

BEULAH FIRE PROTECTION & AMBULANCE DISTRICT

AUDITED FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

BEULAH, COLORADO

December 31, 2022

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Garren, Ross & DeNardo, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

JAMES E. GARREN, CPA
MEL J. ROSS, CPA
SAM J. DeNARDO, CPA

SUITE 200
3673 PARKER BOULEVARD
PUEBLO, COLORADO 81008
719 / 544-9872
FAX 719 / 253-5417
www.grdcpa.com

Independent Auditor's Report

June 28, 2023

Board of Directors
Beulah Fire Protection & Ambulance District
Beulah, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Beulah Fire Protection & Ambulance District (the District) as of December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and each major fund of the District, as of December 31, 2022, and the respective changes in financial position and cash flows thereof for the years 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and GASB required pension information 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.

Garren, Ross & DeNardo, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
Beulah Fire Protection & Ambulance District
December 31, 2022

As management of the Beulah Fire Protection & Ambulance District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

District Operation and Background

The Beulah Fire Protection and Ambulance District is the result of a merger between the Beulah Ambulance District (local government) and the Beulah Valley Volunteer Fire Department 501(c)(3) non-profit organization. Effective January 1, 2013 the two separate legal entities were combined into one legal entity. The Beulah Ambulance District provided a ballot question in the November 2012 election to increase the existing mill levy through property taxes to support the fire district. The special District was formed with the blessings of the District Court of Pueblo County for the purpose of protecting the lives and property of the residents and visitors from fire and critical health threats.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1,023,855 (net position). Of this amount \$13,792 (1%) unrestricted net position, may be used to meet the District's ongoing obligations to citizens and creditors. A significant portion of the District's net position \$990,717 (97%) reflects its investment in capital assets. These assets include land, buildings and equipment. These capital assets are used to provide services to citizens; consequently, they are not available for future spending.
- The District's total net position increased by \$63,740.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$29,723 for the year ending December 31, 2022.
- At the end of the current fiscal year, unassigned fund balance of the general fund is \$10,377.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The basic financial statements present two different views of the District through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the District.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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.

Management's Discussion and Analysis
Beulah Fire Protection & Ambulance District
December 31, 2022

Government-wide Financial Statements (Continued)

The *statement of activities* presents information showing 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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes. The governmental activities of the District primarily include community safety services. The government-wide financial statements can be found on pages 3 and 4 of this report.

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, such as State Statutes. The District currently only has one governmental fund.

Governmental Funds. 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 inflow 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. Governmental funds are reported using an accounting method called modified accrual accounting which has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the District's programs.

Overview of the Financial Statements

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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation, which is a part of the fund financial statements, to facilitate the comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund.

The District adopts an annual appropriated budget for governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on pages 5 and 7 of this report.

Management's Discussion and Analysis
 Beulah Fire Protection & Ambulance District
 December 31, 2022

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 - 21 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets exceeded liabilities by \$1,023,855 at the close of fiscal year 2022. Increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the District is improving or deteriorating over time.

A portion of the District's net position reflects its investment in capital assets (i.e., land, buildings, vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position at December 31:

Assets:	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 477,972	\$ 475,606
Capital assets	<u>2,697,567</u>	<u>2,644,563</u>
Total Assets	3,175,539	3,120,169
Deferred Outflow of Resources – Pension fund	<u>31,173</u>	<u>33,991</u>
 Liabilities:		
Current and other liabilities	82,772	60,791
Long-term liabilities	<u>1,658,361</u>	<u>1,706,850</u>
Total Liabilities	1,741,133	1,767,641
 Deferred Inflow of Resources:		
Unavailable revenue – property taxes	398,808	400,415
Related to pension fund	<u>42,916</u>	<u>25,989</u>
Total Deferred Inflow	441,724	426,404
 Net Position:		
Invested in capital assets, net of related debt	990,717	877,751
Restricted	19,346	29,962
Unrestricted	<u>13,792</u>	<u>52,402</u>
Total Net Position	<u>\$ 1,023,855</u>	<u>\$ 960,115</u>

At the end of the current fiscal year, the Beulah Fire Protection & Ambulance District is able to report a positive balance in all categories of net position.

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains the requirements of setting an emergency reserve. This reserve cannot be accessed except for an unexpected disaster. This reserve amounts to \$17,400 and \$14,200 as of December 31, 2022 and 2021 respectively.

Management's Discussion and Analysis
 Beulah Fire Protection & Ambulance District
 December 31, 2022

Government Wide Financial Analysis (Continued)

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. Revenues and expenses in this statement are recorded when earned or when a liability is incurred. The following table reflects the condensed Statement of Activities for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 136,530	\$ 103,745
Operating grants and contributions	27,143	50,201
Capital grants and contributions	157,786	-
General revenues:		
Property taxes	356,099	327,334
Specific ownership taxes	31,644	31,045
Unrestricted investment earnings	6	8
Gain/(loss) on sale of assets	9,269	24,000
Other	13,573	23,367
Total Revenues	732,050	559,700
Expenses:		
Public safety	582,185	353,396
General government	86,125	75,324
Total Expenses	668,310	428,720
Change in net position	63,740	130,980
Net position – beginning	960,115	829,135
Net position – ending	\$ 1,023,855	\$ 960,115

Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements.

For 2022, the Directors appropriated \$787,839 for general fund expenditures.

	2022 General Fund Budget		
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
Revenues	\$ 713,426	\$ 787,839	\$ 736,781
Expenditures	\$ 713,426	\$ 787,839	\$ 770,228

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets as of December 31, 2022 amounts to \$2,697,567 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment.

Management's Discussion and Analysis
Beulah Fire Protection & Ambulance District
December 31, 2022

Capital Asset and Debt Administration (Continued)

Beulah Fire Protection & Ambulance District's Capital Assets

Land	\$	30,000
Furniture & fixtures		13,047
Building and improvements		2,792,907
Equipment		1,082,745
Accumulated depreciation		<u>(1,221,132)</u>
	\$	<u>2,697,567</u>

Additional information on the District's capital assets can be found in the notes section on page 14 of this report.

Final Comments

The District continues to strive to achieve its mission of protecting the lives and property of our residents and visitors from fire and critical health threats.

Request for Information

This financial report is designed to provide a general overview of the Beulah Fire Protection & Ambulance District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Beulah Fire Protection & Ambulance District
Bryan Ware
Fire Chief
8675 Central Ave.
P.O. Box 826
Beulah, CO 81023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

<u>Assets</u>		
Cash and equivalents	\$	14,155
Cash - restricted		1,946
Receivables		412,975
Prepaid expenses		945
Net pension asset - firemen's pension plan		47,951
Capital Assets		
Non-depreciable		30,000
Depreciable - net		<u>2,667,567</u>
Total Assets		<u><u>3,175,539</u></u>
<u>Deferred Outflow of Resources</u>		
Related to pension plan		<u>31,173</u>
<u>Liabilities</u>		
Accrued interest		20,213
Payroll liabilities		545
Long-term liabilities:		
Due within one year		62,014
Due in more than one year		<u>1,658,361</u>
Total Liabilities		1,741,133
<u>Deferred Inflow of Resources</u>		
Unavailable revenue - property taxes		398,808
Related to pension plan		<u>42,916</u>
Total Deferred Inflow of Resources		441,724
<u>Net Position</u>		
Invested in capital assets, net of related debt		990,717
Restricted		19,346
Unrestricted		<u>13,792</u>
Total Net Position	\$	<u><u>1,023,855</u></u>

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

STATEMENT OF ACTIVITIES
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
For the year ended December 31, 2022

	Program Revenue				Net (Expense) Revenue and Changes in Net Position
Primary Government: Government activities:	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>	<u>Primary Government Governmental Activities</u>
General government	\$ 86,125	\$ 27,143	\$ -	\$ 27,143	\$ (58,982)
Public safety	<u>582,185</u>	<u>136,530</u>	<u>157,786</u>	<u>294,316</u>	<u>(287,869)</u>
Total	\$ 668,310	\$ 136,530	\$ 157,786	\$ 321,459	\$ (346,851)
General revenues and taxes					
Taxes:					
General property taxes					\$ 356,099
Specific ownership taxes					31,644
Investment earnings					6
Gain/(loss) on sale of assets					9,269
Other revenues					<u>13,573</u>
				Total General Revenues and Taxes	<u>410,591</u>
				Change in Net Position	63,740
				Net Position - Beginning - Restated	<u>960,115</u>
				Net Position - Ending	<u>\$ 1,023,855</u>

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

BALANCE SHEET- GOVERNMENTAL FUNDS
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

	<u>General Fund</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 14,155
Cash - restricted	1,946
Receivables	<u>412,975</u>
Total Assets	<u>429,076</u>
<u>Liabilities</u>	
Accrued expenses	<u>545</u>
Total Liabilities	<u>545</u>
<u>Deferred Inflow of Resources</u>	
Unearned revenue - property taxes	<u>398,808</u>
<u>Fund Balances</u>	
Restricted	19,346
Unassigned	<u>10,377</u>
Total Fund Balances	<u>\$ 29,723</u>

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

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Total Fund Balances - Government Funds	\$ 29,723
Amounts reported for governmental activities in the Statement of Net Position differ because:	
Net pension assets used in governmental activities were not current financial resources, therefore, they were not reported in the Governmental Funds Balance Sheet.	47,951
Capital assets used in governmental activities are not current financial resources, and therefore, not reported in the governmental funds.	2,697,567
Long-term liabilities (\$1,706,850) and compensated absences (\$13,525) are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,720,375)
Interest payable on the long-term liabilities is not recorded on the fund statements because it is not a current use of cash, interest is accrued on the government-wide statements since the liability is to be paid in the near term.	(20,213)
Deferred activity related to pension assumptions are not recorded and included in the governmental funds.	(11,743)
Some expenditures reported in the governmental funds require the use of current financial resources because items are prepaid using the payments method and, therefore, are not reported as expenses in the Statement of Activities.	<u>945</u>
Net Position of Governmental Activities	<u>\$ 1,023,855</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BEULAH FIRE PROTECTION & AMBULANCE DISTRICT

GOVERNMENTAL FUND

For the Year Ended December 31, 2022

	<u>General Fund</u>
Revenues	
General property tax	\$ 356,099
Specific ownership tax	31,644
Investment income	6
Grant & donation income	184,929
Proceeds from sale of assets	14,000
Charges for services	136,530
Other	<u>13,573</u>
Total Revenues	<u>736,781</u>
 Expenditures	
General government	101,565
Public safety	335,074
Debt service:	
Principal	59,962
Interest	57,427
Capital outlay	<u>216,200</u>
Total Expenditures	<u>770,228</u>
Excess (Deficiency) of Revenues Over Expenditures	(33,447)
 Fund balances - beginning - restated	<u>63,170</u>
 Fund balances - ending	<u>\$ 29,723</u>

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

**RECONCILIATION OF REVENUES, EXPENDITURES CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

BEULAH FIRE PROTECTION AND AMBULANCE DISTRICT

For the Year Ended December 31, 2022

Total Net Change in Fund Balances - Governmental Funds \$ (33,447)

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position differ because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$216,200) exceeds depreciation expense (\$158,466) in the current period. 57,734

Expenditures for services which benefit a future period are reported as prepaid expenses and included in current assets in the government wide statement of net position. In the governmental fund financial statements they are treated as expenditures when paid. 945

Principal retirements - retirements of principal outstanding on the District's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these reductions against the long-term liabilities. 59,962

Net pension related items that are reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported in the governmental funds. 17,015

In the government-wide statements accrued compensated absences are measured by the amount earned and unused. In the governmental funds, the expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid). Therefore, the change in the accrued compensated absences is recognized. (13,525)

Interest payable on general obligation debt is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements, and the change in the liability is recognized. (20,213)

In the statement of activities, the gain on the disposal of capital assets is reported, whereas in the governmental funds, there is no recognition of the cost of the assets that were disposed. As a result, the change in net position differs from the change in fund balance by the net book value of the disposed capital assets. (4,731)

Change in Net Position - Governmental Activities \$ 63,740

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

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The basic financial statements of Beulah Fire Protection & Ambulance District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

During the November 2012 election, the Beulah Ambulance District (local government) provided a ballot question to increase the mill levy to provide funds to operate and absorb the services of the Beulah Valley Volunteer Fire Department 501(c)(3) non-profit. Effective January 1, 2013, the Beulah Ambulance District formally merged with the Beulah Valley Volunteer Fire Department (BVFD) to become the Beulah Fire Protection & Ambulance District (the District). Upon consolidation, the BVFD contributed total assets of \$229,232 including \$157,763 in capital assets to the District. This amount is included in the beginning cumulative net position and fund balance, respectively. The District is organized under the laws of the State of Colorado. It operates under the jurisdiction of a local Board of Directors, whose members are elected by the voters of the District. The District provides fire protection services as well as emergency medical services to the public. As required by generally accepted accounting principles, these financial statements present the Beulah Fire Protection & Ambulance District (the primary government) and its component units, if any. No additional separate governmental units, agencies, or nonprofit corporations are included in the financial statements of the District, since none were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Government Wide Financial Statements

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from activities of the fiscal year.

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds balance sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Reconciliation of Government-Wide and Fund Financial Statements (Continued)

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the governmental fund statements during the consolidation of governmental activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentations

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented 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 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 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 and claims and judgements, are recorded only when payment is due.

Property and specific ownership taxes are reported as receivables and unearned revenue when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements are met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and lease debt service which is recognized when due and certain sick and retirement pay which are accounted for as expenditures when expected to be liquidated with expendable financial resources.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The District only has a general fund, therefore no reconciliations are necessary to combine or eliminate interfund balances. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-wide financial statements. The District has presented all major funds that meet the applicable criteria.

General Fund

This fund records financial transactions for the regular operations of the District. All revenues and expenditures not allocated by law or contractual agreement to a special fund are accounted for in this fund. The general fund is the only fund of the District.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchased or subject to withdrawal, are considered to be cash and cash equivalents.

Cash and cash equivalents are subject to Colorado State statutes as described in Note 3.

Capital Assets

All capital assets are capitalized at cost or estimated historical cost. Donated assets are recorded at fair market value at the time of donation. The costs of normal maintenance, repairs and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. The proceeds from the sale of assets used in the operations of the governmental fund types are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets. The District maintains a capitalization threshold of \$1,000.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation of all capital assets used in governmental activities and by proprietary funds is charged as an expense against their operations. Depreciation is recorded starting in the month the asset is placed in service. Estimated useful lives are as follows:

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

Buildings and improvements	20 - 50 years
Equipment	5 - 15 years
Vehicles	5 - 15 years

Land and related improvements are not depreciated and assets under construction are not depreciated until they become available for service.

Accounts Payable

Accounts payable represents obligations due to vendors for goods delivered or services rendered prior to December 31, 2022.

Property Taxes

The District is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year and may be paid in two equal installments before the last day of February and the 15th day of June of in full before the last day of April.

Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Available means due or past due and receivable within the current period and collected no longer than 60 days after December 31.

Property taxes which have been levied for 2022 and will not be collected until 2023 have been recorded as a receivable at December 31, 2022. An offsetting entry has been recorded as a deferred inflow of resources on the statements of net position.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and/or balance sheets will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net assets by the District that is applicable to future reporting periods. Both deferred inflow and deferred outflows are reported in the statement of net position but are not reported as revenue or expenditures until the period(s) to which they relate.

The District reports deferred outflows for amounts related to pension. The pension amounts consist of several components and are more fully described in Note 8.

Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

The District reports deferred inflows for the amounts related to pensions. The pension amounts consist of several components and are more fully described in Note 8.

Unearned Revenue

Unearned revenues are reported in the governmental fund financial statements when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise in both government-wide and fund financial statements when resources are received before they are earned. In subsequent periods, when both revenue recognition criteria are met, the liability for unearned revenue is removed and revenue is recognized.

Compensated Absences

The District affords the administrative staff vacation benefits. These benefits are earned based upon the length of service and accumulation is limited to a maximum of 20 to 30 days depending on length of service. Accrued vacation is paid to employees upon termination of employment. Total accrued vacation for 2022 in the amount of \$13,525 is included in the government-wide financial statements.

Amounts recognized as expenditures on the fund financial statements are those which have been paid in the current year or are expected to be liquidated with currently available expendable financial resources.

Budgets and Budgetary Data

Formal budgetary accounting is employed as a management control tool for all funds of the District. Budgets are prepared on the modified accrual basis of accounting for all government fund types. Annual operating budgets are adopted each fiscal year through passage of an annual budget resolution. The Board of the District may amend the original adopted budget during the year by passing a new resolution to reflect current needs, changing conditions, or revised estimates. The budgetary amounts presented in the accompanying financial statements/schedules reflect original and most recent amended amounts which were adopted in accordance with the appropriate provisions of state law.

Encumbrance accounting is not employed as part of the budgetary process. Encumbrance accounting allows a governmental entity to account for open purchase orders (purchase orders for which the underlying goods or services have not been received before the end of an accounting period) as expenditures against the budget of that accounting period. All unencumbered budget appropriations lapse at the end of each fiscal year. The District does not recognize encumbrances.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Accounting Principles - Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principal that leases are financings of the right to use an underlying asset. Under this standard, a lease is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District currently has no leases that require application of this standard.

Note 2 - Stewardship, Compliance, And Accountability

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District carries commercial insurance for such risks, including workers' compensation and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during 2022.

Note 3 - Cash Deposits

Deposits

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

Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to the total uninsured deposits held by that institution. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pool.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy for custodial risk parallels Colorado statutes. A summary of cash and deposits held at year end follows:

<u>Cash and Deposits</u>	<u>Carrying Amounts</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<u>Deposits</u>			
Cash	\$ 13,620	\$ 13,620	\$ -
Cash held by County Treasurer	2,481	2,481	-
Total Deposits	\$ 16,101	\$ 16,101	\$ -

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 4 - Accounts and Other Receivables

Tax receivable consist of taxes which are due but will not be collected until 2023. Accounts receivable consist mainly of fire payments and emergency medical services that were earned in 2022 but will not be collected until 2023. Receivables are reported net of allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible. Allowance for doubtful accounts netted with accounts receivable was \$19,197 in 2022. As of December 31, 2022, these receivables are considered both measurable and available.

General Fund	
Property taxes	\$ 398,808
Grants	2,593
Accounts receivable - net of allowance	<u>11,574</u>
Total	<u><u>\$ 412,975</u></u>

Note 5 - Change in Capital Assets

The following is a summary of the changes in capital assets:

<u>Governmental Activities</u>	<u>Balance</u> <u>1-1-21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-22</u>
Non-Depreciable Assets:				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Depreciable Assets:				
Buildings and improvements	2,792,907	-	-	2,792,907
Machinery and equipment	873,545	216,200	7,000	1,082,745
Furniture and fixtures	<u>13,047</u>	<u>-</u>	<u>-</u>	<u>13,047</u>
Total Depreciable Assets	<u><u>3,679,499</u></u>	<u><u>216,200</u></u>	<u><u>7,000</u></u>	<u><u>3,888,699</u></u>
Less: Accumulated depreciation				
for:				
Buildings and improvements	311,404	95,739	-	407,143
Machinery and equipment	745,209	61,151	2,269	804,091
Furniture and fixtures	<u>8,323</u>	<u>1,575</u>	<u>-</u>	<u>9,898</u>
Total Accumulated Depreciation	<u><u>1,064,936</u></u>	<u><u>158,465</u></u>	<u><u>2,269</u></u>	<u><u>1,221,132</u></u>
Total Capital Assets, Net	<u><u>\$ 2,644,563</u></u>	<u><u>\$ 57,735</u></u>	<u><u>\$ 4,731</u></u>	<u><u>\$ 2,697,567</u></u>

Depreciation expense by function:

General Government	\$ 1,575
Public Safety	<u>156,890</u>
	<u><u>\$ 158,465</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 December 31, 2022

Note 6 - Long-Term Liabilities

The following summary of changes in long-term liabilities reported in the government-wide financial statements:

	Balance at 1-1-2022	Additions	Reductions	Balance at 12-31-2022	Due in One Year
Note Payable	\$ 1,766,812	\$ -	\$ 59,962	\$ 1,706,850	\$ 62,014
Compensated Absences	11,240	2,285	-	13,525	-
Total Debt	\$ 1,778,052	\$ 2,285	\$ 59,962	\$ 1,720,375	\$ 62,014

The following is a description of each individual long-term liability:

Bank of the San Juans - Building Construction Note Payable

\$1,988,314 note payable for construction of new fire station with Bank of the San Juans payable over 25 annual installments of \$117,389 at 3.25% interest ending July 2042. \$ 1,706,850

Compensated Absences - Accumulated vacation for eligible employees.

Total 13,525
\$ 1,720,375

The following schedule reflects the estimated debt service requirements to maturity of the District's governmental activities:

<u>Year ending December 31.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 62,014	\$ 55,375	\$ 117,389
2024	63,932	53,457	117,389
2025	66,009	51,379	117,388
2026	68,155	49,234	117,389
2027	70,370	47,019	117,389
2028-2032	387,677	199,267	586,944
2033-2037	454,904	132,039	586,943
2038-2042	533,789	53,154	586,943
Compensated Absences	13,525	-	13,525
Total	\$ 1,720,375	\$ 640,924	\$ 2,361,299

Note 7 - Commitments and Contingencies

Tax, Revenue, Spending and Debt Limitations

In November, 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR imposes tax raising, revenue, spending and debt limitations on local government entities within the State of Colorado. These limitations became effective for the first fiscal year beginning after December 31, 1992.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 7 - Commitments and Contingencies (Continued)

Tax, Revenue, Spending and Debt Limitations (Continued)

In addition to the tax raising, revenue, spending and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies must establish an "emergency reserve". To be used for declared emergencies only, each entity shall reserve 3% or more of its fiscal year spending excluding bonded debt service. As of December 31, 2022, the District may not have satisfied the reserve requirement of \$17,400.

Federal and State Grants

Federal and State grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes these adjustments, if any, will not materially affect the District's results of operations or financial position.

Note 8 - Firemen's Pension Plan

Summary of Significant Accounting Policies

For purposes of measuring the liability / (asset), deferred outflows of resources and deferred inflows of resources, and expense associated with the District's requirement to contribute to the Colorado Fire & Police Pension Association (FPPA) Pension Plan, information about FPPA's fiduciary net position and additions to/deductions from FPPA's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan Description

The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. 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

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.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary 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 currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated 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.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 8 - Firemen's Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

A member is eligible for an early retirement at age 50 with at least five years of credited service or after 30 years of 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' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. 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.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent pensionable earnings. Employer contributions increase 0.5 percent annually beginning 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at a rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The 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 reflect the actual cost of reentry by department. Each reentry department is responsible to remit contribution 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 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 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 will increase 0.25 percent annually beginning gin 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, the District reported an asset of \$47,951 for its proportionate share of the net pension liability / asset. The net pension asset was measured as of December 31, 2021, and the total pension liability / asset used to calculate the net pension liability / asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability / asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the contributions of the District and all participants, actuarially determined. At December 31, 2021, the District's portion was 0.011434%.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 December 31, 2022

Note 8 - Firemen's Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

As a result of its requirement to contribute to FPPA, the District recognized income of \$7,425 for the year ended December 31, 2022. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to FPPA:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows or Resources</u>
Difference between expected and actual experience	\$ 17,744	\$ (1,445)
Changes in assumptions	8,837	(41,471)
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	(4,998)	-
District contributions subsequent to the measurement date	9,590	-
Total	<u>\$ 31,173</u>	<u>\$ (42,916)</u>

Deferred outflows and inflows will be recognized in pension expense in future years as follows:

Year ending December 31:		
2023	\$	7,222
2024		(2,368)
2025		(2,368)
2026		(2,368)
2027		(2,368)
Thereafter		(9,493)
Total	\$	<u>(11,743)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 December 31, 2022

Note 8 - Firemen's Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Actuarial Methods and Assumptions

In the January 1, 2022 actuarial valuation, the actuarial assumptions included:

Actuarial cost method	Entry age normal
Amortization method	Level % of payroll, open
Amortization period	30 years
Long-term Investment Rate of Return	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Inflation	2.5%

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 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 meetings, 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 on 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 were actuarial factors are used.

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 (assuming 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real 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%	

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 December 31, 2022

Note 8 - Firemen's Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Actuarial Methods and Assumptions (Continued)

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.

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 and 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 purposes of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but 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%.

Sensitivity of the District's proportionate share of the net pension asset to changes in the discount rate

The following presents the District's proportionate share of the net pension asset, calculated using a Single Discount Rate of 7.00%; as well as what the plan's net position liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease <u>6.0%</u>	Current Single Discount Rate Assumption <u>7.0%</u>	1% Increase <u>8.0%</u>
District's proportionate share of the net pension asset	\$ <u>(6,613)</u>	\$ <u>(47,951)</u>	\$ <u>(82,197)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2022

Note 9 - Fund Balances

Government-wide Net Position

Government-wide net position is divided into three components:

- Invested in capital assets, net of related debt - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that is restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors, (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

Governmental Fund Balances

In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balance in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is District policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned. At December 31, 2022, restricted fund balance consists of \$17,400 for the District's emergency reserve and \$1,946 for debt service.

Note 10 - Restatement of Net Position

An adjustment was made to beginning net position to reflect prior period activity related to firemen's pension plan accounts including net pension asset, deferred outflows of resources, deferred inflows of resource, pension revenue and pension expense. These adjustments resulted in an increase of \$7,771 to beginning net position.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
 BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.011434%	0.011610%	0.008173%	0.008731%	0.009708%
District's proportionate share of the net pension liability / (asset)	\$ (47,951)	\$ (11,191)	\$ 9,392	\$ 25,053	\$ 45
District's covered payroll	\$ 106,773	\$ 92,046	\$ 93,250	\$ 60,243	\$ 56,784
District's proportionate share of the net pension liability / (asset) as a percentage of its covered payroll	-44.91%	-12.16%	10.07%	41.59%	0.08%
Plan fiduciary net position as a percentage of the total pension asset	116.20%	106.70%	101.90%	95.20%	106.30%
	<u>2017</u>				
District's proportion of the net pension liability	0.010669%				
District's proportionate share of the net pension liability / (asset)	\$ 17,867				
District's covered payroll	\$ 54,600				
District's proportionate share of the net pension liability / (asset) as a percentage of its covered payroll	32.72%				
Plan fiduciary net position as a percentage of the total pension asset	98.21%				

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the years it is available.

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

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 7,824	\$ 7,460	\$ 4,819	\$ 4,679	\$ 4,543
Contributions in relation to the contractually required contribution	<u>(7,824)</u>	<u>(7,460)</u>	<u>(4,819)</u>	<u>(4,679)</u>	<u>(4,543)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 92,046	\$ 93,250	\$ 60,243	\$ 58,488	\$ 56,784
Contributions as a percentage of covered payroll	8.50%	8.00%	8.00%	8.00%	8.00%
 <u>2017</u>					
Contractually required contribution	\$ 4,368				
Contributions in relation to the contractually required contribution	<u>(4,368)</u>				
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered payroll	\$ 54,600				
Contributions as a percentage of covered payroll	8.00%				

The amounts presented for each fiscal year were determined as of December 31.

The schedule is presented to show information for ten years. Until information for the full ten year period is available, information will be presented for the years it is available.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
 BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
General property taxes	\$ 358,238	\$ 356,099	\$ 356,099	\$ -
Specific ownership taxes	24,000	31,644	31,644	-
Charges for services	146,000	141,146	136,530	(4,616)
Interest income	5	6	6	-
Grants	143,068	162,923	165,516	2,593
Donations	18,115	9,213	19,413	10,200
District Savings	-	59,235	-	(59,235)
Gain/(loss) on sale of assets	24,000	14,000	14,000	-
Reimbursements	-	13,573	13,573	-
Total Revenues	<u>713,426</u>	<u>787,839</u>	<u>736,781</u>	<u>(51,058)</u>
Expenditures				
Professional expenses	83,974	25,267	17,266	8,001
Department expenses & supplies	239,985	272,901	76,201	196,700
Administration	181,473	263,895	263,895	-
Insurance	23,906	24,482	24,482	-
Office expense	33,000	38,327	42,490	(4,163)
Public outreach	2,100	2,942	2,942	-
Contingency expenses	1,000	9,396	9,363	33
Capital outlay	12,500	13,663	216,200	(202,537)
Debt service	117,389	117,389	117,389	-
Emergency reserve	18,099	19,577	-	19,577
Total Expenditures	<u>713,426</u>	<u>787,839</u>	<u>770,228</u>	<u>17,611</u>
Excess of Revenue Over (Under) Expenditures	-	-	(33,447)	(33,447)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>63,170</u>	<u>63,170</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,723</u>	<u>\$ 29,723</u>

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