 2017, BFPD recognized pension expense of \$48,406. At December 31, 2017, BFPD did not have deferred outflows of resources or deferred inflows of resources related to pensions.

*Actuarial assumptions:* The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.5 percent
Retirement age	50% per year of eligibility until 100% at age 65
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	2.5 percent

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020.

This actuarial valuation uses the assumptions and methods applicable for volunteer fire plans that were adopted as a result of the 2015 Experience Study as used for the Fire and Police Pension Association of Colorado (FPPA).

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 2.5 percent as the investments are primarily bank money market accounts.

*Discount rate:* The discount rate used to measure the total pension liability was 3.31 percent, or the yield or index rate for 20-year tax-exempt general obligation municipal bonds, per GASB Statement No. 73.

*Sensitivity of the BFPD total pension liability to changes in the discount rate:* The following presents the net pension asset calculated using the discount rate of 3.31 percent, as well as what the net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31 percent) or 1-percentage-point higher (4.31 percent) than the current rate:

December 31, 2017	1% Decrease (2.31%)	Current Discount Rate (3.31%)	1% Increase (4.31%)
Total pension liability	\$ 153,826	\$ 150,675	\$ 127,208

# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4 – Volunteer Pension Plan – Continued:

The following is a schedule of the changes in the total pension liability and the net pension liability for the year ended December 31, 2017:

Total Pension Liability	2017
Service cost	\$ 3,457
Interest on the total pension liability	4,393
Benefit payments	--
Net changes in total pension liability	7,850
Total Pension Liability - beginning	142,825
Total Pension Liability – ending (a)	\$ 150,675
Plan Fiduciary Net Position	
Contributions – employer	\$ 33,256
Net investment income	26
Benefit payments, including refunds of employee contributions	--
Net change in plan fiduciary net position	33,282
Plan Fiduciary Net Position – beginning	102,243
Plan Fiduciary Net Position – ending (b)	\$ 135,525
District’s net pension liability – ending (a)-(b)	\$ 15,150

There were no changes in the benefit terms, assumptions, or other inputs during the year.

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# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 5 – Contingencies:

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

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

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

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

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

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December 31, 2017	
Fund balance of General Fund	\$ 1,716,064
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	1,710,366
Net pension liability is not reported in the General Fund	(15,150)
<b>Total Net Position</b>	<b>\$ 3,411,280</b>

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# BRIGGS DALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

Year Ended December 31	2017
Net change in fund balance – General Fund	\$ 391,246
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
The General Fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year	222,042
Pension expense in addition to pension plan contributions	(15,150)
<u>Change in Net Position of Governmental Activities</u>	<u>\$ 598,138</u>

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# BRIGGSDALE FIRE PROTECTION DISTRICT

## REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Contributions - Volunteer Plan

Year Ended December 31	Actuarially Required Contributions	Contributions Made	Contribution Deficiency
2017	\$ -	\$ 33,256	\$ -
2016	-	44,809	-
2015	-	38,040	-

#### Methods and Assumptions Used:

Actuarial cost method: Entry age  
Amortization method: Level dollar-open  
Remaining amortization period: 20 years  
Asset valuation method: 5 year  
smoothed fair value  
Inflation: Implicit  
Benefit increase: None  
Investment return: 2.5%

### Schedule of Changes in Net Pension Liability - Volunteer Plan

December 31	2017
Total Pension Liability:	
Annual Service Cost	\$ 3,457
Interest on the Total Pension Liability	4,393
Benefit Payments	-
Total Pension Liability - Beginning	142,825
Total Pension Liability - Ending	\$ 150,675
Plan Fiduciary Net Position:	
Contributions - District	\$ 33,256
Net Investment Income	26
Benefit Payments	-
Net Change	33,282
Plan Fiduciary Net Position - Beginning	102,243
Plan Fiduciary Net Position - Ending	\$ 135,525
District Net Pension Liability	\$ 15,150
Percentage of Net Pension Liability	90%

Until a full 10-year trend is compiled, the District will present information for those years for which information is available. The plan assets are not accumulated in a trust.

# BRIGGS DALE FIRE PROTECTION DISTRICT

## Schedule of Investment Returns

Year Ended December 31	Annual Money Weighted Rate Of Return*
2017	0.1%

\*Net of investment and administrative expenses