

# BRIGGSDALE FIRE PROTECTION DISTRICT

## FINANCIAL STATEMENTS

Year Ended December 31, 2019



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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, 2019, 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, 2019, 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.

## **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.*

August 19, 2020

## 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, 2019. 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 \$4.2 million at December 31, 2019.
- \* The General Fund balance was \$1.9 million as of December 31, 2019. Of this amount, \$24,460 is reserved for emergencies.
- \* The December 31, 2019 General Fund balance is \$105,245 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 7 and 8 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 12 through 20 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 9 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, 2019, assets exceeded liabilities by \$4,264,807.

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

December 31	2019	2018
<b>Assets:</b>		
Current and other assets	\$ 2,631,784	\$ 2,576,455
Capital assets	2,215,436	1,954,980
Net pension asset	87,107	17,817
<b>Total Assets</b>	<b>4,934,327</b>	<b>4,549,252</b>
<b>Liabilities:</b>		
Current liabilities	(1,556)	2,632
<b>Total Liabilities</b>	<b>(1,556)</b>	<b>2,632</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Property Taxes	671,076	716,804
<b>Total Deferred Inflows</b>	<b>671,076</b>	<b>716,804</b>
<b>Net Position:</b>		
Net Investment in capital assets	2,215,436	1,954,980
Restricted	24,460	23,241
Unrestricted	2,024,911	1,851,595
<b>Total Net Position</b>	<b>\$ 4,264,807</b>	<b>\$ 3,829,816</b>

A significant portion of BFPD's net position represents unrestricted net position of \$2,024,911 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 \$24,460 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 \$24,460.

The following table indicates the changes in net position:

Years Ended December 31	2019	2018
Revenues:		
General revenues:		
Property and S.O. taxes	\$ 764,208	\$ 768,450
Investment earnings	30,226	4,909
Rental income	5,500	--
Other revenue	15,393	1,333
<b>Total Revenues</b>	<b>815,327</b>	<b>774,692</b>
Expenses:		
Administrative	50,028	44,323
Program services	212,729	214,948
Depreciation	117,579	96,885
<b>Total Expenses</b>	<b>380,336</b>	<b>356,156</b>
<b>Increase in Net Position</b>	<b>\$ 434,991</b>	<b>\$ 418,536</b>

**Governmental Activities.** Governmental activities increased BFPD's net position by \$434,991 in 2019. Key elements of this increase are as follows:

- \* Total revenues were \$815,327, up 5% from the prior year. This is primarily due to increase in investment earnings and other revenue.
- \* Expenses totaled \$380,336. This represents a 7% increase over the previous year, primarily due to increased depreciation and administrative expenses.

### GENERAL FUND BUDGETARY HIGHLIGHTS

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

Year Ended December 31, 2019	Final Budget	Actual
Beginning Fund Balance	\$ 1,857,019	\$ 1,857,019
Revenue	768,169	815,327
Expenditures	719,507	710,082
<b>Ending Fund Balance</b>	<b>\$ 1,905,681</b>	<b>\$ 1,962,264</b>

## **CAPITAL ASSET ADMINISTRATION**

*Capital Assets.* BFPD's investment in capital assets for its governmental type activities as of December 31, 2019, totals \$2,215,436 (net of accumulated depreciation). This investment includes all land, buildings, equipment, and vehicles. The primary capital activity of 2019 was the purchase of new building and equipment.

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 2020 budget:

- The assessed valuation of property in the District decreased for 2020, resulting in a property taxes expected of \$671,076.

## **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, 2019	General Fund	Adjustments	Statement of Net Position
<b><u>ASSETS</u></b>			
Cash	\$ 1,948,007	\$ -	\$ 1,948,007
Property Taxes Receivable	671,076	-	671,076
Prepaid items	12,701	-	12,701
Capital Assets:			
Land and improvements	-	20,357	20,357
Buildings and improvements	-	1,256,857	1,256,857
Equipment and vehicles	-	1,484,287	1,484,287
Accumulated depreciation	-	(546,065)	(546,065)
Net Pension Asset	-	87,107	87,107
<b>TOTAL ASSETS</b>	<b>\$ 2,631,784</b>	<b>2,302,543</b>	<b>4,934,327</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ (1,556)	\$ -	\$ (1,556)
<b>TOTAL LIABILITIES</b>	<b>(1,556)</b>	<b>-</b>	<b>(1,556)</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Property Taxes	671,076	-	671,076
Total Deferred Inflows	671,076	-	671,076
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS</b>	<b>669,520</b>	<b>-</b>	<b>669,520</b>
<b><u>FUND BALANCE/NET POSITION</u></b>			
Fund Balances:			
Reserved for TABOR emergencies	24,460	(24,460)	-
Unassigned	1,937,804	(1,937,804)	-
Total Fund Balance	1,962,264	(1,962,264)	-
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 2,631,784</b>		
Net Position:			
Net investment in capital assets		2,215,436	2,215,436
Restricted for emergencies		24,460	24,460
Unrestricted		2,024,911	2,024,911
		<b>\$ 4,264,807</b>	<b>\$ 4,264,807</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, 2019	General Fund	Adjustments	Statement of Activities
Revenue:			
General property taxes	\$ 715,946	\$ -	\$ 715,946
Specific ownership taxes	48,262	-	48,262
Interest earnings	30,226	-	30,226
Rental income	5,500	-	5,500
Other income	15,393	-	15,393
Total Revenue	815,327	-	815,327
Expenditures:			
Current Operating:			
Administration	50,028	-	50,028
Fire fighting and emergency response	282,019	(69,290)	212,729
Capital outlay	378,035	(378,035)	-
Depreciation	-	117,579	117,579
Total Expenditures	710,082	(329,746)	380,336
Revenue over Expenditures	105,245	329,746	434,991
Fund Balance/Net Position, Beginning of Year	1,857,019	1,972,797	3,829,816
Fund Balance/Net Position, End of Year	\$ 1,962,264	\$ 2,302,543	\$ 4,264,807

See Accompanying Notes to Financial Statements.

**BRIGGS DALE FIRE PROTECTION DISTRICT****BUDGETARY COMPARISON STATEMENT**

Year Ended December 31, 2019	Actual	Final Budget	Variance From Budget
Revenue:			
General property taxes	\$ 715,946	\$ 716,805	\$ (859)
Specific ownership taxes	48,262	50,000	(1,738)
Interest earnings	30,226	1,364	28,862
Rental income	5,500	-	5,500
Other income	15,393	-	15,393
<b>Total Revenue</b>	<b>815,327</b>	<b>768,169</b>	<b>47,158</b>
Expenditures:			
Administration:			
Postage & office supplies	1,096	3,900	2,804
Dues & memberships	3,778	1,000	(2,778)
Insurance	2,388	4,500	2,112
Trash & sanitation	1,344	1,800	456
Electricity	4,986	6,000	1,014
Water	782	600	(182)
Propane	7,567	6,000	(1,567)
Telephone and communications	1,814	2,500	686
Legal	3,693	14,000	10,307
Elections	-	100	100
Accounting	12,133	12,000	(133)
Professional services	6,750	250	(6,500)
Travel and miscellaneous	3,697	2,500	(1,197)
<b>Total Administration</b>	<b>50,028</b>	<b>55,150</b>	<b>5,122</b>
Fire Fighting:			
Vehicle expense	59,886	63,500	3,614
Operating supplies and equipment	64,481	72,450	7,969
Training	6,141	20,500	14,359
Repairs and maintenance	2,414	5,000	2,586
Firefighter stipend	29,900	25,000	(4,900)
Shop supplies	3,943	10,000	6,057
Insurance	15,911	3,700	(12,211)
Banking services	-	20	20
County treasurer fees	10,898	12,000	1,102
Pension fund contributions	33,147	28,647	(4,500)
Payroll expenses	54,953	118,094	63,141
Interest	345	-	(345)
<b>Total Fire Fighting</b>	<b>282,019</b>	<b>358,911</b>	<b>76,892</b>
Capital Outlay:			
Vehicles, equipment, furniture and fixtures	378,035	265,446	(112,589)
Communications	-	40,000	40,000
<b>Total Capital Outlay</b>	<b>378,035</b>	<b>305,446</b>	<b>(72,589)</b>
<b>Total Expenditures</b>	<b>710,082</b>	<b>719,507</b>	<b>9,425</b>
Revenue Over Expenditures	105,245	48,662	56,583
Fund Balance, January 1, 2018	1,857,019	1,857,019	-
<b>Fund Balance, December 31, 2018</b>	<b>\$ 1,962,264</b>	<b>\$ 1,905,681</b>	<b>\$ 56,583</b>

See Accompanying Notes to Financial Statements.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019	Volunteer Pension Trust Fund
<u>ASSETS</u>	
Bank Money Market Account	\$ 180,928
Total Assets	180,928
<u>LIABILITIES</u>	
Distributions Payable	-
Total Liabilities	-
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<b>\$ 180,928</b>

See Accompanying Notes to Financial Statements.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2019	Volunteer Pension Trust Fund
Additions:	
Contributions:	
District	\$ 33,147
State contribution	55,625
Total Contributions	88,772
Investment income:	
Interest	781
Other income	44
Total Investment Income	825
Total Additions	89,597
Deductions:	
Benefits	-
Professional fees	-
Total Deductions	-
Net Increase	89,597
Net Position Restricted for Pension Benefits, Beginning of Year	91,331
Net Position Restricted for Pension Benefits, End of Year	\$ 180,928

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 2019 are recorded as taxes receivable and unearned revenue as of December 31, 2019.

The original January 1, 2019 levy for the General Fund of the District was 4.002 mills or approximately \$716,804.

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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 2019.

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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, 2019 are \$24,460.

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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# BRIGGSDALE 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.

At December 31, 2019, the District had invested \$862,090 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. CSAFE operates similarly to a money market fund and each share is valued at the net asset value (NAV) of \$1.00. Investments of CSAFE consist of bills, notes, and bonds issued by the U.S. Treasury or a government agency, and repurchase agreements secured by such obligations. CSAFE is rated AAAM by Standard & Poor's. The District's interest is valued at NAV.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - Capital Assets:

	Balance, 1/1/19	Additions	Deletions	Balance, 12/31/19
Land and Improvements	\$ 20,357	\$ --	\$ --	\$ 20,357
Buildings and Improvements	979,174	227,683	--	1,256,857
Equipment and Vehicles	1,383,935	100,352	--	1,484,287
<b>Total Capital Assets</b>	<b>2,383,466</b>	<b>378,035</b>	<b>--</b>	<b>2,761,501</b>
Less Accumulated Depreciation:				
Building and Improvements	65,850	2,507	--	68,357
Equipment and Vehicles	362,636	115,072	--	477,708
<b>Total Accumulated Depreciation</b>	<b>428,486</b>	<b>117,579</b>	<b>--</b>	<b>546,065</b>
<b>Capital Assets, net</b>	<b>\$1,954,980</b>	<b>\$ 260,456</b>	<b>\$ --</b>	<b>\$2,215,436</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, 2019 included \$55,625 from State of Colorado matching and \$33,147 of property taxes levied by the District.

At December 31, 2019, pension plan membership consisted of 18 active members and no retired members. The monthly pension benefit is \$100.

At December 31, 2019, BFPD reported a asset of \$87,107 for its net pension asset. The net pension asset was measured as of December 31, 2019.

# BRIGGSDALE FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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

For the year ended December 31, 2019, BFPD recognized pension expense of \$(69,290). At December 31, 2019, BFPD did not have material deferred outflows of resources or deferred inflows of resources related to pensions.

*Actuarial assumptions:* The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.75 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	1.25 percent

Mortality rates were based on the RP-2014, adjusted back to 2006 with Scale MP-2014 and projected forward to 2018 with Scale MP-2017, fully generational using the ultimate rates from Scale MP-2017.

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 1.25 percent as the investments are primarily bank money market accounts.

*Discount rate:* The discount rate used to measure the total pension liability was 2.75 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 2.75 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 (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current rate:

December 31, 2019	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total pension asset	\$ 113,357	\$ 87,107	\$ 78,742

# 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 asset for the year ended December 31, 2019:

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Total Pension Liability	2019
Service cost	\$ 3,092
Interest on the total pension liability	2,784
Difference between expected and actual experience	2,018
Change in assumptions	12,413
Benefit payments	--
Net changes in total pension liability	20,307
Total Pension Liability - beginning	73,514
Total Pension Liability – ending	\$ 93,821
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Plan Fiduciary Net Position	
Contributions – employer	\$ 33,147
Net investment income	825
State contributions	55,625
Net change in plan fiduciary net position	89,597
Plan Fiduciary Net Position – beginning	91,331
Plan Fiduciary Net Position – ending	\$ 180,928
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District’s net pension asset – ending	\$ 87,107

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

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# BRIGGS DALE 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:

<u>December 31, 2019</u>	
Fund balance of General Fund	\$ 1,962,264
Capital assets used in governmental activities are not financial resources and therefore are not reported in the General Fund	2,215,436
Net pension asset is not reported in the General Fund	87,107
<u>Total Net Position</u>	<u>\$ 4,264,807</u>

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# BRIGGSDALE 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:

<u>Year Ended December 31</u>	<u>2019</u>
Net change in fund balance – General Fund	\$ 105,245
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	260,456
Pension expense less than pension plan contributions	69,290
<u>Change in Net Position of Governmental Activities</u>	<u>\$ 434,991</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
2019	\$ -	\$ 33,147	\$ -
2018	-	28,549	-
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: Market value  
 Inflation: Implicit  
 Benefit increase: None  
 Investment return: 1.25%

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

December 31	2019	2018	2017
Total Pension Liability:			
Annual Service Cost	\$ 3,092	\$ 3,457	\$ 3,457
Interest on the Total Pension Liability	2,784	3,549	4,393
Difference between expected and actual experience	2,018	-	-
Assumption changes	12,413	(5,124)	-
Benefit Payments	-	(67,200)	-
Total Pension Liability - Beginning	73,514	138,832	130,982
Total Pension Liability - Ending	\$ 93,821	\$ 73,514	\$ 138,832

#### Plan Fiduciary Net Position:

Contributions - District	\$ 33,147	\$ 28,549	\$ 33,256
Net Investment Income	825	57	26
State Matching funds (benefits paid)	55,625	(72,800)	-
Net Change	89,597	(44,194)	33,282
Plan Fiduciary Net Position - Beginning	91,331	135,525	102,243
Plan Fiduciary Net Position - Ending	\$ 180,928	\$ 91,331	\$ 135,525
District Net Pension Liability (Asset)	\$ (87,107)	\$ (17,817)	\$ 3,307
Percentage of Net Pension Liability	193%	124%	97%

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*
2019	0.5%
2018	0.1%
2017	0.1%

\*Net of investment and administrative expenses