

Las Animas/Bent County Fire Protection District

also dba Bent County Ambulance Service

December 31, 2017

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Office of the State Auditor

June 20, 2018

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Table of Contents
December 31, 2017**

	Page
Table of Contents	i
Independent Auditor's Report	1
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Governmental Fund Financial Statements:	
Balance Sheet	5
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Fund Balances	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Proprietary Fund Financial Statements:	
Statement of Net Position - Proprietary Funds	9
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	10
Statement of Cash Flows - Proprietary Funds	11
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	12
Statement of Changes in Fiduciary Net Position	13
Notes to the Financial Statements	14
Required Supplementary Information Other Than MD&A:	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Major Funds:	
General Fund	24
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual Enterprise Fund:	
Ambulance Fund	25

rfarmer, llc
a certified public accounting and consulting firm

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, 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

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, 2017, 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, 2017, 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.

***r*farmer, llc**

May 15, 2018

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Statement of Net Position
December 31, 2017**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 141,974	\$ 642,734	\$ 784,708
Receivables	174,448	218,663	393,111
Capital Assets:			
Land	11,513	-	11,513
Buildings	151,304	79,400	230,704
Equipment and Furniture	1,160,326	856,560	2,016,886
Less: Accumulated Depreciation	<u>(804,705)</u>	<u>(763,562)</u>	<u>(1,568,267)</u>
Total Capital Assets	<u>518,438</u>	<u>172,398</u>	<u>690,836</u>
Total Assets	<u>834,860</u>	<u>1,033,795</u>	<u>1,868,655</u>
LIABILITIES			
Accounts payable	-	17,384	17,384
Total liabilities	<u>-</u>	<u>17,384</u>	<u>17,384</u>
Deferred Cash Inflow of Resources			
Deferred property taxes	<u>174,448</u>	<u>170,023</u>	<u>344,471</u>
NET POSITION			
Net Investment in Capital Assets	518,438	172,398	690,836
Unrestricted	141,974	673,990	815,964
Total net position	<u>\$ 660,412</u>	<u>\$ 846,388</u>	<u>\$ 1,506,800</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, 2017**

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	\$ 162,970	\$ 2,059	\$ 12,592	\$ -	\$ (148,319)	\$ -	\$ (148,319)
Total governmental activities	<u>162,970</u>	<u>2,059</u>	<u>12,592</u>	<u>-</u>	<u>(148,319)</u>	<u>-</u>	<u>(148,319)</u>
Business-type activities:							
Ambulance Services	459,838	313,997	6,988	-	-	(138,853)	(138,853)
Total business-type activities	<u>459,838</u>	<u>313,997</u>	<u>6,988</u>	<u>-</u>	<u>-</u>	<u>(138,853)</u>	<u>(138,853)</u>
Total primary government	<u>\$ 622,808</u>	<u>\$ 316,056</u>	<u>\$ 19,580</u>	<u>\$ -</u>	<u>(148,319)</u>	<u>(138,853)</u>	<u>(287,172)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 183,695	\$ 178,790	\$ 362,485
Unrestricted investment earnings					310	169	479
Total general revenues, special items, and transfers					<u>184,005</u>	<u>178,959</u>	<u>362,964</u>
Change in net assets					35,686	40,106	75,792
Net position - beginning					624,726	806,283	1,431,009
Net position - ending					<u>\$ 660,412</u>	<u>\$ 846,389</u>	<u>\$ 1,506,801</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, 2017**

	General	Total Governmental Funds
ASSETS		.
Cash and cash equivalents	\$ 141,974	\$ 141,974
Taxes receivable, net	174,448	174,448
Total assets	316,422	316,422
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	-	-
Total liabilities	-	-
 Deferred Cash Inflow of Resources:		
Deferred property taxes	174,448	174,448
 Fund Balance		
Unassigned:		
Fund balance	141,974	141,974
Fund balance	141,974	141,974
Total liabilities and fund balance	\$ 316,422	\$ 316,422

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, 2017**

Total fund balance, governmental funds	\$	141,974
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>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.</p>		518,438
		518,438
Net position of Governmental Activities in the Statement of Net Position	\$	660,412

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 Balance
Governmental Funds
For the Year Ended December 31, 2017**

	General	Total Governmental Funds
REVENUES		
Property Taxes	\$ 183,695	\$ 183,695
Intergovernmental	10,000	10,000
Investment earnings	310	310
Miscellaneous	4,652	4,652
Total revenues	198,657	198,657
EXPENDITURES		
Current:		
General government	17,688	17,688
Public Safety	94,472	94,472
Capital Outlay	117,500	117,500
Total Expenditures	229,660	229,660
Excess (deficiency) of revenues over expenditures	(31,003)	(31,003)
Net change	(31,003)	(31,003)
Fund balance - beginning	172,977	172,977
Fund balance - ending	\$ 141,974	\$ 141,974

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 Balance of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017**

Net change in fund balance - total governmental funds: \$ (31,003)

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 \$117,500 is more than depreciation of \$50,809 in the current period.

66,691

Rounding

(2)

Change in fund balance of governmental activities

\$ 35,686

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, 2017

	Ambulance
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 642,734
Accounts Receivable, net	48,640
Other receivables	170,023
Total current assets	861,397
Non-current assets:	
Capital Assets:	
Buildings	79,400
Equipment and Furniture	856,560
Less Accumulated depreciation	(763,562)
Total non-current assets	172,398
Total assets	1,033,795
 LIABILITIES	
Current Liabilities:	
Accounts payable	17,384
Total current liabilities	17,384
Total liabilities	17,384
 Deferred Cash Inflow of Resources:	
Deferred property taxes	170,023
 NET POSITION	
Net Investment in capital assets	172,398
Unrestricted	673,990
Total net position	\$ 846,388

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, 2017

	<u>Ambulance</u>
REVENUES	
Routine Services	\$ 306,881
Operating grants	6,988
Other operating income	178,790
Total operating revenues	<u>492,659</u>
OPERATING EXPENSES	
Personal services	274,757
Contractual services	46,889
Utilities	10,922
Repairs and maintenance	1,785
Office supplies and expenses	3,027
Operating supplies	50,816
Bad debts	17,467
Miscellaneous expenses	4,224
Insurance claims and expenses	3,926
Depreciation	46,026
Total Operating Expenses	<u>459,839</u>
Operating income (loss)	<u>32,820</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	169
Miscellaneous revenue	7,116
Total non-operating revenue (expenses)	<u>7,285</u>
Change in net position	40,105
Total net position - beginning	<u>806,283</u>
Total net position - ending	<u>\$ 846,388</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 Cash Flows
Proprietary Fund Type
For the Year Ended December 31, 2017

	Ambulance
	2017
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Ambulance Services	\$ 305,876
Cash Received from Grants	6,988
Cash Received from Other Operating Income	178,790
Cash Payments to Suppliers for Goods & Services	(142,235)
Cash Payments to Employees	<u>(274,757)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>74,662</u>
 CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:	
(Acquisition) of Capital Assets	<u>(21,624)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(21,624)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	169
Miscellaneous Nonoperating Income (Expenses)	<u>7,116</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>7,285</u>
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	60,323
CASH & CASH EQUIVALENTS:	
Beginning of Year	<u>582,411</u>
 End of Year	<u><u>642,734</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	32,820
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:	
Depreciation	46,026
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable, net of allowance	(1,005)
Increase (Decrease) in Payables	<u>(3,179)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 74,662</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
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2017**

ASSETS:	
Cash	\$ 35,693
Investments-certificates of deposit	125,817
Property Taxes Receivable	<u>15,302</u>
Total Assets	<u><u>176,812</u></u>
LIABILITIES:	
Deferred Cash Inflow of Resources-property taxes	<u>15,302</u>
Total Liabilities	<u><u>15,302</u></u>
NET POSITION:	
Net position restricted for pensions	<u><u>\$ 161,510</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
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2017**

ADDITIONS:

State Contribution	\$ 13,489
Interest Income	777
Property Taxes	<u>16,543</u>
Total Additions	<u>30,809</u>

DEDUCTIONS:

Pension Payments	28,800
Miscellaneous	<u>1,061</u>
Total Deductions	<u>29,861</u>
Change in Net Position	948
Net Position-Beginning	<u>160,562</u>
Net Position-Ending	<u><u>\$ 161,510</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, 2017**

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 position (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 position.

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
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 2017 due to unanticipated expenditures and grants received. The General Fund overspent its 2017 budget.

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 2017 assessed tax to be collected in 2018.

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, 2017 and 2016, an allowance of \$138,436 and \$132,722 respectively was established to cover potential uncollectible balances of the Ambulance Fund.

The allowance account is approximately 74% of the ending accounts receivable balance for the years ending December 31, 2017 and 2016.

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 position 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 is 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 position. 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 \$784,709 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 \$210,796 and eligible wages were \$49,900. The contributions paid by the employer and the employee during 2017 were \$2,495 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 Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 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	117,500	-	1,160,326
Total capital assets being depreciated	1,194,130	117,500	-	1,311,630
Less Accumulated depreciation:				
Total accumulated depreciation	(753,896)	(50,809)	-	(804,705)
Total capital assets, being depreciated, net	440,234	66,691	-	506,925
Governmental activities capital assets, net	\$ 451,747	\$ 66,691	\$ -	\$ 518,438
Business-type activities:				
Capital assets, being depreciated:				
Equipment	\$ 432,544	\$ 21,626	\$ -	\$ 454,170
Buildings	79,400	-	-	79,400
Vehicles	402,390	-	-	402,390
Total capital assets being depreciated	914,334	21,626	-	935,960
Less Accumulated depreciation:				
Total accumulated depreciation	(717,536)	(46,026)	-	(763,562)
Total capital assets, being depreciated, net	\$ 196,798	\$ (24,400)	\$ -	\$ 172,398

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 per qualifying member. The Board can make changes to the monthly amounts as needed as long as the monthly amount does not exceed the amount set by Colorado Revised Statutes.

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 2017. As soon as FPPA starts accepting retirement funds the Board will transfer all investments to FPPA.

The Pension Plan has investments in certificates of deposit at the local bank. All investments are covered by FDIC insurance or the Public Depository Protection Act requirements.

The volunteer firemen and the District do not make any contributions to the plan. The plan is funded by contributions from the State of Colorado, investment earnings, and a mill levy specific to the pension fund.

For 2017, there were 16 retired volunteer firemen who were receiving \$150 per month. The amount to be paid to the qualifying volunteer firemen is currently determined by the Board.

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Budget and Actual
General
For the year ended December 31, 2017**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 179,842	\$ 179,842	\$ 183,695
Intergovernmental	10,000	10,000	10,000
Investment earnings	400	400	310
Miscellaneous	78,273	70,641	4,652
Total revenues	<u>268,515</u>	<u>260,883</u>	<u>198,657</u>
EXPENDITURES			
Current:			
General government	17,894	17,894	17,688
Public Safety	87,465	87,465	94,472
Capital Outlay	-	123,861	117,500
Total Expenditures	<u>105,359</u>	<u>229,220</u>	<u>229,660</u>
Excess (deficiency) of revenues over expenditures	<u>163,156</u>	<u>31,663</u>	<u>(31,003)</u>
Net change in fund balance	163,156	31,663	(31,003)
Fund balance - beginning	<u>172,978</u>	<u>172,978</u>	<u>172,979</u>
Fund balance - ending	<u>\$ 336,134</u>	<u>\$ 204,641</u>	<u>\$ 141,976</u>

**Las Animas/Bent County Fire Protection District
also dba Bent County Ambulance Service
Budget and Actual
Ambulance
For the year ended December 31, 2017**

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 169,967	\$ 169,967	\$ 178,790
Charges for services	663,194	234,261	306,881
Operating grants and contributions	3,005,000	5,000	6,988
Investment earnings	-	-	169
Miscellaneous	8,179	8,179	7,116
Total revenues	<u>3,846,340</u>	<u>417,407</u>	<u>499,944</u>
EXPENSES:			
Personal services	342,367	252,634	274,757
Contractual Services	54,897	54,897	46,889
Operating Supplies	43,200	43,200	50,816
Utilities	13,450	13,450	10,922
Repairs and maintenance	32,400	32,400	1,785
Other supplies and expenses	25,200	25,200	20,494
Miscellaneous Expense	10,510	10,510	4,224
Insurance claims and expenses	5,445	5,445	3,926
Depreciation	41,444	41,444	46,026
Total Expenditures	<u>568,913</u>	<u>479,180</u>	<u>459,839</u>
Excess (deficiency) of revenues over expenditures	<u>3,277,427</u>	<u>(61,773)</u>	<u>40,105</u>
Net change in net position	<u>3,277,427</u>	<u>(61,773)</u>	<u>40,105</u>
Net position - beginning	<u>1,000,427</u>	<u>1,000,427</u>	<u>806,283</u>
Net position - ending	<u>\$ 4,277,854</u>	<u>\$ 938,654</u>	<u>\$ 846,388</u>