

**BROADMOOR FIRE
PROTECTION DISTRICT**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended December 31, 2021

**BROADMOOR FIRE PROTECTION DISTRICT
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DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Broadmoor Fire Protection District

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 the Broadmoor Fire Protection District, as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Broadmoor Fire Protection District's basic financial statements as listed in the table of contents.

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 the Broadmoor 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Broadmoor 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 Broadmoor Fire Protection 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.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Broadmoor Fire Protection 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 Broadmoor Fire Protection 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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.

Hoelting & Company Inc.

Colorado Springs, Colorado
June 28, 2022

**BROADMOOR FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2021**

As management of Broadmoor Fire Protection District (the District) we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the district exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1,126,292 (*net position*). Of this amount, \$588,365 (*unrestricted net position*) may be used to meet the District's ongoing obligations to its citizens and creditors.
- As of the close of the current fiscal year, the general fund reported an ending fund balance of \$468,499 a decrease of \$301,858 in comparison with the prior year. \$444,108 of ending fund balance is available for spending at the District discretion (unassigned).
- At the end of the current fiscal year, total unassigned fund balance was 41.0% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances as a whole, in a manner similar to a private-sector business and include two statements:

The *statement of net position* presents information on all of the District's assets and liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. 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 activities* presents information reporting how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Accrued interest expense is an example of this type of item.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general and administrative activities and fire and emergency medical services. Currently, the District has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant funds, not the District as a whole. The District has one fund: the General fund.

Governmental Funds: The District's basic services are included in this governmental fund, which focuses on (1) how money flows into and out of the fund and (2) the balances left at year-end that are available for spending or reserves. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balance.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. Also, the District adopts an annual appropriated budget for the general fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, total assets and deferred outflows exceeded liabilities and deferred inflows by \$1,126,292 as of December 31, 2021. 28.7% of the District's assets are its investment in capital assets.

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 1,284,511	\$ 1,418,499
Capital assets, net depreciation	<u>515,927</u>	<u>217,567</u>
Total assets	<u>1,800,438</u>	<u>1,636,066</u>
Deferred outflows of resources:		
Deferred pension outflows	<u>144,586</u>	<u>152,660</u>
Total deferred outflows of resources	<u>144,586</u>	<u>152,660</u>
Long-term liabilities	-	-
Other liabilities	<u>33,625</u>	<u>21,189</u>
Total liabilities	<u>33,625</u>	<u>21,189</u>
Deferred inflows of resources:		
Deferred pension inflows	89,916	38,216
Unavailable property tax revenue	<u>695,191</u>	<u>602,942</u>
Total deferred inflows of resources	<u>785,107</u>	<u>641,158</u>
Net position:		
Net investment in capital assets	515,927	217,567
Restricted	22,000	21,505
Unrestricted	<u>588,365</u>	<u>887,307</u>
Total net position	<u>\$ 1,126,292</u>	<u>\$ 1,126,379</u>

Condensed Statement of Activities

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues		
Charges for services	\$ 56,336	\$ 26,407
Operating grants and contributions	1,413	25,000
General revenues:		
Property and other taxes	673,067	672,401
Other income	-	-
Interest income	212	4,089
Gain on disposal of capital assets	<u>25,000</u>	<u>-</u>
Total revenues	<u>756,028</u>	<u>727,897</u>
Expenses:		
General and administrative	37,510	55,398
Fire and emergency medical services	<u>718,605</u>	<u>569,459</u>
Total expenses	<u>756,115</u>	<u>624,857</u>
Change in net position	(87)	103,040
Net position – beginning	<u>1,126,379</u>	<u>1,023,339</u>
Net position - ending	<u>\$ 1,126,292</u>	<u>\$ 1,126,379</u>

ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The general fund is the operating fund of the District. The fund balance for the general fund was \$468,499 at the end of the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's general fund budget is prepared in accordance with state law. No changes were made to the general fund budget during the year. During the year, expenditures exceeded appropriations by \$103,981.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities at the end of the year was as follows:

	<u>2021</u>	<u>2020</u>
Vehicles	\$ 715,101	\$ 562,067
Equipment	288,117	255,270
Accumulated depreciation	<u>(487,291)</u>	<u>(599,770)</u>
Capital assets, net	<u>\$ 515,927</u>	<u>\$ 217,567</u>

Major capital asset activities during the year included the purchase of a new fire truck in the amount of \$308,034 and a fire protective uniforms in the amount of \$17,352.

Long-term debt

The District had no debt activity during 2021.

BUDGETARY AND ECONOMIC FACTORS

Budgetary Highlights and Outlook- There were no amendments to the 2021 budget during the year. Budgeted 2022 revenues are expected to increase from 2021 due to increased tax receipts and other income. Certain expenditures for 2022 are expected to increase reflecting increases in salaries, capital outlays, and other costs of operations.

Economic and Environmental Factors

The housing market in the District continues to rise which is resulting in an increased tax base. This increased tax base may be affected by changes in property values as El Paso County conducts its bi-annual property valuations.

REQUESTS FOR INFORMATION

This financial report is designed to provide the District's taxpayers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact an official at the District's administration office, 750 El Pomar Road, Colorado Springs, Colorado or phone (719) 633-1069.

BASIC FINANCIAL STATEMENTS

BROADMOOR FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS

Cash and cash equivalents	\$	493,672
Receivables		473
Property tax receivable		700,779
Prepaid expenses		2,391
Capital assets being depreciated, net		515,927
Net pension asset		87,196
		1,800,438
Total Assets		1,800,438

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension outflows		144,586
		144,586

LIABILITIES

Accounts payable		20,899
Accrued salaries payable		12,726
		33,625
Total Liabilities		33,625

DEFERRED INFLOWS OF RESOURCES

Deferred pension inflows		89,916
Unavailable property tax revenue		695,191
		785,107
Total Deferred Inflows of Resources		785,107

NET POSITION

Net investment in capital assets		515,927
Restricted for TABOR		22,000
Unrestricted		588,365
		1,126,292
Total Net Position		1,126,292

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

**BROADMOOR FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General and administrative	\$ 37,510	\$ -	\$ -	\$ (37,510)
Fire and emergency medical services	718,605	56,336	1,413	(660,856)
Total governmental activities	\$ 756,115	\$ 56,336	\$ 1,413	(698,366)
General revenues:				
General property tax				602,261
Specific ownership tax				70,806
Interest income				212
Gain on asset disposal				25,000
Total general revenues				698,279
Change in net position				(87)
Net position - beginning				1,126,379
Net position - ending				\$ 1,126,292

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

**BROADMOOR FIRE PROTECTION DISTRICT
BALANCE SHEET
DECEMBER 31, 2021**

ASSETS

Cash and cash equivalents	\$ 493,672
Receivables	473
Property tax receivable	700,779
Prepaid expenses	<u>2,391</u>
 Total Assets	 <u>\$ 1,197,315</u>

LIABILITIES

Accounts payable	20,899
Accrued salaries and benefits payable	<u>12,726</u>
 Total Liabilities	 <u>33,625</u>

DEFERRED INFLOWS OF RESOURCES

Deferred property tax revenue	<u>695,191</u>
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FUND BALANCE

Nonspendable	2,391
Restricted for TABOR	22,000
Unassigned	<u>444,108</u>
 Total Fund Balance	 <u>468,499</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 1,197,315</u></u>
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The accompanying notes are an integral part of these financial statements.

**BROADMOOR FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

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

Total fund balance - governmental funds		\$ 468,499
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Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.

Capital assets	\$ 1,003,218	
Accumulated depreciation	<u>(487,291)</u>	515,927

The net pension asset is not available in the current period and, therefore, is not reported as an asset in the funds.		87,196
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Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in the governmental funds.

Pension outflows	\$ 144,586	
Pension inflows	<u>(89,916)</u>	<u>54,670</u>

Total net position - governmental activities		<u><u>\$ 1,126,292</u></u>
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The accompanying notes are an integral part of these financial statements.

**BROADMOOR FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

REVENUES

General property tax	\$ 602,261
Specific ownership tax	70,806
Wildland income	56,336
Investment earnings	212
Grants and donations	<u>1,413</u>
 Total revenues	 <u>731,028</u>

EXPENDITURES

General and administrative	37,510
Fire and emergency medical services	679,495
Capital outlays	<u>340,881</u>
 Total expenditures	 <u>1,057,886</u>

Excess (deficiency) of revenues over expenditures	(326,858)
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OTHER FINANCING SOURCES

Proceeds from sale of capital assets	<u>25,000</u>
Net change in fund balance	(301,858)
Fund balance - beginning	<u>770,357</u>
Fund balance - ending	<u><u>\$ 468,499</u></u>

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

**BROADMOOR FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Net change in fund balances - governmental funds	\$ (301,858)
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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.

Depreciation	\$ (42,521)	
Capital outlays	<u>340,881</u>	298,360

Some pension expenses 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.

	<u>3,411</u>
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Change in net position of governmental activities	<u><u>\$ (87)</u></u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Broadmoor Fire Protection District(the District) was organized under the laws of the State of Colorado to operate and maintain a special district for the purpose of providing fire protection and emergency medical services for the residents of the Broadmoor subdivision located adjacent to the City of Colorado Springs, Colorado.

The accounting policies of the District conform to generally accepted accounting policies (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY

The District is a special district governed by an elected five-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The District has no component units for which either discrete or blended presentation is required.

B. BASIS OF PRESENTATION—GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. Eliminations have been made to minimize the double counting of internal activities.

C. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Capital Assets

Capital assets, which include buildings, vehicles and equipment, are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, vehicles and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 to 15 years
Equipment	5 to 10 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of activities.

Pensions

Broadmoor Fire Protection District participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). 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 SWDB 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.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Deferred outflows/inflows of resources (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund reports property taxes levied for the succeeding year as unavailable property tax revenue. The unavailable property tax revenues are recognized in the succeeding year as revenue when the lien attaches and the taxes become available.

Long-term liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Assigned – This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. REVENUES AND EXPENDITURES/EXPENSES

Program revenues

Amounts reported as *program revenues* include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Property taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are payable in two installments due February 28 and June 15, or are payable one installment due April 30. El Paso County bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services. The tax rate to finance general governmental services for the year ended December 31, 2021 was 4.5 mills. The District’s assessed valuation for 2021 was \$133,987,000.

Compensated absences

The District’s policy is that each regular full time employee earns six shifts (144 hours) of paid vacation at the end of one year with one additional shift add per year until the employee has earned a maximum of eight shifts (194 hours). Vacation time must either be taken or paid to the employee prior to the end of the year. Any accrued vacation pay is paid to the employee (up to 72 hours) at the time they leave the District’s employment.

Employees are allowed to accrue 10 hours of sick leave per month up to 120 hours. Accrued sick days are not paid to an employee at the time they leave the District.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences (continued)

Accumulated unpaid vacation, sick pay and other employee benefit amounts are not material. Therefore, a liability for these benefits has not been reflected in these financial statements. Compensated absences are recorded as expenditures when they are paid.

G. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the fall, the District submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Any revisions that alter the budget must be approved by the Board by passage of a resolution.
5. Formal budgetary integration is employed as a management control device during the year.
6. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or amended by the Board.
7. Appropriations lapse at the end of the year.

Excess of expenditures over appropriations

For the year ended December 31, 2021, expenditures exceed appropriations in the General fund by \$103,981. This excess of expenditures over appropriations were funded by available beginning fund balances.

NOTE 3 - CASH AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk—deposits. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2021, the carrying amounts of the District's deposits were \$83,916 and the bank balances were \$94,416. All of the bank balances were covered by FDIC insurance.

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments

The District is authorized by Colorado statutes to invest in the following:

- ◆ Obligations of the United States and certain U.S. government agencies' securities;
- ◆ Certain international agencies' securities;
- ◆ General obligation and revenue bonds of U.S. local government entities;
- ◆ Bankers' acceptances of certain banks;
- ◆ Certain commercial paper;
- ◆ Local government investment pools;
- ◆ Written repurchase agreements collateralized by certain authorized securities;
- ◆ Certain money market funds;
- ◆ Guaranteed investment contracts.

At December 31, 2021 the District's investment balances were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
CSAFE	Less than 60 days	\$ <u>409,756</u>

Credit Risk. State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices. As of December 31, 2021 all of the District's investments were rated AAAM by Standard & Poor's.

Colorado Surplus Asset Fund Trust (CSAFE) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. Designated custodial banks provide safekeeping and depository services to CSAFE in connection with the direct investment and withdrawal functions of CSAFE. All securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by CSAFE. Investments of CSAFE consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury notes.

Reconciliation of cash deposits and investments to the statement of net position

Cash and cash equivalents:

Cash on hand	\$	83,916
CSAFE		<u>409,756</u>
	\$	<u>493,672</u>

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Vehicles	\$ 562,067	\$ 308,034	\$ (155,000)	\$ 715,101
Equipment	<u>255,270</u>	<u>32,847</u>	<u>-</u>	<u>288,117</u>
Total capital assets, being depreciated	<u>817,337</u>	<u>340,881</u>	<u>(155,000)</u>	<u>1,003,218</u>
Less accumulated depreciation:				
Vehicles	\$ (345,865)	\$ (38,801)	\$ 155,000	\$ (229,666)
Equipment	<u>(253,905)</u>	<u>(3,720)</u>	<u>-</u>	<u>(257,625)</u>
Total accumulated depreciation	<u>(599,770)</u>	<u>(42,521)</u>	<u>155,000</u>	<u>(487,291)</u>
Total capital assets, net	<u>\$ 217,567</u>	<u>\$ 298,360</u>	<u>\$ -</u>	<u>\$ 515,927</u>

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

Fire and emergency medical services	<u>\$ 42,521</u>
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NOTE 5 – NET POSITION

Net position is reported in three separate categories – net investment in capital assets; net position-restricted; and net position-unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and capital-related deferred outflows of resources; reduced by borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021, net investment of capital assets was as follows:

Investment in Capital Assets:	
Capital assets, net of depreciation	<u>\$ 515,927</u>

Net position-restricted is the difference between non-capital assets whose use is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation, and related liabilities and deferred inflows of resources (excluding capital-related borrowings). As of December 31, 2021, the District had net position - restricted as follows:

Net Position – Restricted:	
TABOR emergency reserve	<u>\$ 22,000</u>

Any portion of net position not already classified as either net investment in capital assets or net position – restricted, is automatically classified as net-position – unrestricted.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the Broadmoor Fire Protection District are provided with pensions through the Statewide Defined Benefit Plan (SWDB) – a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members). Plan benefits are specified in Title 31, Article 30 of the Colorado Revised Statutes (C.R.S.). The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Benefits provided. The SWDB provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by FPPA.

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and clerical workers (CPI-W).

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. Through December 31, 2020, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8.0 percent and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.0 percent and 8.0 percent, respectively, of pensionable earnings for a total contribution rate of 19.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.0 percent and 23.5 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.5 percent and 4 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions are 4.0 percent and 4.25 percent in 2020 and 2021, respectively. Employer contributions will increase 0.25 percent annually beginning 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Employer contributions are recognized by the SWDB in the period in which the compensation becomes payable to the member and the Broadmoor Fire Protection District is statutorily committed to pay the contributions to the SWDB. Employer contributions recognized by the SWDB from Broadmoor Fire Protection District were \$28,130 for the year ended December 31, 2021.

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2021	January 1, 2020
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Long-term rate of return. 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 (assumed at 2.5 percent). Best estimates of arithmetic real 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:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100.0%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (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 percent.

Sensitivity of the Broadmoor Fire Protection District proportionate share of the net pension liability/(asset) to changes in the Discount Rate. The following presents the proportionate share of the net pension liability/(asset), calculated using the Discount Rate of 7.00 percent, as well as what the proportionate share of the net pension liability/ (asset) would be if it were calculated using a Discount Rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
\$ (87,749)	\$ (87,196)	\$ (232,072)

Pension plan fiduciary net position. Detailed information about the SWDB’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.fppaco.org.

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

At December 31, 2021, the Broadmoor Fire Protection District reported a liability/(asset) of \$(87,196) for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2020, and the collective total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of January 1, 2021. The Broadmoor Fire Protection District proportion of the net pension liability/(asset) was based on Broadmoor Fire Protection District contributions to the SWDB for the calendar year 2020 relative to the total contributions of participating employers to the SWDB.

At December 31, 2020, the Broadmoor Fire Protection District’s proportion was 0.040163902 percent, which was decrease of 0.0022918090 from its proportion measured as of December 31, 2019.

BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended December 31, 2021, the Broadmoor Fire Protection District recognized pension expense of \$(3,411). At December 31, 2021, the Broadmoor Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 73,951	\$ 347
Changes in assumptions or other inputs	-	-
Net difference between projected and actual investment earnings	37,086	89,563
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,419	6
Contributions subsequent to the measurement date	28,130	-
Total	\$ 144,586	\$ 89,916

\$28,130 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	\$ (9,137)
2023	2,480
2024	(12,588)
2025	2,651
2026	16,662
Thereafter	26,472

Subsequent Event. During 2020, legislation was passed effective January 1, 2021 that amended the Statewide Defined Benefit Plan. Amendments to the related contribution rates and benefits of this plan are described in *Benefits Provided* and *Contributions* sections above. Additionally, stabilization reserve accounts (SRA) of the Defined Benefit System became self-directed accounts with assets of \$123.6 million transferred to the FPPA Members' Self-Directed Investment Fund after the January 1, 2021 actuarial valuation date. This transfer does not impact the net pension liability/(asset) of the plan as the transfer of assets will reduce both the total pension liability and the plan fiduciary net position.

**BROADMOOR FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 - OPERATING LEASE

The District entered into an operating lease with the Broadmoor Hotel on March 18, 2005 in the amount of \$435,228 for a new fire station. Rental payments are \$3,125 per month from April 1, 2005 to March 1, 2012. Beginning April 1, 2012 monthly rental payments are \$750 increasing 4% annually on April 1 through lease termination on March 31, 2024. This lease may be renewed for an additional ten year period at the same terms and conditions. Total costs for the year ended December 31, 2021 were \$13,753. The future minimum lease payments for this lease are as follows:

<u>Year ended December 31:</u>	<u>Amount</u>
2022	\$ 13,194
2023	13,721
2024	<u>2,396</u>
Total	<u>\$ 29,311</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

It is customary that the District has a Board member from the Broadmoor Hotel. This relationship has nothing to do with any special arrangement between the two parties other than a lessor, lessee arrangement as described in Note 7.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during the past three fiscal years.

NOTE 11 - AMENDMENT TO COLORADO CONSTITUTION

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. On May 2, 2000, the voters of Broadmoor Fire Protection District approved that taxes be increased \$116,979 in 2001 and annually thereafter in such amount as are received each year by the imposition of an additional mill levy of 1.449 mills upon taxable property within the District, commencing with the tax collection year 2001, and continuing thereafter, such revenues, together with any and all other revenues collected by the District for the purposes of defraying salaries, other operating expenses of the District, and/or other lawful purposes, as a voter approved revenue change and an exception to the spending, revenue raising, and other limits which would otherwise apply under Article X, Section 20, of the Colorado Constitution. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

REQUIRED SUPPLEMENTARY INFORMATION

**BROADMOOR FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2021**

	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability (asset)	0.040163902%	0.042455711%
District's proportionate share of the net pension liability (asset)	\$ (87,196)	\$ (24,011)
District's covered payroll	\$ 322,600	\$ 312,913
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-27.03%	-7.67%
Plan fiduciary net position as a percentage of the total pension liability	106.7%	101.9%

* The amounts presented for each year were determined as of 12/31.

* The District was not required to perform an audit from 2016-2020. Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

BROADMOOR FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S STATUTORY PAYROLL CONTRIBUTIONS AND COVERED PAYROLL
DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 28,130	\$ 25,808	\$ 25,033
Contributions in relation to the statutorily required contribution	<u>(28,130)</u>	<u>(25,808)</u>	<u>(25,033)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 330,941	\$ 322,600	\$ 312,913
Contributions as a percentage of covered payroll	8.50%	8.00%	8.00%

* The amounts presented for each year were determined as of 12/31.

The District was not required to perform an audit from 2016-2020. Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

BROADMOOR FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Taxes	\$ 602,942	\$ 602,942	673,067	\$ 70,125
Grants	-	-	1,413	1,413
Wildland income	55,000	55,000	56,336	1,336
Investment earnings	-	-	212	212
Interest income	5,963	5,963	-	(5,963)
Miscellaneous income	50,000	50,000	-	(50,000)
Total Revenues	<u>713,905</u>	<u>713,905</u>	<u>731,028</u>	<u>17,123</u>
EXPENDITURES				
General and administrative	51,898	51,898	37,510	14,388
Fire and emergency medical services	662,007	662,007	679,495	(17,488)
Capital outlays	240,000	240,000	340,881	(100,881)
Total Expenditures	<u>953,905</u>	<u>953,905</u>	<u>1,057,886</u>	<u>(103,981)</u>
Excess of revenues over expenditures	(240,000)	(240,000)	(326,858)	(86,858)
OTHER FINANCING SOURCES				
Gain (loss) on sale of capital assets	-	-	25,000	25,000
Net change in fund balance	<u>(240,000)</u>	<u>(240,000)</u>	<u>(301,858)</u>	<u>(61,858)</u>
Fund balance - beginning	<u>240,000</u>	<u>240,000</u>	<u>770,357</u>	<u>530,357</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 468,499</u></u>	<u><u>\$ 468,499</u></u>

See the accompanying independent auditors' report.