

ALAMOSA COUNTY FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS

December 31, 2022



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

ALAMOSA COUNTY FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Alamosa County Fire Protection District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Alamosa County Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material

Certified Public Accountants

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misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control . Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

September 08, 2023

ALAMOSA COUNTY FIRE PROTECTION DISTRICT

BASIC FINANCIAL STATEMENTS

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
December 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 632,486
Due from other governments	5,884
Property taxes receivable	562,531
Prepaid expenditures	24,453
Total Current Assets	<u>1,225,354</u>
Noncurrent Assets	
Net Pension Asset	203,607
Capital assets	
Land	19,544
Buildings	287,118
Equipment	634,582
Vehicles	2,715,861
Less: Accumulated depreciation	(2,850,790)
Total Noncurrent Assets	<u>1,009,922</u>
TOTAL ASSETS	<u>2,235,276</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension	27,722
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>27,722</u>
LIABILITIES	
Current Liabilities	
Accounts payable	2,510
Due to Pension Fund	-
Total Current Liabilities	<u>2,510</u>
Total Long-Term Liabilities	<u>-</u>
TOTAL LIABILITIES	<u>2,510</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	562,531
Pension	111,936
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>674,467</u>
NET POSITION	
Net investment in capital assets	806,315
Restricted for labor reserve	17,411
Unrestricted	762,295
TOTAL NET POSITION	<u><u>\$ 1,586,021</u></u>

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

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenues and Changes in Net Position</u>
					<u>Primary Government</u>
Primary Government:					
Governmental Activities:					
Administration	\$ 128,958	\$ -	\$ -	\$ -	\$ (128,958)
Fire Fighting	405,132	-	-	-	(405,132)
Total Governmental Activities	<u>\$ 534,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(534,090)</u>

General Revenues:

Taxes	598,391
Interest	1,778
Sale of Fixed Asset	-
Miscellaneous	1,459

Total General Revenues 601,628

Change in Net Position 67,538

Net Position, Beginning of Year 1,518,483

Net Position, End of Year \$ 1,586,021

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

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND BALANCE SHEET
December 31, 2022

	<u>GENERAL FUND</u>
ASSETS	
Cash and cash equivalents	\$ 632,486
Due from other governments	5,884
Property taxes receivable	562,531
Prepaid expenditures	<u>24,453</u>
TOTAL ASSETS	<u><u>\$ 1,225,354</u></u>
LIABILITIES	
Accounts payable	<u>\$ 2,510</u>
TOTAL LIABILITIES	<u>2,510</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>562,531</u>
FUND BALANCES	
Nonspendable	
Prepaid expenses	24,453
Restricted	
Tabor reserve	17,411
Pension Benefits	500
Assigned	
Subsequent Year Expenditures	-
Unassigned	<u>617,949</u>
TOTAL FUND BALANCES	<u>660,313</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 1,225,354</u></u>

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

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT
OF NET POSITION
December 31, 2022**

Total Governmental Fund Balance	\$	660,313
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		806,315
<p>Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.</p>		27,722
<p>Net pension assets (liabilities) are not due and payable in the current period and are not reported in the funds</p>		203,607
<p>Certain amounts related to the net pension asset (liability) are deferred and amortized over time. These are not reported in the funds.</p>		<u>(111,936)</u>
Net position of governmental activities	\$	<u><u>1,586,021</u></u>

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

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Year Ended December 31, 2022

	GENERAL FUND
REVENUES	
Taxes	\$ 598,391
Intergovernmental Revenue	-
Interest	1,778
Miscellaneous	1,459
TOTAL REVENUES	601,628
 EXPENDITURES	
Administration	128,958
Fire Fighting	291,206
Capital outlay	104,977
TOTAL EXPENDITURES	525,141
 Excess (deficiency) of revenues over expenditures	 76,487
 OTHER FINANCING SOURCES (USES)	
Sale of capital asset	-
TOTAL OTHER FINANCING SOURCES (USES)	-
 Excess (deficiency) of revenues over expenditures and other sources (uses)	 76,487
 Fund Balance, Beginning of year	 583,826
 Fund Balance, End of year	 \$ 660,313

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

**ALAMOSA COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022**

Net change in fund balances - total governmental funds \$ 76,487

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation expense in the current period.

Fixed asset additions	\$ 104,977	
Depreciation expense	<u>(191,753)</u>	(86,776)

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

77,827

Change in net position of governmental activities \$ 67,538

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

Primary Government

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

Component Units

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

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

The District reports the following major governmental fund:

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

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

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

Cash

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

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized when received by the County Treasurer. The 2022 property tax levy due January 1, 2023 has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources.

Prepaid Items

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

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

Capital Assets

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

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

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

Compensated Absences

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

Deferred Outflows/Inflows of Resources

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

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

Certain amounts related to pensions must be deferred.

Pension

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

Net Position

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

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

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

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

Fund Balance

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

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

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

Encumbrances

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

Use of Estimates

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

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

New Accounting Pronouncements

During fiscal year 2022, the District adopted the provisions of GASB Statement No. 87, *Leases*, that establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under the statement, a lessee is required to recognize a lease liability and a tangible right to use asset, and a lesser is required to recognize a lease receivable, and a deferred inflows of resources. This standard does not have a material effect on the financial statements of the District.

The District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities that improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. The Fireman’s Pension Fund is now reported in the General Fund effective January 1, 2022. There is not a material effect on fund balance or net position as a result of the implementation of this standard.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

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

NOTE 3 CASH AND DEPOSITS

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

Cash in Banks	\$ 632,486
Total Cash and Deposits on Hand and in Banks	<u>\$ 632,486</u>

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.

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

The market value of the collateral must be at least equal to the aggregate uninsured deposits. All deposits in 2022 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. At December 31, 2022, \$55,887 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

Credit Risk

The District’s investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. While the District has not formally adopted an investment policy all investment activity is approved by the Board of Directors.

NOTE 4 PROPERTY TAXES RECEIVABLE

At December 31, 2022, the District had an estimated property tax receivable as follows:

Governmental Activities:

General Fund	<u>\$ 562,531</u>
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NOTE 5 DUE FROM OTHER GOVERNMENTS

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

As of December 31, 2022, the District had \$5,884 due from local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land	\$ 19,544	\$ -	\$ -	\$ 19,544
Total capital assets not being depreciated	19,544	-	-	19,544
Capital assets being depreciated				
Buildings	287,118	-	-	287,118
Equipment	529,606	104,976	-	634,582
Vehicles	2,715,861	-	-	2,715,861
Total capital assets being depreciated	3,532,585	104,976	-	3,637,561
Less accumulated depreciation for:				
Buildings	141,145	6,739	-	147,884
Equipment	374,225	48,447	-	422,672
Vehicles	2,143,668	136,567	-	2,280,235
Total accumulated depreciation	2,659,038	191,752	-	2,850,790
Total Capital Assets being depreciated, net	873,547	(86,776)	-	786,771
<i>Governmental Activities Capital Assets, Net</i>	\$ 893,091	\$ (86,776)	\$ -	\$ 806,315

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

Governmental Activities:	
Fire Fighting	\$ 191,752
Total depreciation expense - governmental activities	<u>\$ 191,752</u>

NOTE 7 VOLUNTEER FIREMEN'S PENSION PLAN

General Information about the Pension Plan

Plan description

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

Benefits provided

A volunteer fireman who has reached age 50 and attained 20 years of service may be granted a pension, not to exceed \$200 per month. In the event of injury or death, an annuity not to exceed \$100 per month may be granted to the

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

fireman or his survivors. In addition, a onetime lump sum will be provided for funeral benefits. If at any time there is not sufficient money in the Fund to pay the full amount to which each beneficiary is entitled, an equal percentage of such monthly payment shall be made to each beneficiary until the Fund is replenished as to permit full payment.

Volunteers covered by the plan

At December 31, 2022, the following volunteers were covered by the benefit terms:

Retirees and beneficiaries		19
Inactive, nonretired members		1
Active Members		24
Total		44

Contributions

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

Contributions to the Plan from the District were \$17,823 for the year ended December 31, 2022.

Net Pension Liability (Asset)

At December 31, 2022, the District reported a net position (asset) liability of (\$203,607). The District's net pension (asset) liability was measured as of December 31, 2021, and the total pension (asset) liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2021.

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

For the year ended December 31, 2022, the District recognized a change in pension expense of (\$77,827). At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,414
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	9,899	93,522
Contributions subsequent to measurement date	17,823	-
Total	\$ 27,722	\$ 111,936

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

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

<u>Year ended December 31,</u>	
2023	\$ (31,989)
2024	(36,815)
2025	(20,809)
2026	(12,424)
2027	-
Thereafter	-
Total	<u><u>\$ (102,037)</u></u>

Actuarial assumptions

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019 determines the contribution amounts for 2020 and 2021.

Methods and assumptions used to determine contribution rates for the Fiscal Year ending December 31, 2021:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65

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

Mortality rates for pre-retirement were based on 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

Mortality rates for post-retirement were based on 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Mortality rates for disabled were based on 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Cash	2.00%	2.32%
Fixed Income - Rates	10.00%	4.00%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	26.00%	10.63%
Total	<u>100.00%</u>	

Discount rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00%.

Changes in the net pension liability

The Schedule of Changes in Net Pension (Asset) Liability and Related Ratio's presented in the Required Supplementary Information section presents multi-year trend information about whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension (asset) liability. The Total Pension Liability as of December 31, 2022, is based on the results of the most recent actuarial valuation date and rolled-forward using generally accepted actuarial procedures.

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

The following presents the net pension liability/(asset) of the District, calculated using the discount rate of 7 percent, as well as what the District's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6 percent) or one percentage point higher (8 percent):

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
<u>(\$122,881)</u>	<u>(\$203,607)</u>	<u>(\$270,449)</u>

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 the amendment.

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2022

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.

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

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

NOTE 9 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 COMMITMENTS AND CONTINGENCIES

Litigation

The District is exposed to various legal actions normally associated with the District's activities, the aggregate effect of which, in management's opinion, would not be material to its financial statements.

ALAMOSA COUNTY FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 554,273	\$ 554,273	\$ 598,391	\$ 44,118
Intergovernmental Revenue	-	-	-	-
Interest	2,020	2,020	1,778	(242)
Miscellaneous	700	700	1,459	759
TOTAL REVENUES	<u>556,993</u>	<u>556,993</u>	<u>601,628</u>	<u>44,635</u>
EXPENDITURES				
Administration	165,460	165,460	128,958	36,502
Fire Fighting	231,869	231,869	291,206	(59,337)
Capital Outlay	173,000	173,000	104,977	68,023
TOTAL EXPENDITURES	<u>570,329</u>	<u>570,329</u>	<u>525,141</u>	<u>45,188</u>
Excess (deficiency) of revenues over expenditures	(13,336)	(13,336)	76,487	89,823
OTHER FINANCING SOURCES (USES)				
Sale of Captial Asset	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balance	(13,336)	(13,336)	76,487	89,823
Fund Balance, Beginning of year	<u>655,429</u>	<u>655,429</u>	<u>583,826</u>	<u>(71,603)</u>
Fund Balance, End of year	<u>\$ 642,093</u>	<u>\$ 642,093</u>	<u>\$ 660,313</u>	<u>\$ 18,220</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY
AND RELATED RATIOS

For the Measurement Period Ending December 31,

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 6,115	\$ 6,353	\$ 6,353	\$ 5,748	\$ 5,748	\$ 5,767	\$ 5,767	\$ 5,593
Interest on the Total Pension Liability	47,626	49,242	47,919	48,623	47,191	47,170	45,946	46,113
Benefit Changes	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	-	(41,900)	-	(15,974)	-	(35,069)	-	(18,616)
Changes of Assumptions	-	-	-	31,468	-	17,179	-	-
Benefit Payments	(36,720)	(36,600)	(34,200)	(33,580)	(34,100)	(35,400)	(35,400)	(35,400)
Net Change in Total Pension Liability	17,021	(22,905)	20,072	36,285	18,839	(353)	16,313	(2,310)
Total Pension Liability - Beginning	695,418	718,323	698,251	661,966	643,127	643,480	627,167	629,477
Total Pension Liability - Ending	\$ 712,439	\$ 695,418	\$ 718,323	\$ 698,251	\$ 661,966	\$ 643,127	\$ 643,480	\$ 627,167
Plan Fiduciary Net Position								
Contributions- Employer	\$ 16,927	\$ 16,418	\$ 15,474	\$ 15,258	\$ 13,893	\$ 14,162	\$ 47,200	\$ 11,604
Net Investment Income	117,983	92,268	92,081	273	85,976	30,440	9,779	35,136
Benefit Payments	(36,720)	(36,600)	(34,200)	(33,580)	(34,100)	(35,400)	(35,400)	(35,400)
Pension Plan Administrative Expense	(8,655)	(7,039)	(10,452)	(9,465)	(10,482)	(1,183)	(2,017)	(1,194)
State of Colorado Supplemental Discretionary Payment	28,703	-	13,732	12,504	24,136	-	11,453	10,444
Net Change in Plan Fiduciary Net Position	118,238	65,047	76,635	(15,010)	79,423	8,019	31,015	20,590
Plan Fiduciary Net Position- Beginning	797,808	732,761	656,126	671,136	591,713	583,694	552,679	532,089
(Market Value of Assets at Beginning of Year)	\$ 916,046	\$ 797,808	\$ 732,761	\$ 656,126	\$ 671,136	\$ 591,713	\$ 583,694	\$ 552,679
Plan Fiduciary Net Position- Ending								
(Market Value of Assets at End of Year)	\$ (203,607)	\$ (102,390)	\$ (14,438)	\$ 42,125	\$ (9,170)	\$ 51,414	\$ 59,786	\$ 74,488
Net Pension Liability/(Asset)	128.58%	114.72%	102.01%	93.97%	101.39%	92.01%	90.71%	88.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll								
Net Pension Liability/ (Asset) as a percentage of covered payroll	N/A	N/A	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.

See notes to the Required Supplementary Information

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
SCHEDULE OF CONTRIBUTIONS
For the Measurement Period Ending December 31,

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 16,466	\$ 16,466	\$ 8,220	\$ 8,220	\$ 12,900	\$ 12,900	\$ 16,885	\$ 16,885
Actual Contributions**	45,630	16,418	29,206	27,762	38,029	14,162	58,653	22,048
Contribution Deficiency (Excess)	\$ (29,164)	\$ 48	\$ (20,986)	\$ (19,542)	\$ (25,129)	\$ (1,262)	\$ (41,768)	\$ (5,163)
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Contribution as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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.

See notes to the Required Supplementary Information

ALAMOSA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2022

NOTE 1 NET PENSION LIABILITY

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

2021

- There were no changes in assumptions or other inputs this measurement period compared to the prior year.

2020

- There were no changes in assumptions or other inputs this measurement period compared to the prior year.

2019

- There were no changes in assumptions or other inputs this measurement period compared to the prior year.

2018

- The inflation assumption was lowered from 3.00% to 2.50%.
- The investment rate of return was lowered from 7.5% to 7.00%.
- The mortality tables were changed from Pre-retirement RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality; Post-retirement RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled; RP-2000 Disabled Mortality Table, all tables projected with Scale AA to Pre-retirement: 2006 central rates from the PR-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality; Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projections scales, and then projected prospectively using the ultimate rates of the scale for all years; Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

2017 There were no changes in assumptions or other inputs this measurement period compared to the prior year.

2016 There were no changes in assumption 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.

2014 There were no changes in assumptions or other inputs this measurement period compared to the prior year.