



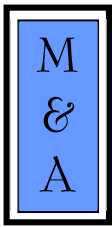
**Basalt & Rural Fire Protection District**

**Financial Statements  
December 31, 2021**

**Basalt & Rural Fire Protection District  
Financial Report  
December 31, 2021**

**Table of Contents**

	<b>Page</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	A1 – A3
<b>Management's Discussion and Analysis</b>	B1 – B4
<b>Basic Financial Statements:</b>	
Government-wide and Fund Financial Statements:	
Governmental Funds Balance Sheet/Statement of Net Position	C1
Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	C2
<b>Notes to the Financial Statements</b>	D1 – D18
<b>Required Supplementary Information</b>	
Schedule of Revenues and Expenditures - Budget (GAAP Basis) and Actual General Fund	E1
Schedule of Revenues and Expenditures - Budget (GAAP Basis) and Actual Special Revenue Impact Fee Fund	E2
Schedule of the Employer's Proportionate Share of the Net Pension Asset / Liability	E3
Schedule of District Contributions	E4
Notes to the Required Supplementary Information	E5
<b>Supplementary Information</b>	
Schedule of Revenues and Expenditures - Budget (GAAP Basis) and Actual Capital Projects Fund	F1
Schedule of Revenues and Expenditures - Budget (GAAP Basis) and Actual Debt Service Fund	F2



# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

CHAPEL SQUARE, BLDG C  
245 CHAPEL PLACE, SUITE 300  
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM  
MAIN OFFICE: (970) 845-8800  
FACSIMILE: (970) 845-8108  
E-MAIL: MCMAHAN@MCMAHANCPA.COM

## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
Basalt & Rural Fire Protection District  
Carbondale, Colorado**

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of Basalt & Rural Fire Protection District (the "District"), as of and for the year ended December 31, 2021, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Basalt & Rural Fire Protection District, as of December 31, 2021 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 ("U.S. GAAP").

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Basalt & Rural 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*

Basalt & Rural Fire Protection District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

PAUL J. BACKES, CPA, CGMA  
MICHAEL N. JENKINS, CA, CPA, CGMA  
MATTHEW D. MILLER, CPA

AVON: (970) 845-8800  
ASPEN: (970) 544-3996  
FRISCO: (970) 668-3481

**INDEPENDENT AUDITORS REPORT**  
**Board of Directors**  
**Basalt & Rural Fire Protection District**  
**Carbondale, Colorado**

***Auditor's 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 auditor's 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 U.S. GAAS will always detect a material 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 U.S. 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***

U.S. GAAP require that the Management's Discussion and Analysis in Section B, the Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset), the Schedule of District Contributions, and the Notes to the Required Supplementary Information in Section E 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 U.S. GAAS, 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.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**INDEPENDENT AUDITORS REPORT**  
**Board of Directors**  
**Basalt & Rural Fire Protection District**  
**Carbondale, Colorado**

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Basalt & Rural Fire Protection District's basic financial statements. The individual fund budgetary comparisons in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparisons are 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 U.S. GAAS. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**May 24, 2022**



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Basalt & Rural Fire Protection District

## Management's Discussion and Analysis December 31, 2021

As management of the Basalt & Rural Fire Protection District, (the "District"), we offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal year ended December 31, 2021.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial statements are comprised of two components: 1) financial statements; and 2) Notes to the Financial Statements. These components are discussed below.

**Financial statements:** The financial statements are designed to provide readers with an overview of the District's finances, from both a short-term fund perspective and a long-term economic perspective.

The Balance Sheet/Statement of Net Position presents information on all the District's assets and liabilities (both short-term and long-term), with the difference between the two reported as fund balance or net position. The Balance Sheet columns present the financial position focusing on short-term available resources and are reported on a modified accrual basis of accounting. The Statement of Net Position column presents the financial position focusing on long-term economic resources and is reported on a full accrual basis. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities shows how the government's fund balance and net position changed during the most recent fiscal year. Again, the Statement of Revenues, Expenditures and Changes in Fund Balance column focuses on short-term available resources and is reported on a modified accrual basis. The Statement of Activities column focuses on long-term economic resources and is reported on a full accrual basis.

The District's financial statements can be found in section C of this report.

**Notes to the Financial Statements:** The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in section D of this report.

## Financial Analysis of the District

### Basalt & Rural Protection District's Net Position

	<b>2021</b>	<b>2020</b>
<b>Assets:</b>		
Current and other assets	\$ 5,253,006	\$ 4,305,876
Capital assets	934,661	73,096
<b>Total Assets</b>	<u>6,187,667</u>	<u>4,378,972</u>
<b>Deferred Outflows of Resources:</b>		
Pension related deferred outflows	60,127	147,212
	<u>60,127</u>	<u>147,212</u>
<b>Liabilities:</b>		
Current liabilities	161,872	92,795
Long-term liabilities:		
Due within one year	160,000	155,000
Due after one year	3,027,972	3,309,794
<b>Total Liabilities</b>	<u>3,349,844</u>	<u>3,557,589</u>
<b>Deferred Inflows of Resources:</b>		
Property tax revenues	3,879,195	3,594,249
Pension related deferred inflows	131,939	150,076
	<u>4,011,134</u>	<u>3,744,325</u>
<b>Net Position (Deficit):</b>		
Net Investment in capital assets	(2,023,166)	73,096
Reserved for emergency	129,500	103,180
Restricted for debt service	237,006	219,400
Restricted for other	73,756	53,757
Unrestricted	469,720	(3,225,163)
<b>Total Net Position (Deficit)</b>	<u>\$ (1,113,184)</u>	<u>\$ (2,775,730)</u>

The District's net position in investment in capital assets is \$934,661 representing construction in process for the West Sopris Creek substation.

At the end of the 2021, the District reported a deficit Net Position of \$1,113,184. This is largely due to the transfer of capital assets to the Authority during 2019 but retaining the debt issued to finance those capital assets. Overall, the District's net position increased during the most recent fiscal year.

Debt principal payments totaled \$155,000 for the year ended December 31, 2021, in accordance with the District's Series 2016 debt issuance.

**Financial Analysis of the District (continued)**

**Basalt & Fire Protection District's Change in Net Position**

	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>		
Property taxes	\$ 3,533,351	\$ 3,483,605
Specific ownership taxes	167,170	151,381
Service income	-	50
Impact fees	160,919	80,917
Investment income	139	127
Grants and contributions	1,432,181	5,000
Other	68	3,924
<b>Total Revenues</b>	<u>5,293,828</u>	<u>3,725,004</u>
<b>Expenditures/Expenses:</b>		
General and administrative	120,285	130,067
District operations:		
Building maintenance	3,561	3,321
Operating transfers to RFFRA	3,288,785	3,230,597
Impact fee transfers to RFFRA	140,979	90,000
Debt service:		
Interest	77,672	79,291
<b>Total Expenditures/Expenses</b>	<u>3,631,282</u>	<u>3,533,276</u>
<b>Change in Net Position</b>	1,662,546	191,728
<b>Net Position (Deficit) - January 1</b>	<u>(2,775,730)</u>	<u>(2,967,458)</u>
<b>Net Position (Deficit) - December 31</b>	<u>\$ (1,113,184)</u>	<u>\$ (2,775,730)</u>

Property taxes were the most significant sources of revenues, accounting for 67% of total revenues. Grants and contributions accounted for 27% of the total revenues and specific ownership tax revenue of \$167,170 accounted for 3% of the total revenues.

When compared to 2020, overall revenues increased by \$1,568,824 in 2021 mainly due to an increase in contributions for the West Creek Sopris substation.

Operating transfers to Roaring Fork Fire Rescue Authority of \$3,288,785 in 2021 accounted for 91% of the total expenses incurred by the District, and includes wages as well as employee benefits provided by the Authority.

## **Budget Variances in the General Fund**

General Fund revenues were lower than anticipated, as grants expected for the West Sopris Creek substation were lower than anticipated.

District operational expenses were under budget by \$1,054,833, as several line items had variances from budget. Most notably, the District's capital outlay expenditures were \$1,088,435 under budget, due to less expenses than expected in the construction of the West Sopris Creek substation.

## **Capital Asset and Debt Administration**

**Capital assets:** The District's capital assets, net of accumulated depreciation, totaled \$934,661, with capital purchases of \$861,565 occurring in 2021. Capital asset additions were comprised of construction in process for the West Sopris Creek substation. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements in section D.

**Long-term debts:** The District had general obligation debt of \$2,770,000 outstanding at December 31, 2021. Additional information can be found in the Notes to the Financial Statements in section D.

## **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Administrative Offices, 1089 JW Drive, Carbondale, Colorado 81623.



**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**Basalt & Rural Fire Protection District**  
**Governmental Funds Balance Sheet/Statement of Net Position**  
**December 31, 2021**

**Governmental Funds Balance Sheet**

	General Fund	Impact Fee Fund	Debt Service	Capital Projects	Total	Adjustments	Statement of Net Position
<b>Assets:</b>							
Cash and cash equivalents	\$ 772,040	\$ 63,165	\$ 248,256	\$ -	\$ 1,083,461	\$ -	\$ 1,083,461
Assessed taxes receivable	3,606,150	-	273,045	-	3,879,195	-	3,879,195
Accounts receivable	289,960	-	-	-	289,960	-	289,960
Prepaid items	390	-	-	-	390	-	390
Due (to)/from other fund	659	-	(11,250)	10,591	-	-	-
Capital assets, net of accumulated depreciation	-	-	-	-	-	934,661	934,661
<b>Total Assets</b>	<u>4,669,199</u>	<u>63,165</u>	<u>510,051</u>	<u>10,591</u>	<u>5,253,006</u>	<u>934,661</u>	<u>6,187,667</u>
<b>Deferred Outflows of Resources:</b>							
Pension related deferred outflows	-	-	-	-	-	60,127	60,127
<b>Total Deferred Outflows</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,127</u>	<u>60,127</u>
<b>Liabilities:</b>							
Accounts payable	161,872	-	-	-	161,872	-	161,872
Bonds payable:							
Due within one year	-	-	-	-	-	160,000	160,000
Due in more than one year, net	-	-	-	-	-	2,797,827	2,797,827
Net pension liability - volunteer plan	-	-	-	-	-	230,145	230,145
<b>Total Liabilities</b>	<u>161,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,872</u>	<u>3,187,972</u>	<u>3,349,844</u>
<b>Deferred Inflows of Resources:</b>							
Property tax revenues	3,606,150	-	273,045	-	3,879,195	-	3,879,195
Pension related deferred inflows	-	-	-	-	-	131,939	131,939
<b>Total Deferred Inflows</b>	<u>3,606,150</u>	<u>-</u>	<u>273,045</u>	<u>-</u>	<u>3,879,195</u>	<u>131,939</u>	<u>4,011,134</u>
<b>Fund Balances / Net Position:</b>							
<b>Fund Balances:</b>							
Nonspendable	390	-	-	-	390	(390)	-
Spendable:							
Restricted	129,500	63,165	237,006	10,591	440,262	(440,262)	-
Assigned	564,100	-	-	-	564,100	(564,100)	-
Unassigned	207,187	-	-	-	207,187	(207,187)	-
<b>Total Fund Balances</b>	<u>901,177</u>	<u>63,165</u>	<u>237,006</u>	<u>10,591</u>	<u>1,211,939</u>	<u>(1,211,939)</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 4,669,199</u>	<u>\$ 63,165</u>	<u>\$ 510,051</u>	<u>\$ 10,591</u>	<u>\$ 5,253,006</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Position:</b>							
Net investment in capital assets						(2,023,166)	(2,023,166)
Restricted for debt service						237,006	237,006
Restricted for emergencies						129,500	129,500
Restricted for other purposes						73,756	73,756
Unrestricted						469,720	469,720
<b>Total Net Position</b>						<u>\$ (1,113,184)</u>	<u>\$ (1,113,184)</u>

The accompanying notes are an integral part of these financial statements.

**Basalt & Rural Fire Protection District**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances/Statement of Activities**  
**For the Year Ended December 31, 2021**

**Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balances**

	General Fund	Impact Fee Fund	Debt Service	Capital Projects	Total	Adjustments	Statement of Activities
<b>Revenues:</b>							
Property taxes	\$ 3,259,220	-	\$ 274,131	\$ -	\$ 3,533,351	\$ -	\$ 3,533,351
Specific ownership taxes	154,154	-	13,016	-	167,170	-	167,170
Charges for services:							
Impact fees	-	160,919	-	-	160,919	-	160,919
Investment income	46	59	34	-	139	-	139
Grants and contributions	1,432,181	-	-	-	1,432,181	-	1,432,181
Miscellaneous	68	-	-	-	68	-	68
<b>Total Revenues</b>	<u>4,845,669</u>	<u>160,978</u>	<u>287,181</u>	<u>-</u>	<u>5,293,828</u>	<u>-</u>	<u>5,293,828</u>
<b>Expenditures/Expenses:</b>							
General and administrative	136,256	-	10,425	-	146,681	(26,396)	120,285
District operations:							
Building maintenance	3,561	-	-	-	3,561	-	3,561
Operating transfers to RFFRA	3,288,785	-	-	-	3,288,785	-	3,288,785
Impact fee transfers to RFFRA	-	140,979	-	-	140,979	-	140,979
Capital outlay	861,565	-	-	-	861,565	(861,565)	-
Debt service:							
Principal	-	-	155,000	-	155,000	(155,000)	-
Interest	-	-	104,150	-	104,150	(26,478)	77,672
<b>Total Expenditures/Expenses</b>	<u>4,290,167</u>	<u>140,979</u>	<u>269,575</u>	<u>-</u>	<u>4,700,721</u>	<u>(1,069,439)</u>	<u>3,631,282</u>
<b>Changes in Fund Balance/Net Position</b>	555,502	19,999	17,606	-	593,107	1,069,439	1,662,546
<b>Fund Balances/Net Position:</b>							
Beginning of Year	345,675	43,166	219,400	10,591	618,832		(2,775,730)
End of Year	<u>\$ 901,177</u>	<u>\$ 63,165</u>	<u>\$ 237,006</u>	<u>\$ 10,591</u>	<u>\$ 1,211,939</u>		<u>\$ (1,113,184)</u>

The accompanying notes are an integral part of these financial statements.  
C2



**NOTES TO THE FINANCIAL STATEMENTS**

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**

**I. Summary of Significant Accounting Policies**

The Basalt & Rural Fire Protection District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide emergency and non-emergency services for the protection of life and property in Pitkin and Eagle County, Colorado.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established by GAAP used by the District are discussed below.

**A. Reporting Entity**

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

The District has no component units, and it is not a component unit of any other entity.

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. However, the District does not have any business-type activities, only governmental activities.

**1. Government-wide Financial Statements**

In the Governmental Funds Balance Sheet/Statement of Net Position, the Statement of Net Position column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—investment in capital assets; restricted assets; and unrestricted assets.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

The effect of interfund activity has been eliminated from the government-wide financial statements.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

**2. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenues should be the foundation for the fund.

The District reports the following governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Resources restricted within this fund relate to TABOR reserve requirements (see Note 3.B), as well as debt service on capital lease acquisitions.

The *Impact Fee Fund* is used to account for impact fees on new development that are legally restricted to expenditure for providing the facilities necessary to accommodate growth within the District's boundaries. This is considered a major special revenue fund due to its significance to the District.

The *Debt Service Fund* accounts for and reports financial resources that are restricted to expenditure for principal and interest that have been legally mandated, as well as the accumulation of resources for, and the payment of, long-term general obligation principal, interest and related costs.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

**1. Long-term Economic Focus and Accrual Basis**

Governmental activities in the government-wide financial statements and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

**2. Current Financial Focus and Modified Accrual Basis**

The governmental funds financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

**D. Financial Statement Accounts**

**1. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

Investments are stated at fair value or net asset value. The change in value of investments is recognized as an increase or decrease to investment assets and investment income.

The District follows state statute, which permits investments in the following types of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. The District's policy is to establish an allowance for uncollectible accounts based on historical experience and individual analysis of accounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements and are eliminated in the government-wide financial statements.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**3. 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.

**4. Capital Assets**

Capital assets, which include land, fire stations and improvements, equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

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

<b>Assets</b>	<b>Years</b>
Buildings	10-40
Equipment	7-25

**5. Pensions**

The District sponsors a single employer defined benefit plan for its volunteer firefighters. The net pension asset (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 plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**6. Long-term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position column. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid vacation and accrued sick are serviced from property taxes and other revenues by the respective fund types from future appropriations.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**7. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category, pension-related deferred outflows reported in the government-wide Statement of Net Position. Pension contributions made after the measurement date, and the difference between projected and actual earnings, will be recognized as a reduction of the net pension liability in future periods. See Note IV.G.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet and on the Statement of Net Position, are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the District's net pension obligation are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members. See Note IV.G.

**8. Fund Equity**

Government accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification with the General Fund. The General Fund should be the only fund balance that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications, refer to Note IV.F.

**9. Interfund Transactions**

Interfund services provided and used are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as "due from other funds" or "due to other funds" on the balance sheet when they are expected to be liquidated within one year.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Significant Account Policies**

**1. Use of Estimates**

The preparation of financial statements to conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Comparative Information**

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the total assets, liabilities, fund balances (net position), total revenues or total expenses.

**3. Credit Risk**

The receivables of the various funds of the District are primarily due other governments. Management believes that the credit risk related to the receivables is minimal.

**4. Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for use, it is the District's policy to use unrestricted resources first, then restricted resources as they are needed, except when it is appropriate to use restricted first, such as special-purpose grants.

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of differences between the governmental fund Balance sheet and the government-wide Statement of Net Position**

The Governmental Funds Balance Sheet and the government-wide Statement of Net Position includes a reconciling column. One element of the reconciling column accounts for capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the funds. \$934,661 represents the book value of capital assets at December 31, 2021. The District also shows pension related deferred outflows of \$60,127.

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the fund financial statements. At December 31, 2021, the District had a net pension liability in the amount of \$230,145. The District also had pension related deferred inflows of \$131,939 shown as a reconciling item. The District also had bonds payable of \$2,957,827, including the original issuance premium of \$368,488, net of accumulated amortization of \$180,661 shown as reconciling items.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of differences between the governmental fund Balance sheet and the government-wide Statement of Net Position (continued)**

Deferred items related to the District's pension plans, adjusted for changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investment earnings, and differences between actual and annualized contributions to the pension plan, are amortized over the average remaining service life of active and inactive plan participants.

**B. Explanation of difference between the government fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities**

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities includes a reconciling column. One element of the reconciliation column accounts for governmental funds reporting capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation expense of \$0 was offset against capital outlay of (\$861,565) for the year, resulting in an adjustment of (\$861,565).

Another element of the reconciling column accounts for the repayment of principal debt. The repayment of principal debt is an expenditure within the governmental funds, but the repayment reduces long-term liabilities, and therefore is reduction to the Statement of Activities. The District's principal repayments totaled (\$155,000) for 2021. The District's premium amortization totaled (\$26,478) for 2021.

Changes in the District's pension asset (obligation) reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (\$26,396) represents the change in the District's net pension asset (liability) during the year, including difference between employer contributions to the pension plans and amortization of pension-related deferrals.

**III. Stewardship, Compliance, and Accountability**

**A. Budgets and Budgetary Accounting**

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds and the fiduciary fund are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

- (1) For the 2021 budget, prior to August 25, 2020, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2020 only once by a single notification to the District.
- (2) On or before October 15, 2020, the District's budget officer submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability**

**A. Budgets and Budgetary Accounting (continued)**

- (3) For the 2021 budget, prior to December 15, 2020, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (c) it may approve emergency appropriations; and (d) it may approve the reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

During the year, a supplemental appropriation was not necessary. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made.

**B. TABOR Amendment - Revenue and Spending Limitation Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service) for the fiscal year ended December 31, 2021. The District has reserved a portion of its December 31, 2021 year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$129,500, which is the approximate required reserve at December 31, 2021.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)**

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In May 1998, the District's electorate authorized the District to collect and spend all revenues received during 1997 and each subsequent year, notwithstanding the limitations of TABOR, without increasing its mill levy above current levels without further voter approval.

In May 2002, the District's electorate approved increasing the District's mill levy from 3.255 mills to 4.950 mills for taxes collected in 2003 and subsequent.

In November 2012, the District's electorate approved increasing the District's mill levy from 4.950 mills to 8.00 mills for taxes collection in 2013 and subsequent.

In November 2018, the District's electorate approved adjusting the District's mill levy annually to offset revenue losses from refunds, abatements and changes in the law regarding, or the methods calculating, the ratio of valuation for assessment for residential real property, so that to the extent possible, notwithstanding such refunds, abatement and changes, the District's net tax revenues shall remain as previously authorized by voters.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**C. Gallagher Amendment**

In November 1982, Colorado voters approved an amendment (the "Gallagher Amendment") to Article X of the Colorado Constitution. The Gallagher Amendment sets guidelines to establish the proportionate total statewide assessed valuations for residential and non-residential property, with required adjustments to assessment rates to maintain the respective valuations for assessment such that approximately 45% of property tax collections would come from residential property and 55% to come from non-residential property. Further, the Gallagher Amendment requires that the non-residential assessment rate applied to actual values be fixed at 29% with the residential assessment rate ("RAR") to be adjusted to hold the 45% / 55% split constant. Because of the increase in residential property values in Colorado, the RAR has historically trended downward, which, in combination with TABOR's set mill levy rate, may limit the amount of property taxes the District can generate annually.

In November 2020, Colorado voters repealed the Gallagher Amendment.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds**

**A. Deposits and Investments**

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each separately chartered FDIC-member financial institution, without regard to the nature of the accounts. Any remaining deposits are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$1,083,461.

**Interest Rate Risk:** As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length on maturities, the District has limited its interest rate risk.

**Credit Risk:** State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would expect to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative statements.

**Concentration of Credit Risk:** The District diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding District funds must provide the District with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible depository.

At year end, the District had the following deposits and investments with the following maturities:

	<b>Standard &amp; Poor's Rating</b>	<b>Carrying Amounts</b>	<b>Maturities</b>	
			<b>Less than one year</b>	<b>One to five years</b>
<i>Deposits:</i>				
Petty cash	Not rated	\$ 200	\$ 200	\$ -
Checking / savings	Not rated	1,083,261	1,083,261	-

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**B. Receivables**

The District has the following receivables, net of applicable uncollectible accounts:

	<b>General Fund</b>	<b>Debt Service</b>	<b>Impact Fee Fund</b>	<b>Total Governmental Funds</b>
<b>Current Receivables:</b>				
Property taxes	\$ 3,606,150	\$ 273,045	\$ -	\$ 3,879,195
Service income	289,960	-	-	289,960
	<u>3,896,110</u>	<u>273,045</u>	<u>-</u>	<u>4,169,155</u>
Less: allowance for uncollectible	-	-	-	-
<b>Total per Government-wide Financial Statements</b>	<u><u>\$ 3,896,110</u></u>	<u><u>\$ 273,045</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,169,155</u></u>

**C. Capital Assets**

During 2019, the District transferred all capital assets to the Roaring Fork Fire Rescue Authority. Only construction in progress for the West Creek Sopris Station remained with the District. Capital asset activity for the year ended December 31, 2021 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Construction in progress	\$ 73,096	\$ 861,565	\$ -	\$ 934,661
Total capital assets, not being depreciated	<u>73,096</u>	<u>861,565</u>	<u>-</u>	<u>934,661</u>
Total Capital Assets, Net	<u><u>\$ 73,096</u></u>	<u><u>\$ 861,565</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 934,661</u></u>

**D. Interfund Balances and Transfers**

<u>Due to:</u>	<u>Due from:</u>	<u>Amount:</u>	<u>Purpose:</u>
Capital Fund	Debt Service Fund	\$ 10,591	Receipts applicable to fund
General Fund	Debt Service Fund	659	Fees paid by general fund

**E. Long-term Obligations**

At December 31, 2021, the District had the following long-term obligations outstanding:

**1. General Obligation Refunding Bonds, Series 2016**

On February 9, 2016, the District issued \$3,630,000 in General Obligation Refunding Bonds. The net proceeds of \$3,900,000, after issuance costs, were used for capital projects. Interest with rates ranging from 2.00% to 4.00% is payable semi-annually on June 1 and December 1, with bond principal payable December 1. The Series 2016 Bonds are subject to prior redemption on December 1, 2026.

Bonds maturing on or before December 1, 2025 are not subject to redemption prior to maturity. Bonds maturing on or after December 1, 2016 are subject to redemption before maturity, at the option of the District, in whole or in part at par plus accrued interest without a redemption premium. The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**E. Long-term Obligations (continued)**

**2. Changes in Long-term Obligations**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due In One Year</b>
General Obligation Bonds 2016	\$ 2,925,000	\$ -	\$ (155,000)	\$ 2,770,000	\$ 160,000
Original issue premium	214,305	-	(26,478)	187,827	-
Net unfunded pension liability - volunteer	325,489	-	(95,344)	230,145	-
<b>Total Long-term Obligations</b>	<b>\$ 3,464,794</b>	<b>\$ -</b>	<b>\$ (276,822)</b>	<b>\$ 3,187,972</b>	<b>\$ 160,000</b>

**3. Debt Service Requirements**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 160,000	\$ 101,050	\$ 261,050
2023	160,000	97,850	257,850
2024	165,000	94,650	259,650
2025	170,000	89,700	259,700
2026	175,000	84,600	259,600
2027 - 2031	995,000	311,400	1,306,400
2032 - 2035	945,000	96,200	1,041,200
	<u>\$ 2,770,000</u>	<u>\$ 875,450</u>	<u>\$ 3,645,450</u>

**F. Fund Balance Disclosure**

The District classified governmental fund balances as follows:

*Non-spendable* – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, etc.

*Spendable Fund Balance:*

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The following amounts were restricted at December 31, 2021:

Restricted for debt service	\$ 237,006
Restricted for emergencies	129,500
Restricted for capital projects	73,756
	<u>\$ 440,262</u>

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**F. Fund Balance Disclosure (continued)**

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Board of the District. The District’s original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the District’s platform to review and/or make changes to each department’s budget. The budget is formally presented to the Board of the District via an advertised public process for their review, revisions and final approval by year-end. All subsequent budget requests made during the year, after Board approval, must be presented via a public process and again approved by the Board of the District.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of the District or its management designees. At December 31, 2021, \$564,100 for the construction of a substation in West Creek Sopris.

*Unassigned* – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts when expenditures are made. The District does not have an adopted minimum fund balance policy; however, the District’s budget includes calculations of targeted reserve positions, which is reported annually to the Board of the District.

**G. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**1. Volunteer Fire and Police Pension Plan**

**Plan Description:** The District is trustee of a single-employer defined benefit pension plan available to provide retirement income for all volunteer fire fighters in recognition of their service to the District. FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://fppaco.org/annual-reports.html>.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

The plan provides normal retirement benefits, disability retirement and survivor benefits. The following benefit provisions were used to determine the District's pension liability at the measurement date of December 31, 2020:

<i>1. Normal retirement benefit at age 50 with 20 year of service (monthly):</i>	
a. Regular	\$ 600.00
<i>2. Vested retirement benefit (monthly):</i>	
a. With 10 to 20 years of service amount per year of service per year of service per minimum vesting years	\$ 30.00
b. Minimum vesting years	10
<i>3. Disability retirement benefit (monthly):</i>	
a. Short term disability for line of duty injury amount payable for not more than 1 year	\$ 300.00
b. Long term disability for line of duty injury lifetime benefit	\$ 600.00
<i>4. Survivor benefits (monthly):</i>	
a. Following death before retirement eligible: due to death in line of duty as volunteer firefighter	\$ 300.00
b. Following death after normal retirement	\$ 300.00
c. Following death after vested retirement with 10 to 20 years of service amount per year of service per minimum vesting rights	\$ 15.00
d. Following death after disability retirement	\$ 300.00
<i>5. Funeral benefits (required benefit):</i>	
a. Funeral benefit lump sum, one time only	\$ 1,200.00

As of January 1, 2021, the latest actuarial valuation date, there was 1 active member, 1 inactive, nonretired member and 42 retirees and beneficiaries.

**Funding Policy:** The funding of the plan by the District and members is authorized by the Board of Trustees. The contribution by the State of Colorado (the "State") toward fire pension funds has been a fixed dollar amount established by the legislature and allocated pro rata to all fire pension funds in the State who apply for State matching funds, based upon the amounts contributed by the employer up to a maximum of one half (1/2) mill on the assessed valuation or 90% of District contributions, whichever is less. Since the District currently offers maximum retirement benefits in excess of \$300 per month, the State will match at the level determined above but no greater than the maximum of: (1) the amount necessary to fund a pension of \$300 per month on an actuarially sound basis, and (2) the amount of State contributions provided in the prior year.

**Net Pension Liability:** At December 31, 2021, the volunteer pension fund reported a net pension liability of \$230,145. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. Volunteer Fire and Police Pension Plan (continued)**

**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. The methods and assumptions used to determine contribution rates for the fiscal year ending December 31, 2020 were:

Actuarial method	Entry Age Normal
Amortization method	Level Dollar, Open*
Remaining amortization period	20 years*
Asset valuation method	5-Year smoothed fair value
Includes inflation at	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 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. Post-retirement: 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. 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.

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

**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 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, 2020 are summarized in the following table:

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. Volunteer Fire and Police Pension Plan (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nomina Rate of Return</u>
Cash	2.00%	2.32%
Fixed Income - Rates	10.00%	4.01%
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%
<b>Total</b>	<u>100.00%</u>	

The figures in the above table were supplied by Fire and Police Pension Association Staff. Gabriel Roeder, Smith & Company does not provide investment advice.

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 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 obligation bonds with an average AA credit rating as of the measurement date (to the extent the plan's fiduciary net position is projected to be 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 3.71% (based on the weekly rate closest to but not 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%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following represent the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	<b>Current Single Discount</b>		
	<b>1% Decrease</b>	<b>Rate Assumption</b>	<b>1% Increase</b>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Net Pension Liability (Asset)	\$ 434,833	\$ 230,145	\$ 55,578

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**IV. Detailed Notes on All Funds (continued)**

**G. Pension (Assets) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. Volunteer Fire and Police Pension Plan (continued)**

In connection with the District's Volunteer Fire and Police Protection Retirement Plan, the following deferred outflow of resources and deferred inflows of resources were reported at December 31, 2021:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 131,939
Contributions subsequent to measurement date	60,127	-
	\$ 60,127	\$ 131,939

Contributions subsequent to the measurement date of December 31, 2020, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in subsequent years. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as a component of pension expense in future years as follows:

<b>Year Ended December 31,</b>	<b>Amortization</b>
2022	\$ (44,168)
2023	(19,706)
2024	(46,675)
2025	(21,390)
	\$ (131,939)

**V. Other Information**

**A. Risk Management**

The District is exposed to various risks of loss related to general liability, torts, theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

**Basalt & Rural Fire Protection District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**V. Other Information (continued)**

**B. Intergovernmental Agreement**

On December 18, 2017, the Roaring Fork Fire Rescue Authority (the "Authority") was created by an intergovernmental agreement between Snowmass-Wildcat Fire Protection District and Basalt and Rural Fire Protection (the "parties"). The Authority is a separate legal entity whose boundaries cover the combined territory of the parties. Operations of both parties were combined under the Authority on January 1, 2019. At this time, all parties' employees became employees of the Authority and all parties' capital assets were transferred to the Authority along with the first quarterly installment to fund operations.

The Authority is governed by six appointed directors, who each cast one vote on matters that come before the board. Each party will appoint three directors. The purposes of the Authority are to provide fire rescue services on behalf of the parties, take assignment of all existing assets of the parties unless otherwise specifically exempt by the agreement, and to employ, supervise, and manage all employees and volunteers of the parties.

The Authority shall have no power to levy taxes of any kind, but can fix, maintain and revise fees, rates and charges for functions, services or facilities provided by the Authority.

Unless otherwise agreed to by the parties, the parties shall continue to certify, in addition to the maximum mill levy allowed for refunds and abatements, their existing mill levies as set forth in the agreement. The Authority is funded by each party in quarterly installments beginning January 1, 2019. The parties will retain enough funds from their mill levy rates within their respective boundaries to cover administrative expenses associated with their individual management, such as Director's fees, legal fees, accounting and auditing fees, business operations, pension administration, membership fees, and conferences. All other funds will be conveyed to the Authority. Debt and other liabilities incurred by the Authority will not be obligations of the parties unless the parties provide written consent. The agreement can be terminated effective January 1 of any year, following written notice at least twelve months in advance. In the event of termination, the assets assigned to the Authority by each party will be returned to the assigning party. Assets acquired by the Authority and other financial assets will be liquidated and conveyed to each party in proportion to the total amounts paid to the Authority by each party during the term of the agreement.

As a result of combining operations, during 2019, the District contributed \$3,225,531 of cash, \$8,263,682 of capital assets and \$252,167 of pension assets and related deferred inflows and outflows.

During the year ended December 31, 2021, the District transferred \$3,288,785 of operating transfers and \$140,979 of impact fee transfers to the Authority.



**REQUIRED SUPPLEMENTARY INFORMATION**

**Basalt & Rural Fire Protection District**  
**General Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2021**  
**With Comparative Actual Amounts for 2020**

	2021			2020	
	Original Budget	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Property taxes	\$ 3,259,605	\$ 3,259,605	\$ 3,259,220	\$ (385)	\$ 3,212,662
Specific ownership taxes	120,000	120,000	154,154	34,154	139,607
Charges for services:					
Service income	-	-	-	-	50
Investment income	250	250	46	(204)	46
Grants and contributions	1,950,000	1,950,000	1,432,181	(517,819)	5,000
Miscellaneous:					
Other	-	-	68	68	3,924
<b>Total Revenues</b>	<u>5,329,855</u>	<u>5,329,855</u>	<u>4,845,669</u>	<u>(484,186)</u>	<u>3,361,289</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General and administrative	220,000	220,000	136,256	83,744	136,561
District operations:					
Building maintenance	-	-	3,561	(3,561)	3,321
Operating transfers to RFFRA	3,175,000	3,175,000	3,288,785	(113,785)	3,230,597
<b>Capital Outlay:</b>					
Capital outlay	1,950,000	1,950,000	861,565	1,088,435	58,353
<b>Total Expenditures</b>	<u>5,345,000</u>	<u>5,345,000</u>	<u>4,290,167</u>	<u>1,054,833</u>	<u>3,428,832</u>
<b>Net Change in Fund Balance</b>	(15,145)	(15,145)	555,502	570,647	(67,543)
<b>Fund Balance - January 1</b>	276,323	276,323	345,675	69,352	413,218
<b>Fund Balance - December 31</b>	<u>\$ 261,178</u>	<u>\$ 261,178</u>	<u>\$ 901,177</u>	<u>\$ 639,999</u>	<u>\$ 345,675</u>

The accompanying notes are an integral part of these financial statements.  
E1

**Basalt & Rural Fire Protection District**  
**Special Revenue - Impact Fee Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2021**  
**With Comparative Actual Amounts for 2020**

	2021			2020	
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>					
Impact fees	\$ 22,479	\$ 102,490	\$ 160,919	\$ 58,429	\$ 80,917
Investment income	100	100	59	(41)	29
<b>Total Revenues</b>	<u>22,579</u>	<u>102,590</u>	<u>160,978</u>	<u>58,388</u>	<u>80,946</u>
<b>Expenditures:</b>					
Administration	50	50	-	50	-
Impact fee transfers to RFFRA	-	140,000	140,979	(979)	-
<b>Total Expenditures</b>	<u>50</u>	<u>140,050</u>	<u>140,979</u>	<u>(929)</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	22,529	(37,460)	19,999	57,459	80,946
<b>Other financing sources (uses):</b>					
Capital contributions (to) RFFRA	-	-	-	-	(90,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>
<b>Net Change in Fund Balance</b>	22,529	(37,460)	19,999	57,459	(9,054)
<b>Fund Balance - January 1</b>	5,170	44,143	43,166	(977)	52,220
<b>Fund Balance - December 31</b>	<u>\$ 27,699</u>	<u>\$ 6,683</u>	<u>\$ 63,165</u>	<u>\$ 56,482</u>	<u>\$ 43,166</u>

The accompanying notes are an integral part of these financial statements.  
E2

**Basalt & Rural Fire Protection District**  
**Schedule of Employer's Proportionate Share of Net Pension Asset / Liability**  
**Fire and Police Pension Association of Colorado**  
**Last 10 Fiscal Years \***

<b>Volunteer Plan:</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total Pension Liability</b>							
Service Cost	\$ 4,756	\$ 4,756	\$ 11,483	\$ 11,483	\$ 13,851	\$ 13,851	\$ 32,402
Interest on the Total Pension Liability	148,037	150,386	149,913	150,902	140,373	140,886	139,873
Benefit Changes	-	-	90,924	-	114,896	-	-
Difference between Expected and Actual Experience	36,292	-	(2,999)	-	(15,395)	-	2,975
Assumption Changes	-	-	86,032	-	57,187	-	-
Benefit Payments	(189,840)	(187,590)	(177,409)	(173,794)	(165,093)	(158,179)	(147,295)
<b>Net Change in Total Pension Liability</b>	<b>(755)</b>	<b>(32,448)</b>	<b>157,944</b>	<b>(11,409)</b>	<b>145,819</b>	<b>(3,442)</b>	<b>27,955</b>
<b>Total Pension Liability - Beginning</b>	<b>2,205,797</b>	<b>2,238,245</b>	<b>2,080,301</b>	<b>2,091,710</b>	<b>1,945,891</b>	<b>1,949,333</b>	<b>1,921,378</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 2,205,042</b>	<b>\$ 2,205,797</b>	<b>\$ 2,238,245</b>	<b>\$ 2,080,301</b>	<b>\$ 2,091,710</b>	<b>\$ 1,945,891</b>	<b>\$ 1,949,333</b>
<b>Plan Fiduciary Net Position</b>							
Employer Contributions	\$ 60,127	\$ 59,145	\$ 58,075	\$ 59,365	\$ 58,741	\$ 57,207	\$ 91,562
Pension Plan Net Investment Income	233,778	245,501	1,916	249,198	92,230	32,464	119,238
Benefit Payments	(189,840)	(187,590)	(177,409)	(173,794)	(165,093)	(158,179)	(147,295)
Pension Plan Administrative Expense	(9,476)	(11,752)	(10,325)	(11,045)	(3,009)	(5,077)	(3,111)
State of Colorado supplemental discretionary payment	-	10,222	10,222	10,222	10,222	10,222	10,222
<b>Net Change in Plan Fiduciary Net Position</b>	<b>94,589</b>	<b>115,526</b>	<b>(117,521)</b>	<b>133,946</b>	<b>(6,909)</b>	<b>(63,363)</b>	<b>70,616</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>1,880,308</b>	<b>1,764,782</b>	<b>1,882,303</b>	<b>1,748,357</b>	<b>1,755,266</b>	<b>1,818,629</b>	<b>1,748,013</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 1,974,897</b>	<b>\$ 1,880,308</b>	<b>\$ 1,764,782</b>	<b>\$ 1,882,303</b>	<b>\$ 1,748,357</b>	<b>\$ 1,755,266</b>	<b>\$ 1,818,629</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 230,145</b>	<b>\$ 325,489</b>	<b>\$ 473,463</b>	<b>\$ 197,998</b>	<b>\$ 343,353</b>	<b>\$ 190,625</b>	<b>\$ 130,704</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.56%	85.24%	78.85%	90.48%	83.59%	90.20%	93.29%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2014 for the employer plan, and fiscal year 2015 for the volunteer plan.

**Basalt & Rural Fire Protection District**  
**Schedule of District Contributions**  
**Fire and Police Pension Association of Colorado**  
**Last 10 Fiscal Years \***

<u>Volunteer Plan:</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 49,928	\$ 48,448	\$ 48,448	\$ 25,502
Actual contribution, including State of Colorado discretionary payment	<u>(60,127)</u>	<u>(69,367)</u>	<u>(68,297)</u>	<u>(69,587)</u>
Contribution deficiency (excess)	<u>\$ (10,199)</u>	<u>\$ (20,919)</u>	<u>\$ (19,849)</u>	<u>\$ (44,085)</u>
<u>Volunteer Plan:</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 25,502	\$ 52,375	\$ 52,375	\$ 52,375
Actual contribution, including State of Colorado discretionary payment	<u>(68,963)</u>	<u>(67,429)</u>	<u>(101,784)</u>	<u>(34,141)</u>
Contribution deficiency (excess)	<u>\$ (43,461)</u>	<u>\$ (15,054)</u>	<u>\$ (49,409)</u>	<u>\$ 18,234</u>

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2013.

**Basalt & Rural Fire Protection District**  
**Notes to the Required Supplementary Information**  
**December 31, 2021**

**I. Schedule of Employer's Proportionate Share of the Net Pension Liability/(Asset) – Volunteer Pension Fund**

**A. Changes of assumptions or other inputs**

**1. Changes Since January 1, 2019 Actuarial Valuation are as Follows:**

- No changes.

**2. Changes Since January 1, 2018 Actuarial Valuation are as Follows:**

The assumptions shown in 2019 pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations. This new assumption set is used in determining the Net Pension Liability as of December 31, 2018 and as of December 31, 2019.

The primary changes, which can be observed in the January 1, 2019 valuation, as compared to the assumptions shown are as follows:

Investment

Rate of Return 7.00%

Mortality

**Pre-retirement:** 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.

**Post-retirement:** 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.

**Disabled:** 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.

**B. Changes of benefit terms**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented.

**II. Notes to the Schedule of District Contributions – Volunteer Pension Fund**

**A. Changes to assumptions or other inputs**

No changes during the years presented.

**B. Changes of benefit terms.**

The accompanying notes are an integral part of these financial statements.

**Basalt & Rural Fire Protection District**  
**Notes to the Required Supplementary Information**  
**December 31, 2021**

No changes during the years presented.

**C. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented.



**SUPPLEMENTARY INFORMATION**

**Basalt & Rural Fire Protection District**  
**Capital Projects Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2021**  
**With Comparative Actual Amounts for 2020**

	2021		2020	
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Miscellaneous income	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>				
Administration	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - January 1</b>	<b>-</b>	<b>10,591</b>	<b>10,591</b>	<b>10,591</b>
<b>Fund Balance - December 31</b>	<b>-</b>	<b>10,591</b>	<b>10,591</b>	<b>10,591</b>

**Basalt & Rural Fire Protection District**  
**Debt Service Fund**  
**Schedule of Revenues and Expenditures**  
**Budget (GAAP Basis) and Actual**  
**For the Year Ended December 31, 2021**  
**With Comparative Actual Amounts for 2020**

	2021		2020	
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Property tax	\$ 274,165	\$ 274,131	\$ (34)	\$ 270,943
Specific ownership taxes	13,000	13,016	16	11,774
Investment income	200	34	(166)	52
<b>Total Revenues</b>	<u>287,365</u>	<u>287,181</u>	<u>(184)</u>	<u>282,769</u>
<b>Expenditures:</b>				
Principal	155,000	155,000	-	155,000
Interest	104,150	104,150	-	107,250
County Treasurer's fees	13,000	10,425	2,575	10,587
<b>Total Expenditures</b>	<u>272,150</u>	<u>269,575</u>	<u>2,575</u>	<u>272,837</u>
<b>Net Change in Fund Balance</b>	15,215	17,606	2,391	9,932
<b>Fund Balance - Beginning</b>	200,198	219,400	19,202	209,468
<b>Fund Balance - Ending</b>	<u>\$ 215,413</u>	<u>\$ 237,006</u>	<u>\$ 21,593</u>	<u>\$ 219,400</u>

The accompanying notes are an integral part of these financial statements.  
 F2