

YUMA COUNTY FIRE PROTECTION DISTRICT
INDEPENDENT AUDITORS' REPORT AND
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	2-6
Government-Wide Financial Statements	8-9
Fund Financial Statements	10-12
Notes to Financial Statements	14-20
Supplementary Information	21-25

WILLIAMS AND KOPENHAFER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

James R. Williams
John M. Kopenhafer

INDEPENDENT AUDITORS' REPORT

(719)635-0440
Fax 635-5384

To the Board of Directors
Yuma County Fire Protection District
Idalia, CO

We have audited the accompanying financial statements of the governmental activities and each major fund of Yuma County Fire Protection 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Yuma County Fire Protection District as of December 31, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The management's discussion and analysis and budgetary comparison information on pages 2 through 6 and 22 through 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information and other supplementary information. However, we did not audit the information and express no opinion on it.


Colorado Springs, Colorado
May 23, 2022

Yuma County Fire Protection District
Management's Discussion and Analysis
As of and for the year ended December 31, 2021

As management of the Yuma County Fire Protection District (the District), we offer readers of the District's financial statements this narrative analysis of the financial activities of the District for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that can be found in the notes to the financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$3,634,678.
- Total expenses exceeded revenues by \$31,746.
- At the end of the current fiscal year, the unassigned fund balance for the District was \$745,681. This represents an increase of \$40,845 from 2020 due to an increase in property taxes receivable and a decrease in net assets. The entire unassigned fund balance may be used to meet the District's obligations to citizens and creditors.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader of the District's financial statements a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period (e.g., uncollected taxes).

Both of the 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 or grant revenue (*business-type activities*). The governmental activities of the District include only general government and fire protection.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses only two funds both of which are governmental funds: 1) the general fund, to account for all operations and 2) the capital improvement fund, to account for all major capital acquisition and construction activity.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District adopts an annual appropriated budget. Budgetary comparison schedules are included in the fund financial statements to demonstrate compliance with the adopted budget.

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 basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$3,634,678 at the close of the most recent fiscal year.

A large portion of the District's net position (64%) reflects its investment in capital assets (e.g., land, buildings, equipment). The District uses these assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Amounts assigned to future capital improvements are \$570,397 and unassigned amounts of \$745,681 may be used to meet the government's ongoing obligations to citizens and creditors.

Yuma County Fire Protection District Condensed Statement of Net Position As of December 31, 2021 and 2020

	2021	2020
Current assets	\$1,328,957	\$1,186,642
Capital assets, net	2,310,173	2,485,517
Total assets	<u>\$3,639,130</u>	<u>\$3,672,159</u>
Long-term liabilities	\$ --	\$ --
Other liabilities	4,452	5,032
Total liabilities	<u>4,452</u>	<u>5,032</u>
Non-spendable investment in capital assets net of related debt	2,310,173	2,485,517
Restricted-emergency reserve	8,427	12,317
Assigned to capital improvements	570,397	464,457
Unassigned	745,681	704,836
Total net position	<u>\$3,634,678</u>	<u>\$3,667,127</u>

Changes in Net Position

	2021	2020
Revenues:		
Program revenues:		
Grants and donations	\$ --	\$ --
Other	4,594	1,363
General revenues:		
Taxes	421,919	404,406
Sale of capital assets	--	--
Interest earnings	575	349
Total revenue	<u>427,088</u>	<u>406,118</u>

Expenses:		
General government	101,224	72,512
Public safety	357,610	351,707
Total expenses	<u>458,834</u>	<u>424,219</u>
Decrease in net position	(31,746)	(18,101)
Net position--beginning January 1	3,666,424	3,684,525
Net position--ending December 31	<u>\$3,634,678</u>	<u>\$3,666,424</u>

Fund Financial Analysis

The focus of the District's governmental fund reporting is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the most recent fiscal year, the District's general fund reported an ending fund balance of \$369,859, an increase of \$26,267 in comparison with the previous year. Approximately 98% of this total amount, \$363,371, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed to cover the state constitutionally mandated 3% TABOR reserve of \$6,488.

As of the end of the current fiscal year, the District's capital improvements fund reported an ending fund balance of \$572,336, an increase of \$100,620 in comparison with the prior year. Approximately 99% of this total amount, \$570,397, constitutes amounts committed to spending on capital projects at the government's discretion. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed to cover the state constitutionally mandated 3% TABOR reserve of \$1,939.

General Fund Budgetary Highlights

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required for the General Fund and may be found on page 22. This statement compares the original adopted budget, the budget if amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. The District did not amend its budget during the fiscal year. Budget variances can be summarized as follows:

Total revenue budget was comparable to actual.

Total expenditures came in under budget mainly due to lower than expected administrative expenses, repairs and training.

Capital Assets

The District's investment in capital assets as of December 31, 2021 was \$2,310,173, net of accumulated depreciation and debt. This investment in capital assets includes land, fire station buildings, fire trucks and equipment. The total increase in the District's investments in capital assets before depreciation for the most recent fiscal year was \$60,256. Major capital asset events included the purchase of bunker gear and radios.

The District entered into a capital lease to purchase a new fire truck for \$80,000 in 2017 with annual payments of \$17,284 beginning May 1, 2018 through 2022, at an interest rate of 2.6%. The lease was paid off in 2020. No new debt was incurred in 2021.

A budgetary comparison statement for the Capital Improvements Fund may be found on page 24.

Currently Known Facts, Decisions, or Conditions

Currently known facts, decisions or conditions that are expected to have a significant effect on the financial position (net position) or results of the District's operations (revenues, expenses and other changes in net position) include:

- The District's expenditure budget as adopted for 2022 is \$248,382, for the general fund and \$246,956 for the capital improvements fund representing an increase of \$29,535 and \$182,313, respectively, compared to actual 2021 expenditures.
- District has budgeted \$120,000 for vehicle and equipment repairs and \$90,000 on equipment updating and acquisitions in 2022. These capital outlays will be funded by taxes and by using reserve funds.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to Yuma County Fire Protection District, P.O. Box 7, Idalia, CO 80735.

FINANCIAL STATEMENTS

**YUMA COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

Assets	
Cash and equivalents	\$ 946,124
Cash with County Treasurer	523
Property tax receivable	382,310
Capital assets--	
Land	3,500
Building construction in process	-
Other capital assets, net of depreciation--	
Fire station buildings	1,211,635
Fire trucks	803,275
Equipment	<u>291,763</u>
Total assets	<u>3,639,130</u>
 Liabilities	
Accounts payable	4,452
Capital lease due in one year	<u>-</u>
	4,452
Noncurrent liabilities - capital lease less current maturities	<u>-</u>
Total liabilities	<u>4,452</u>
 Net position	
Nonspendable - Invested in capital assets, net of related debt	2,310,173
Restricted - TABOR emergency reserve	8,427
Assigned to capital improvements	570,397
Unassigned	<u>745,681</u>
Total net position	<u><u>\$ 3,634,678</u></u>

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

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

Expenses	
General government	\$ 101,224
Public safety--fire protection	
Supplies and services	122,010
Depreciation	235,600
Total expenses	<u>458,834</u>
Program revenues	
Grants and donations	-
Other	4,594
Total program revenue	<u>4,594</u>
Net program revenue	<u>(454,240)</u>
General revenues	
Property tax	382,310
Specific ownership tax	39,609
Investment interest	575
Total general revenues	<u>422,494</u>
Increase in net position	(31,746)
Net position - beginning of the year	<u>3,666,424</u>
Net position - end of the year	<u><u>\$3,634,678</u></u>

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

**YUMA COUNTY FIRE PROTECTION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Capital Improvements	Total
Assets			
Cash and equivalents	\$ 338,951	\$ 607,173	\$ 946,124
Cash with County Treasurer	314	209	523
Accounts receivable - capital fund	35,255	-	35,255
Property tax receivable	229,386	152,924	382,310
Total assets	\$ 603,906	\$ 760,306	\$ 1,364,212
Liabilities, deferred inflows and fund balances			
Current liabilities			
Accounts payable	\$ 4,661	\$ -	\$ 4,661
Accounts payable- capital fund	-	35,046	\$ 35,046
Lease payable - current	-	-	-
Total current liabilities	4,661	35,046	39,707
Lease payable - net of current portion	-	-	-
Deferred inflow - property taxes	229,386	152,924	382,310
Total liabilities and deferred inflows	234,047	187,970	422,017
Fund balances			
Restricted for emergencies	6,488	1,939	8,427
Assigned to capital improvements	-	570,397	570,397
Unassigned	363,371	-	363,371
Total fund balances	369,859	572,336	942,195
Total liabilities, deferred inflows and fund balances	\$ 603,906	\$ 760,306	\$ 1,364,212

**Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities**

Total governmental fund balances	\$ 942,195
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,310,173
Property tax assessment for 2021 not receivable in the current period.	382,310
Net position of governmental activities	\$ 3,634,678

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

**YUMA COUNTY FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Capital Improvements</u>	<u>Total</u>
Revenues			
Taxes			
Property tax	\$ 219,471	\$ 146,128	\$ 365,599
Specific ownership tax	23,765	15,844	39,609
Grants and donations	-	-	-
Investment earnings	389	186	575
Other	1,489	3,105	4,594
	<u>245,114</u>	<u>165,263</u>	<u>410,377</u>
Total revenues	245,114	165,263	410,377
Expenditures			
Current			
General government	96,837	4,387	101,224
Public safety	122,010	-	122,010
Capital lease			
Interest	-	-	-
Principal	-	-	-
Capital outlay	-	60,256	60,256
	<u>218,847</u>	<u>64,643</u>	<u>283,490</u>
Total expenditures	218,847	64,643	283,490
Excess (deficiency) of revenues over (under) expenditures	<u>26,267</u>	<u>100,620</u>	<u>126,887</u>
Other financing sources (uses)			
Capital leases	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-
Net change in fund balances	26,267	100,620	126,887
Fund balances, beginning of year	<u>343,592</u>	<u>471,716</u>	<u>815,308</u>
Fund balances, end of year	<u>\$ 369,859</u>	<u>\$ 572,336</u>	<u>\$ 942,195</u>

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

**YUMA COUNTY FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Net change in fund balances - governmental funds	\$ 126,887
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital assets	60,256
Less current year depreciation	<u>(235,600)</u>
Excess capital expenditures over (under) depreciation	<u>(175,344)</u>
Debt payments not recorded in statement of activities	-
Property tax revenues are recorded in the statement of activities when the tax is levied; they are not reported in the funds until collected or collectible within 60 days of year end.	<u>16,711</u>
Change in net position of governmental activities	<u><u>\$ (31,746)</u></u>

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

NOTES TO FINANCIAL STATEMENTS

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Yuma County Fire Protection District (the District) have been prepared in conformity with U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

A. Reporting entity

Yuma County Fire Protection District is a fire district encompassing most of Yuma County, Colorado. The District provides rural fire protection to the area staffed by volunteers from the county. Revenues are predominantly provided by property tax receipts and grants into the general funds and capital reserve funds. The accompanying financial statements consist only of Yuma County Fire Protection District since the District has no component units and is not a component unit of any other governmental entity as defined by generally accepted accounting principles.

B. Government-Wide and fund financial statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

C. Measurement focus, basis of accounting, and financial statement presentation
(continued)

earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, intergovernmental grants and aid, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major 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.

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

Amounts reported as program revenues include 1) operating grants and contributions, and 2) capital grants and contributions. General revenues include all taxes and investment earnings.

When both restricted and unassigned resources are available for use, for governmental activities, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

D. Assets, liabilities, and net position or equity

1. Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

2. Receivables

No allowance for doubtful accounts is considered necessary.

3. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings and improvements	40 years
Fire fighting vehicles	15 years
Fire fighting equipment	10 years
Communication and computer equipment	5 years

4. Net position

In the government-wide financial statement, net position is reported in four categories: non-spendable, restricted, assigned and unassigned. Amounts not in spendable form, such as capital assets net of related debt, is separately reported as non-spendable. Restricted amounts are constrained by parties outside the District. Assigned amounts are constrained by the District's intent to use for a specific purpose. Unassigned amounts are the District's remaining general fund balance not included in the previous categories.

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. Fund equity

In the fund financial statements, governmental fund equity is also reported in four categories: non-spendable, restricted, assigned and unassigned.

E. Property taxes

Property taxes are levied, assessed, become due and attach as an enforceable lien on property as of January 1st. Taxpayers have the option of paying their taxes in full on or before April 30th, or paying in two installments of one half due by February 28th with the remaining payment due by June 15th. Unpaid taxes become delinquent as of August 1st and are subject to collection procedures on or after October 1st. The dollar amount of property taxes receivable is included as a receivable and as current revenue in the government-wide financial statements but is included as a receivable and deferred revenue on the balance sheet for the governmental funds.

F. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Tax spending and debt limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending for all years after and including 1995. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has restricted net assets in the amount of \$8,427

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

A. Tax spending and debt limitations (continued)

in order to comply with the 3% reserve requirement for 2021 expenditures.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

The District's Directors believe that the District is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretations. Ultimate implementation and impact upon the District's financial activity may depend upon litigation and legislative guidance.

On November 4, 1997, the District requested that the voters approve retainage of all revenues collected regardless of whether the funds were spent. The ballot question was passed with 1001 YES votes and 339 NO votes. At the same time, the voters approved an increase in the mill levy to 2.0 effective for the 1998 fiscal year and beyond.

On November 7, 2006, the District requested that voters approve a tax levy of 1 mill—increasing the total levy to 3 mills. The ballot question was passed with 770 YES votes and 473 NO votes. At the same time, the voters approved the District to not be limited in any year to the amount of revenues that may be collected, retained and spent by the District. The ballot question passed with 840 YES votes and 403 NO votes.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits

The deposits at December 31, 2021 consisted of \$946,124 cash in bank and \$523 cash held by the Yuma County Treasurer.

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The District's cash in bank is deposited in a PDPA eligible public depository.

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. Receivables

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, deferred inflows reported in the government funds consisted of property taxes not yet available in the amount of \$.

3. Capital assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 3,500	\$ --	\$ --	\$ 3,500
Construction in process	<u> --</u>	<u> </u>	<u> </u>	<u> --</u>
Total capital assets not being depreciated	<u> 3,500</u>	<u> </u>	<u> </u>	<u> 3,500</u>
Capital assets being depreciated:				
Station buildings	1,888,720	--	--	1,888,720
Fire trucks	2,762,052	--	--	2,762,052
Equipment	<u>1,201,007</u>	<u>60,256</u>	<u> --</u>	<u>1,261,263</u>
Total capital assets being depreciated	<u>5,851,779</u>	<u>60,256</u>	<u> --</u>	<u>5,912,035</u>
Less accum. depreciation for:				
Station buildings	(633,754)	(43,331)	--	(677,085)
Fire trucks	(1,864,374)	(94,403)	--	(1,958,777)
Equipment	<u>(871,634)</u>	<u>(97,866)</u>	<u> --</u>	<u>(969,500)</u>
Total accum. depreciation	<u>(3,369,762)</u>	<u>(235,600)</u>	<u> --</u>	<u>(3,605,362)</u>
Total capital assets being depreciated, net	<u>2,482,017</u>	<u>(175,344)</u>	<u> --</u>	<u>2,306,673</u>
Total capital assets, net	<u>\$2,485,517</u>	<u>\$(175,344)</u>	<u>\$ --</u>	<u>\$2,310,173</u>

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 – LONG-TERM DEBT

The District secured capital lease financing with a bank during 2017 to purchase a new fire truck for \$80,000. Annual payments were due in five equal installments of \$17,284 beginning May 1, 2018. The effective annual rate was 2.6%. The lease provided for a \$1 buyout upon termination. The lease was paid off in 2020.

Long-term debt activity for the year ended December 31, 2021 is as follows:

Beginning balance - capital leases	\$	--
Additions		--
Payments		<u>--</u>
Ending balance - capital leases	\$	<u><u>--</u></u>

NOTE 5 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to directors and subcontractors; and natural disasters. The District purchases commercial insurance for most risks of loss. There have been no significant claims in the past three years.

NOTE 6 – SUBSEQUENT EVENTS

Events subsequent to December 31, 2021, have been evaluated through May 23, 2022, the date these statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading.

REQUIRED SUPPLEMENTARY INFORMATION

**YUMA COUNTY FIRE PROTECTION DISTRICT REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes			
Property tax	\$ 219,781	\$ 219,471	\$ (310)
Specific ownership tax	12,000	23,765	11,765
Grants and donations	-	-	-
Investment earnings	350	389	39
Other	1,500	1,489	(11)
	<u>233,631</u>	<u>245,114</u>	<u>11,483</u>
Total revenues	233,631	245,114	11,483
Expenditures			
Current			
General government			
Administration	86,593	96,837	(10,244)
Contingency	15,000	20,177	(5,177)
Public safety			
Fire fighting expenses	15,000	6,140	8,860
Fire prevention expenses	500	-	500
Training expenses	7,500	1,050	6,450
Communications expenses	3,500	13,221	(9,721)
Equipment repairs	75,000	55,953	19,047
Stations & buildings maintenance	45,000	25,469	19,531
Other	-	-	-
	<u>248,093</u>	<u>218,847</u>	<u>29,246</u>
Total expenditures	248,093	218,847	29,246
Excess (deficiency) of revenues over (under) expenditures	<u>(14,462)</u>	<u>26,267</u>	<u>40,729</u>
Other financing sources (uses)			
Transfers out	-	-	-
Transfers in	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-
Net change in fund balances	<u>\$ (14,462)</u>	26,267	<u>\$ 40,729</u>
Fund balances, beginning of year		<u>343,592</u>	
Fund balances, end of year		<u>\$ 369,859</u>	

See notes to supplementary information.

SUPPLEMENTARY INFORMATION

**YUMA COUNTY FIRE PROTECTION DISTRICT OTHER SUPPLEMENTARY INFORMATION
CAPITAL IMPROVEMENTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes			
Property tax	\$ 146,521	\$ 146,128	\$ (393)
Specific ownership tax	12,000	15,844	3,844
Grants and donations	-	-	-
Investment earnings	-	186	186
Other revenue	-	3,105	3,105
Contingency	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	158,521	165,263	6,742
Expenditures			
General government	4,764	4,387	377
Capital outlay	210,000	60,256	149,744
Principal and interest	-	-	-
Contingency	32,000	-	32,000
	<hr/>	<hr/>	<hr/>
Total expenditures	246,764	64,643	182,121
Excess (deficiency) of revenues over (under) expenditures	<hr/> <u>(88,243)</u>	<hr/> <u>100,620</u>	<hr/> <u>188,863</u>
Other financing sources (uses)			
Capital lease	-	-	-
Transfers in (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
Net change in fund balances	<hr/> <u>\$ (88,243)</u>	<hr/> <u>100,620</u>	<hr/> <u>\$ 188,863</u>
Fund balances, beginning of year		<hr/> <u>471,716</u>	
Fund balances, end of year		<hr/> <u>\$ 572,336</u>	

See notes to supplementary information.

YUMA COUNTY FIRE PROTECTION DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 – BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of the Yuma County Fire Protection District in accordance with Colorado Budget Laws. Budgets are prepared on the same basis as that used for accounting purposes. Budget appropriations lapse at the end of each year.

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

1. Prior to September 20th, the Yuma County Fire Protection District directors begin preparing an operation budget for the fiscal year commencing the following January 1st. The operating budget includes proposed expenditures.
2. A public hearing is conducted at the Fire Hall to obtain taxpayers comments.
3. Prior to January 1st, the budget is legally enacted through passage of a resolution.
4. Budgets for the General and Capital Improvements Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).