

**COSTILLA COUNTY
FIRE PROTECTION DISTRICT**

FINANCIAL STATEMENTS

December 31, 2019



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

COSTILLA COUNTY FIRE PROTECTION DISTRICT
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Directors
Costilla County Fire Protection District
San Luis, Colorado

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Costilla County Fire Protection District (the District), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Costilla County Fire Protection District, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

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Other Matters

Required Supplementary Information

The District has omitted 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 information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the General Fund budgetary comparison information, schedule of changes in the District's net pension liability and related ratios, and schedule of District contributions as listed in the table of contents 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The fiduciary budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The fiduciary budgetary comparison 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 fiduciary budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 19, 2020

COSTILLA COUNTY FIRE PROTECTION DISTRICT
BASIC FINANCIAL STATEMENTS

COSTILLA COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
December 31, 2019

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 617,055
Property Taxes Receivable	375,473
Accounts Receivable	1,099
Due from Other Governments	10,000
Prepaid Expenses	15,215
Total Current Assets	1,018,842
Noncurrent Assets	
Net Pension Asset	82,580
Capital Assets	
Land	19,400
Buildings	575,750
Vehicles and Equipment	1,850,378
Less: Accumulated Depreciation	(1,357,512)
Total Noncurrent Assets	1,170,596
TOTAL ASSETS	2,189,438
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	223,344
TOTAL DEFERRED OUTFLOWS OF RESOURCES	223,344
LIABILITIES	
Current Liabilities	
Accounts Payable	13,351
Unearned Revenue	9,468
Due to Pension Fund	-
Lease Purchase Agreements	18,357
Total Current Liabilities	41,176
Noncurrent Liabilities	
Lease Purchase Agreements	126,637
Total Noncurrent Liabilities	126,637
TOTAL LIABILITIES	167,813
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Tax	375,473
Pensions	441,393
TOTAL DEFERRED INFLOWS OF RESOURCES	816,866
NET POSITION	
Net Investment in Capital Assets	943,022
Restricted for:	
TABOR Reserve	13,129
Unrestricted	471,952
TOTAL NET POSITION	\$ 1,428,103

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Public Safety					
Administration	\$ 22,324	\$ -	\$ -	\$ -	\$ (22,324)
Fire Fighting	223,889	-	11,048	-	(212,841)
Interest on Debt	6,506	-	-	-	(6,506)
Total Governmental Activities	\$ 252,719	\$ -	\$ 11,048	\$ -	(241,671)
General Revenues:					
Taxes					426,517
Interest Income					1,108
Total General Revenues					427,625
Change in Net Position					185,954
Net Position, Beginning of Year					1,242,149
Net Position, End of Year					\$ 1,428,103

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

**COSTILLA COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2019**

	GENERAL FUND
ASSETS	
Cash and Cash Equivalents	\$ 617,055
Property Taxes Receivable	375,473
Accounts Receivable	1,099
Due from Other Governments	10,000
Prepaid Expenses	15,215
TOTAL ASSETS	\$ 1,018,842
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$ 13,351
Unearned Revenue	9,468
TOTAL LIABILITIES	22,819
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Tax	375,473
TOTAL DEFERRED INFLOWS OF RESOURCES	375,473
FUND BALANCE	
Nonspendable:	
Prepaid Expenses	15,215
Restricted:	
TABOR Reserve	13,129
Assigned:	
Capital Reserve	44,415
Unassigned	547,791
TOTAL FUND BALANCE	620,550
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 1,018,842

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

**COSTILLA COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2019**

Total governmental fund balance	\$	620,550
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		1,088,016
Deferred results relating to the pension plan recorded as expenditures in the governmental funds but must be deferred in the statement of net position.		223,344
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Lease Purchase Agreements		(144,994)
Net pension liabilities are not due and payable in the current period and are not reported in the fund.		82,580
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the fund.		<u>(441,393)</u>
Net position of governmental activities	\$	<u><u>1,428,103</u></u>

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

**COSTILLA COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended December 31, 201;**

	GENERAL FUND
REVENUES	
Taxes	\$ 426,517
Intergovernmental Revenue	-
Grant Revenue	10,000
Donations and Contributions	1,048
Interest Income	1,108
TOTAL REVENUES	438,673
EXPENDITURES	
Public Safety	
Administration	157,121
Fire Fighting	133,125
Debt Service	28,736
TOTAL EXPENDITURES	318,982
Excess (Deficiency) of Revenues Over Expenditures	119,691
Fund Balance, Beginning of Year	500,859
Fund Balance, End of Year	\$ 620,550

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

**COSTILLA COUNTY FIRE PROTECTION DISTRICT
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, 2019**

Net change in fund balance - Total governmental fund	\$	119,691
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the activity in capital assets in the current period.</p>		
Depreciation Expense		(108,900)
<p>Debt proceeds provide current financial resources to the governmental fund, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. This is the activity in debt in the current period.</p>		
Lease Purchase Agreements Principal Payments		40,366
<p>Certain items reported in the statement of activities do not require the use of current financial resources and are not reported in the governmental fund. This item consists of the effect to pension expense.</p>		
		134,797
Change in net position of governmental activities	\$	185,954

**COSTILLA COUNTY FIRE PROTECTION DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 For the Year Ended December 31, 201;**

	FIREMEN'S PENSION TRUST FUND
ASSETS	
Cash and Cash Equivalents	\$ 156,247
Property Tax Receivable	120,925
Investments	
Fixed Income	1,370,400
Equities	437,986
Non-traditional Mutual Funds	384,898
Other Mutual Funds	435,615
Due from Other Governments	<u>27,876</u>
TOTAL ASSETS	<u>2,933,947</u>
TOTAL LIABILITIES	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>120,925</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 2,813,022</u></u>

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

**COSTILLA COUNTY FIRE PROTECTION DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Year Ended December 31, 201;**

	<u>FIREMEN'S PENSION TRUST FUND</u>
ADDITIONS	
Contributions	
Property Taxes, Net	\$ 117,024
Specific Ownership Taxes	11,239
Abatements	776
Delinquent Taxes and Interest	7,229
State Contributions	<u>26,789</u>
Total Contributions	<u>163,057</u>
Investment Income (Loss)	
Net Increase (Decrease) in Fair Value of Investments	190,842
Investment Income	98,507
Less: Investment Expense	<u>(19,206)</u>
Net Investment Income (Loss)	<u>270,143</u>
TOTAL ADDITIONS	<u>433,200</u>
DEDUCTIONS	
Pension Payments	<u>169,030</u>
TOTAL DEDUCTIONS	<u>169,030</u>
NET INCREASE (DECREASE) in Net Position	264,170
Net Position, Beginning of Year	<u>2,548,852</u>
Net Position, End of Year	<u><u>\$ 2,813,022</u></u>

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

The Costilla County Fire Protection District was organized in accordance with Colorado Statutes 32-1-101. The entity's purpose is to provide volunteer fire protection services in Costilla County.

Component Units

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

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

The District reports the following major governmental fund:

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

Fiduciary fund financial statements consist of the Firemen's Pension Fund established to account for the accumulation of resources to be used for retirement payments for the District's fire fighters.

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

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized by the District to the extent it results in a current receivable. The 2019 property tax levy due January 1, 2020, has been recorded in the financial statements as a receivable and corresponding deferred inflow of resources.

Prepaid Items

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

Capital Assets

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

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

Assets	Years
Buildings	50
Vehicles and Equipment	5-15

Unearned Revenue

Revenue on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Inflows of Resources

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

Compensated Absences

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

Long-Term Obligations

Long-term debt and other long term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

Fireman's Pension

The District Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. District contributions are recognized when the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Net Position

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

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.

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

Fund Balance

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

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

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

Encumbrances

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

Use of Estimates

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

Formal budgetary integration is employed as a management control device for all funds of the District. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). All budget amounts presented reflect the original budget and the final budget, if applicable.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The District did not adopt supplemental appropriations during fiscal year 2019.

Stewardship

Total expenditures exceeded budgeted appropriations in the Firemen’s Pension Trust Fund by \$5,515. This may be a violation of state statute.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

The carrying amount of cash, deposits, and investments are reflected in the accompanying financial statements as follows:

Cash in Banks	\$	773,302		Governmental Activities	\$	617,055
Investments		2,628,899		Fiduciary Fund - Pension		2,785,146
		\$ 3,402,201				\$ 3,402,201

Cash and Deposits

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

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits in 2019 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At December 31, 2019, \$378,873 of the District's bank balance of \$785,120 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Investments

The District's investments are subject to interest rate risk, credit risk, and concentration of credit risk. The types of investments which are authorized to be made with District funds are controlled by state statute and the investment policies of the District. Colorado statutes and the District's investment policies specify investment instruments meeting defined rating and risk criteria in which the District may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial risk. The District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The policy allows for the investment in local government investment pools.

Credit Risk

Credit risk is the risk that an issuer of a debt instrument will not fulfill its obligations. The District manages its exposure to credit risk by having the District's broker monitor the quality ratings in its fixed income portfolios and by requiring its fixed income manager to diversify by issuer. At all times 60% of contributions less amounts paid out must be in fixed income obligations valued at cost.

Fair Value Measurement

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

As of December 31, 2019, the District has the following recurring fair value measurements:

<u>Investment Type</u>		<u>Fair Value</u>	<u>Up To 120 Days</u>	<u>121 Days to 5 Years</u>	<u>More Than 5 Years</u>	<u>Fair Value Measurements Using:</u>
						<u>Level 2</u>
Fixed-Income:						
U.S. Government and Agency Securities	10.4%	\$ 273,811	\$ -	\$ 273,811	\$ -	\$ 273,811
Mutual Funds	41.7%	1,096,589	-	-	-	1,096,589
Total Fixed Income	52.1%	1,370,400	-	273,811	-	1,370,400
Equities:						
Close End Funds & Exchange Traded Products	13.1%	343,876	-	-	-	343,876
Mutual Funds	3.6%	94,110	-	-	-	94,110
Total Equities	16.7%	437,986	-	-	-	437,986
Non-Traditional Mutual Funds	14.6%	384,898	-	-	-	384,898
Other Mutual Funds	16.6%	435,615	-	-	-	435,615
Total Investments	100.0%	\$ 2,628,899	\$ -	\$ 273,811	\$ -	\$ 2,628,899

As of December 31, 2019, the District's investments were rated as follows:

<u>Quality Rating</u>	<u>Securities by Investment Type</u>			
	<u>Fixed Income</u>	<u>Equities</u>	<u>Money Market and Other</u>	<u>Total</u>
Moody's Aaa	\$ 178,772	\$ -	\$ -	\$ 178,772
Morning Star				
*	-	-	-	-
**	-	104,620	260,129	364,749
***	-	281,443	-	281,443
****	649,049	-	112,161	761,210
*****	447,539	51,923	323,455	822,917
Unrated	95,040	-	124,768	219,808
Fair Value	\$ 1,370,400	\$ 437,986	\$ 820,513	\$ 2,628,899

The District invests in certain sectors of the fixed income market through its core plus fixed income managers' commingled fund vehicles. Obligations of the U.S. Government and obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

Interest Rate Risk and Market Risk

The fair value of investments fluctuates in response to changes in market interest rates, generally decreasing in response to increases in market interest rates. Through its investment policy, the District manages exposure to fair value losses arising from increasing interest rates by monitoring the duration and maturity of its portfolio and requiring its fixed income managers to diversify by issuer and by sector or industry.

Duration measures a fixed income security's exposure to price changes arising from changing interest rates. The District invests in various securities with embedded options that affect the sensitivity to changes in interest rates and market rates.

NOTE 4 PROPERTY TAX RECEIVABLE

At December 31, 2019, the District had an estimated property tax receivable as follows:

General Fund		\$	375,473
Pension Fund			120,925
			496,398
			496,398

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land	\$ 19,400	\$ -	\$ -	\$ 19,400
Total capital assets not being depreciated	19,400	-	-	19,400
Capital assets being depreciated				
Buildings	575,750	-	-	575,750
Vehicles and Equipment	1,850,378	-	-	1,850,378
Total capital assets being depreciated	2,426,128	-	-	2,426,128
Less accumulated depreciation for:				
Buildings	142,765	11,515	-	154,280
Vehicles and Equipment	1,105,847	97,385	-	1,203,232
Total accumulated depreciation	1,248,612	108,900	-	1,357,512
Total capital assets being depreciated, net	1,177,516	(108,900)	-	1,068,616
Governmental Activities Capital Assets, Net	\$ 1,196,916	\$ (108,900)	\$ -	\$ 1,088,016

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

<i>Governmental Activities:</i>	
Fire Fighting	\$ 108,900
Total governmental activities depreciation expense	\$ 108,900

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

NOTE 6 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

	Beginning Balance 12/31/2018	Additions	Deletions	Ending Balance 12/31/2019	Due Within One Year
<i>Governmental Activities:</i>					
Lease Purchase Agreements	\$ 185,360	\$ -	\$ 40,366	\$ 144,994	\$ 18,357
Total Governmental Activities	<u>\$ 185,360</u>	<u>\$ -</u>	<u>\$ 40,366</u>	<u>\$ 144,994</u>	<u>\$ 18,357</u>

Lease Purchase Agreements

2014 Lease Purchase Agreement

The Lease Purchase Agreement, dated May 1, 2014, was entered into between Kansas State Bank, as lessor, and the Costilla County Fire Protection District, as the lessee. Kansas State Bank issued \$106,507 for the purchase of forty Firehawk self-contained breathing apparatuses. Payments are due to the lessor in annual installments through May 1, 2019. Net book value of the apparatuses as of December 31, 2019 was \$0. Principal balance of the lease purchase agreement at December 31, 2019 was \$0.

2016 Lease Purchase Agreement

During 2019, the District entered into a Lease Purchase Agreement with PNC Equipment Finance, as lessor, and the Costilla County Fire Protection District, as the lessee. PNC Equipment Finance issued \$195,937 for the purchase of a Responder Pumper. The lease contains a provision for cancellation/termination provision that (a) 10% of the purchase price after order is accepted and entered by the Lessor (b) 20% of the purchase price after completion of approval drawings and (c) 30% of the purchase price upon any material requisition. Cancellation fee will increase accordingly as costs are incurred as the order progresses through engineering and into manufacturing. Payments are due to the lessor in annual installments through July 8, 2026. Net book value of the Responder Pumper as of December 31, 2019 was \$217,020. Principal balance of the lease purchase agreement at December 31, 2019 was \$144,994.

The annual debt service for the lease purchase agreement follows:

	Principal	Interest	Total
2020	\$ 18,357	\$ 5,800	\$ 24,157
2021	19,092	5,065	24,157
2022	19,856	4,301	24,157
2023	20,650	3,507	24,157
2024	21,476	2,681	24,157
2025-2026	45,563	2,751	48,314
	<u>\$ 144,994</u>	<u>\$ 24,105</u>	<u>\$ 169,099</u>

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

NOTE 7 FIRE PENSION

Plan Description

Plan administration

Title 31, Article 30 of the Colorado Revised Statutes provides for the creation and administration of a Firemen's Pension Fund, which is a single employer defined benefit pension plan. Management of the Plan is vested in the District Board, which consists of 5 members elected by plan members.

Plan membership

Membership in the plan consisted of the following at January 1, 2020, the date of the last actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	42
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	31
	74

Benefits provided

A volunteer fireman who has attained the age of 50 and has earned 10 years of active service, except if membership commenced after September 2013, then 20 years of service, may be granted a pension not to exceed \$400 per month. In the event of death before retirement, the beneficiary will receive 50% of the members accrued benefits with 10 years of service. If the death occurs after retirement, the beneficiary will receive 50% of the retiree's benefit. If at any time there is not sufficient money in the Fund to pay the full amount which each beneficiary is entitled to, an equal percentage of such monthly payment shall be made to each beneficiary until the Fund is replenished as to permit full payment.

Contributions

The District funds this pension plan with proceeds from a local mill levy, discretionary contributions from the State of Colorado Firemen's Pension Fund, interest earnings, capital gains (losses), and increases (decreases) in fair value on assets in the fund. The volunteer firemen do not contribute to this plan. Title 31, Article 30 of the Colorado Revised Statutes grants the authority to establish and amend the contribution requirements of the District and active plan members to the District Board. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the plan members during the year, with an additional amount to finance any unfunded accrued liability.

Investments

Investment policy

The pension plan's policy in regard to the allocation of invested assets is established by the Board of Directors. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of December 31, 2019:

Asset Class	Target Allocation
Fixed-Income	52%
Equities	17%
Non-Traditional Mutual Funds	14%
Mutual Funds	17%
Total	100%

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 10.65 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the District

The component of the net pension liability of the District at December 31, 2019, were as follows:

Total pension liability	\$	2,733,443
Plan fiduciary net position		(2,816,023)
District's net pension liability (asset)		<u><u>\$ (82,580)</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)		103%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age actuarial cost method
Inflation	2.75% per annum compounded annually
Salary Increases	Not applicable because members are not paid
Investment rate of return	4.0 percent

Mortality rates were based on the Modified 1994 Group Annuity Mortality Table modified for no deaths before age 65.

Discount Rate

The discount rate used to measure the total pension liability was 4%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the District, calculated using the discount rate of 4 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3 percent) or 1-percentage-point higher (5 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	3%	4%	5%
District's net pension liability	<u><u>\$ 260,435</u></u>	<u><u>\$ (82,580)</u></u>	<u><u>\$ (364,772)</u></u>

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

Pension plan fiduciary net position

The plan does not issue a separate financial report. Detailed information about the pension plan's fiduciary net position is found on Pages 9 and 10.

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

For the year ended December 31, 2019, the District recognized pension expense of (\$134,797). Deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59,018	\$ 29,135
Net difference between projected and actual earnings on pension plan investments	164,326	134,895
Changes in assumptions	-	277,363
Total	\$ 223,344	\$ 441,393

Amounts reported as deferred outflows or resources and deferred inflows of resources, excluding deferred contributions, related to pensions will be recognized in pension expense as follows:

Year ended December 31,

2020	\$ (8,969)
2021	6,744
2022	(147)
2023	(45,854)
2024	(12,130)
2025-2029	(60,651)
2030-2034	(60,651)
2035-2037	(36,393)
	\$ (218,051)

NOTE 8 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of this amendment.

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

The voters of Costilla County Fire Protection District passed a ballot issued in 2000 authorizing the District to collect, retain, and expend the full proceeds of the county taxes, grants, fees and other revenues and other funds collected, not withstanding Article X, Section 20 of the Colorado Constitution from the date of January 1, 2001, provided that no local tax rate or mill levy shall be increased without further voter approval.

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2019

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

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

NOTE 10 SUBSEQUENT EVENTS

Contingencies, Risks, and Uncertainties

In March of 2020, the COVID-19 virus was declared a global pandemic. Business continuity could be severely impacted for months or more, as significant and unprecedented measures to mitigate the consequences of the pandemic are undertaken. The District has a significant amount of assets held in investments which may experience significant losses during this pandemic. No adjustments have been made to these financial statements as the potential impact is unknown at this time.

Lease Proceeds

In April of 2020, the District entered into a lease agreement for the purchase of a 3,000 gallon tanker for \$211,510.

COSTILLA COUNTY FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

COSTILLA COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 201;

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 407,181	\$ 407,181	\$ 426,517	\$ 19,336
Grant Revenue	-	-	10,000	10,000
Donations and Contributions	138,423	138,423	1,048	(137,375)
Interest Income	442	442	1,108	666
TOTAL REVENUES	<u>546,046</u>	<u>546,046</u>	<u>438,673</u>	<u>(107,373)</u>
EXPENDITURES				
Public safety				
Administration	163,184	163,184	157,121	6,063
Fire Fighting	127,000	127,000	111,520	15,480
Training	10,000	10,000	9,867	133
Repair Service	20,000	20,000	11,738	8,262
Capital Outlay	40,000	40,000	-	40,000
Debt Service	56,962	56,962	28,736	28,226
TOTAL EXPENDITURES	<u>417,146</u>	<u>417,146</u>	<u>318,982</u>	<u>98,164</u>
Net Change in Fund Balance	128,900	128,900	119,691	(9,209)
Fund Balance, Beginning of Year	<u>320,139</u>	<u>320,139</u>	<u>500,859</u>	<u>180,720</u>
Fund Balance, End of Year	<u>\$ 449,039</u>	<u>\$ 449,039</u>	<u>\$ 620,550</u>	<u>\$ 171,511</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.
This schedule is presented on the GAAP basis.

COSTILLA COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
NET PENSION LIABILITY AND RELATED RATIOS
For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 56,804	\$ 56,936	\$ 66,108	\$ 62,523	\$ 73,762	\$ 73,760
Interest	105,835	117,466	161,826	118,314	121,348	117,968
Changes in assumptions and other inputs	-	(308,181)				
Differences between expected and actual experience	62,297	-	(278,867)	17,060	(33,296)	39,535
Benefit payments	(169,030)	(155,765)	(152,536)	(152,576)	(146,560)	(146,976)
Net change in total pension liability	<u>55,906</u>	<u>(289,544)</u>	<u>(203,469)</u>	<u>45,321</u>	<u>15,254</u>	<u>84,287</u>
Total pension liability-beginning	2,674,536	2,964,080	3,167,549	3,122,228	3,106,974	3,022,687
Total pension liability-ending (a)	<u>\$ 2,730,442</u>	<u>\$ 2,674,536</u>	<u>\$ 2,964,080</u>	<u>\$ 3,167,549</u>	<u>\$ 3,122,228</u>	<u>\$ 3,106,974</u>
Plan fiduciary net position						
Contributions-employer	\$ 136,268	\$ 135,513	\$ 114,338	\$ 112,678	\$ 118,954	\$ 120,686
Contributions-state funding	26,789	27,019	27,019	33,741	33,741	26,789
Net investment income	270,143	(122,354)	70,318	31,930	(28,938)	81,201
Benefit payments	(169,030)	(155,765)	(152,536)	(152,576)	(146,560)	(146,976)
Net change in plan fiduciary net position	<u>264,170</u>	<u>(115,587)</u>	<u>59,139</u>	<u>25,773</u>	<u>(22,803)</u>	<u>81,700</u>
Plan fiduciary net position-beginning	2,548,852	2,664,439	2,605,300	2,579,527	2,602,330	2,520,630
Plan fiduciary net position-ending (b)	<u>\$ 2,813,022</u>	<u>\$ 2,548,852</u>	<u>\$ 2,664,439</u>	<u>\$ 2,605,300</u>	<u>\$ 2,579,527</u>	<u>\$ 2,602,330</u>
District's net pension liability-ending (a) - (b)	<u>\$ (82,580)</u>	<u>\$ 125,684</u>	<u>\$ 299,641</u>	<u>\$ 562,249</u>	<u>\$ 542,701</u>	<u>\$ 504,644</u>
Plan fiduciary net position as a percentage of the total pension liability	103.02%	95.30%	89.89%	82.25%	82.62%	83.76%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
District's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
For the Year Ended December 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 63,793	\$ 73,598	\$ 113,616	\$ 152,695	\$ 152,695	\$ 174,264
Contributions in relation to the actuarially determined contribution	<u>163,056</u>	<u>162,532</u>	<u>141,357</u>	<u>146,419</u>	<u>152,695</u>	<u>147,475</u>
Contribution deficiency (excess)	<u>\$ (99,263)</u>	<u>\$ (88,934)</u>	<u>\$ (27,741)</u>	<u>\$ 6,276</u>	<u>\$ -</u>	<u>\$ 26,789</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

COSTILLA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2019

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

- 2019* There were no changes in assumptions or other inputs this measurement period compared to the prior year.
- 2018* The mortality tables were changed from the RP-2000 Combined projected to 2017 for active and RP-2016 set forward five years for disabled members to the Modified 1994 Group Annuity Mortality for Males.
- 2017* There were no changes in assumption or other inputs this measurement period compared to the prior year.
- 2016* There were no changes in assumptions or other inputs this measurement period compared to the prior year.
- 2015* There were no changes in assumptions or other inputs this measurement period compared to the prior year.

COSTILLA COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
FIREMEN'S PENSION TRUST FUND
For the Year Ended December 31, 2019

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
ADDITIONS				
Contributions				
Property Taxes, Net	\$ 131,972	\$ 131,972	\$ 117,024	\$ (14,948)
Specific Ownership Taxes	9,238	9,238	11,239	2,001
Abatements	-	-	776	776
Delinquent Taxes and Interest	1,821	1,821	7,229	5,408
State Contributions	27,019	27,019	26,789	(230)
Total Contributions	<u>170,050</u>	<u>170,050</u>	<u>163,057</u>	<u>(6,993)</u>
Investment Income (Loss)				
Investment Income	100,260	100,260	98,507	(1,753)
Unrealized Gain/(Loss)	(24,758)	(24,758)	186,085	210,843
Realized Gain/(Loss)	-	-	4,757	4,757
Total Investment Income (Loss)	<u>75,502</u>	<u>75,502</u>	<u>289,349</u>	<u>213,847</u>
Less: Investment Expense	<u>(27,383)</u>	<u>(27,383)</u>	<u>(19,206)</u>	<u>8,177</u>
Net Investment Income (Loss)	<u>48,119</u>	<u>48,119</u>	<u>270,143</u>	<u>222,024</u>
TOTAL ADDITIONS	<u>218,169</u>	<u>218,169</u>	<u>433,200</u>	<u>215,031</u>
DEDUCTIONS				
Pension Payments	155,338	155,338	169,030	(13,692)
TOTAL DEDUCTIONS	<u>155,338</u>	<u>155,338</u>	<u>169,030</u>	<u>(13,692)</u>
Net Increase (Decrease)	62,831	62,831	264,170	201,339
Net Position, Beginning of Year	<u>2,642,756</u>	<u>2,642,756</u>	<u>2,548,852</u>	<u>(93,904)</u>
Net Position, End of Year	<u>\$ 2,705,587</u>	<u>\$ 2,705,587</u>	<u>\$ 2,813,022</u>	<u>\$ 107,435</u>