

BENNETT FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
DECEMBER 31, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Bennett Fire Protection District
Arapahoe and Adams Counties, Colorado

Opinions

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

In our opinion, the 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 Bennett Fire Protection District, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 10 to the financial statements, the District's financial statements were restated as a result of the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This implementation changes how capital leases are reported by the District. Our opinion are not modified with respect to this matter.

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 Auditors' 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 general fund budgetary comparison schedule and the GASB required pension schedules 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The capital expansion fund budgetary comparison schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital expansion fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Adams Group, LLC

Denver, Colorado
March 29, 2023

BASIC FINANCIAL STATEMENTS

BENNETT FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and investments	\$ 4,838,809
Property tax receivables	5,014,158
Service fees receivable, net of allowance for doubtful accounts (\$220,901)	147,267
Other receivables	22,106
Prepaid items	56,795
Capital assets, not being depreciated	898,057
Capital assets, net of depreciation	2,826,977
Net Pension Asset	1,426,546
Total Assets	15,230,715
 <u>Deferred Outflows of Resources</u>	
Related to pension	620,451
Total Deferred Outflows of Resources	620,451
 <u>Liabilities</u>	
Accounts payable	22,162
Accrued wages and benefits	27,337
Accrued interest	13,670
Long-term liabilities:	
Due in one year	192,892
Due in more than one year	441,463
Total Liabilities	697,524
 <u>Deferred Inflows of Resources</u>	
Related to pension	988,792
Deferred property taxes	5,014,158
Total Deferred Inflows of Resources	6,002,950
 <u>Net Position</u>	
Net investment in capital assets	3,182,715
Restricted	
Emergencies	156,328
Net pension asset	1,426,546
Unrestricted	4,385,103
Total Net Position	\$ 9,150,692

See the accompanying Notes to Financial Statements.

BENNETT FIRE PROTECTINO DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
Public safety	\$ 3,933,625	\$ 938,540	\$ 25,000	\$ (2,970,085)
Total Governmental Activities	\$ 3,933,625	\$ 938,540	\$ 25,000	(2,970,085)
GENERAL REVENUES:				
				3,742,363
				258,387
				60,855
				195,250
				4,256,855
				1,286,770
				7,863,922
				\$ 9,150,692

See the accompanying Notes to Financial Statements.

BENNETT FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS – BALANCE SHEET
DECEMBER 31, 2022

	<u>General Fund</u>	<u>Capital Expansion Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and investments	\$ 3,539,251	\$ 1,299,558	\$ 4,838,809
Property tax receivable	5,014,158	-	5,014,158
Service fees receivable, net of allowance for doubtful accounts (\$220,901)	147,267	-	147,267
Other accounts receivable	22,106	-	22,106
Prepaid items	56,795	-	56,795
Total Assets	<u>\$ 8,779,577</u>	<u>\$ 1,299,558</u>	<u>\$ 10,079,135</u>
<u>Liabilities, deferred inflows of resources and fund balances</u>			
<u>Liabilities</u>			
Accounts payable	\$ 22,162	\$ -	\$ 22,162
Accrued wages and benefits	27,337	-	27,337
Total Liabilities	<u>49,499</u>	<u>-</u>	<u>49,499</u>
<u>Deferred inflows of resources</u>			
Deferred property taxes	5,014,158	-	5,014,158
Unavailable EMS billing revenue	92,015	-	92,015
Total Deferred Inflows of Resources	<u>5,106,173</u>	<u>-</u>	<u>5,106,173</u>
<u>Fund balances</u>			
Nonspendable	56,795	-	56,795
Restricted	156,328	-	156,328
Committed	-	1,299,558	1,299,558
Assigned	392,820	-	392,820
Unassigned	3,017,962	-	3,017,962
Total Fund Balances	<u>3,623,905</u>	<u>1,299,558</u>	<u>4,923,463</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 8,779,577</u>	<u>\$ 1,299,558</u>	<u>\$ 10,079,135</u>

See the accompanying Notes to Financial Statements.

BENNETT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total fund balances, governmental funds	\$	4,923,463
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.</p>		3,725,034
<p>Certain revenues not available to pay liabilities of the current period are deferred in the governmental funds.</p>		
Emergency medical service fees		92,015
<p>Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Net pension asset - SWDB Plan		1,050,899
Net pension asset - Volunteer Plan		375,647
<p>Some liabilities, including leases payable, accrued interest payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Lease liability		(542,319)
Accrued interest		(13,670)
Compensated absences		(92,036)
<p>Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>		
Related to pension		620,451
<p>Deferred inflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>		
Related to pension		(988,792)
Total net position of governmental activities	\$	9,150,692

See the accompanying Notes to Financial Statements.

BENNETT FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General Fund	Capital Expansion Fund	Total Governmental Funds
<u>Revenues</u>			
Property taxes	\$ 3,742,363	\$ -	\$ 3,742,363
Specific ownership taxes	258,387	-	258,387
Charges for services	25,549	459,975	485,524
Interest	55,192	705	55,897
Emergency medical services	470,558	-	470,558
Grants and contributions	25,000	-	25,000
Outside fleet maintenance income	48,902	-	48,902
Other	124,294	-	124,294
Total revenues	4,750,245	460,680	5,210,925
<u>Expenditures</u>			
Current:			
Administration	128,111	-	128,111
Payroll and human resources	2,843,111	-	2,843,111
Facilities	192,136	-	192,136
Health and safety	15,937	-	15,937
Operations	232,872	-	232,872
Training	29,835	-	29,835
Public relations	14,985	-	14,985
Volunteer reimbursement	2,160	-	2,160
Annual banquet	17,759	-	17,759
Technology	52,909	-	52,909
Testing	10,239	-	10,239
Fleet	171,609	-	171,609
Miscellaneous	36,135	-	36,135
Legal and accounting	42,255	-	42,255
Professional services	13,000	-	13,000
Contribution to pension fund	10,000	-	10,000
VFIS volunteer payments	10,245	-	10,245
Capital outlay	1,047,961	-	1,047,961
Debt service			
Principal	161,450	-	161,450
Interest	4,200	-	4,200
Total expenditures	5,036,909	-	5,036,909
Excess revenue over (under) expenditures	(286,664)	460,680	174,016
<u>Other financing sources (uses)</u>			
Insurance proceeds	22,054	-	22,054
Transfer in	837,070	-	837,070
Transfer out	-	(837,070)	(837,070)
Total other financing sources (uses)	859,124	(837,070)	22,054
Net change in fund balance	572,460	(376,390)	196,070
Fund balances - beginning	3,051,445	1,675,948	4,727,393
Fund balances - ending	\$ 3,623,905	\$ 1,299,558	\$ 4,923,463

See the accompanying Notes to Financial Statements.

BENNETT FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds: \$ 196,070

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.

Capital outlay	962,122
Depreciation expense	(319,754)
Net book value of disposed assets	(66,772)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Principal payments	161,450
Pension income	361,537
Change in compensated absences	501
Change in accrued interest	9,158

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds

Emergency medical services	(17,542)
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Change in net position of governmental activities	\$ 1,286,770
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BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Bennett Fire Protection District (the District) is a quasi-municipal corporation, governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection services and paramedic rescue services to parts of Arapahoe and Adams Counties.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, 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.

The District is not financially accountable for any other organization. The District is not a component unit of any other primary governmental entity, including the Town of Bennett.

Significant accounting policies of the District are described as follows:

Government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. Governmental activities are normally supported by taxes and emergency medical service revenue.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. Employer and plan member contributions are recognized in the period that contributions are due.

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. The major sources of revenue susceptible to accrual are property tax and emergency medical service fees. Expenditures, other than interest on long-term obligations and compensated absences are recorded when the liability is incurred or when the long-term obligation is paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental fund:

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

The *Capital Expansion Fund* is a capital projects fund and accounts for development fees that are to be used for the acquisition, construction, or expansion of major capital facilities.

Budgets

In accordance with the State Budget Law, the District's board of directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. During the year, the General Fund had \$317,048 of actual expenditures over budget. This may be a violation of Colorado Budget Law.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

Investments are stated at net asset value.

Property Taxes

Property taxes are levied by the District board of directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year.

The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally, sales of tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow in the year they are levied and measurable. The deferred inflow property tax revenues are recorded as revenue in the year they are available or collected.

Other Receivables

All service fee related receivables are reported at their gross values and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. All receivables are expected to be collected within one year.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items and will be reported as expenditures in the following year. Prepayments are recorded using the consumption method.

Capital Assets

Capital assets, which include land, construction in progress, buildings, fire trucks and equipment, and office equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Such assets are recorded at acquisition cost or estimated acquisition cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

<u>Asset Type</u>	<u>Years</u>
Buildings	50
Fire Trucks and Equipment	10
Office Equipment	3 - 5

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources include certain amounts related to the District's defined benefit pension plan and volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Compensated Absences

The District has a policy that allows employees to accumulate unused vacation, sick pay and compensatory time benefits up to certain maximum hours. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The District's General Fund is used to liquidate compensated absences of the governmental activities.

Leases

The District determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities in the statement of net position.

Lease assets represent the District's control of the right to use an underlying asset for the lease term, as specific in the contract, in an exchange or exchange like transaction.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset unless the lease has a purchase option. The District records lease assets within capital assets on the statement of net position.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the District will exercise the option.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. 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. EMS revenue is considered a deferred inflow of resources in the fund financial statements for amounts not collected within the period of availability or 60 days. Deferred inflows of resources also include certain amounts related to the District's defined benefit pension plans and volunteer pension plan which are to be amortized and recognized as revenue/expense in future periods.

Fund Balances

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact. The District had \$56,795 in nonspendable resources related to prepaid items at December 31, 2022.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

Restricted fund balance – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District had \$156,328 restricted at December 31, 2022 related to emergency reserves. See Note 8 for additional information.

Committed fund balance – Amounts that can be used only for specific purposes determined by a formal action of District’s Board of Directors (Board). The Board is the highest level of decision-making body for the District.

Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District had \$1,299,558 committed at December 31, 2022 in the Capital Expansion Fund.

Assigned fund balance – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes. The District has \$392,820 in assigned fund balance at December 31, 2022 as 2023 budgeted expenditures exceeded 2022 budgeted revenues by this amount.

Unassigned fund balance – Amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

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

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (Continued)

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets. At December 31, 2022, the total net investment in capital assets as of December 31, 2022 was \$3,305,657.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. As noted in Note 8, the District is required to establish emergency reserves in the amount of \$156,328 as of December 31, 2022. In addition, the District had \$1,426,546 restricted for the net pension asset on the statement of net position.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District. At December 31, 2022, the District had unrestricted net position of \$4,385,103.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Adoption of New Accounting Standard

In June 2017, the Governmental Accounting Standards Board (GASB) adopted 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 or outflows of resources to be recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and a right-to-use lease asset. The District adopted the requirements of the standard effective January 1, 2022. See notes 4 and 10 for additional information.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 consist of the following:

Deposits with financial institutions	\$ 1,918,752
Investments	<u>2,920,057</u>
Total cash and investments	<u><u>\$ 4,838,809</u></u>

Cash Deposits

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

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the bank balance and carrying amount of the District's deposits were \$1,949,915 and \$1,918,752, respectively.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Such actions are generally associated with a debt service reserve or sinking fund requirements. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

- Obligations of the United States, certain U.S. government agency securities and the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Certain reverse repurchase agreements
- Certain securities lending agreements
- Certain corporate bonds
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools*

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Balance</u>
ColoTrust - Plus	Less than one year	\$ 1,595,387
ColoTrust - Prime	Less than one year	1,324,670
		<u>\$ 2,920,057</u>

Fair Value

As of December 31, 2022, the District the District had invested \$2,920,057 in the Colorado Local Government Liquid Asset Trust (ColoTrust) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, ColoTrust Prime and ColoTrust Plus+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. ColoTrust Plus+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under C.R.S. 24-75-601. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. ColoTrust is rated AAA by Standard & Poor’s and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in governmental activities capital assets during the year ended December 31, 2022:

	Balance at December 31, 2021*	Additions	Deletions	Balance at December 31, 2022
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 114,365	\$ -	\$ -	\$ 114,365
Construction in progress	-	783,692	-	783,692
Total capital assets, not being depreciated	<u>114,365</u>	<u>783,692</u>	<u>-</u>	<u>898,057</u>
Capital assets, being depreciated				
Buildings and improvements	851,702	25,045	74,063	802,684
Fire trucks and equipment	4,358,084	153,385	197,779	4,313,690
Office equipment	11,411	-	-	11,411
Total capital assets, being depreciated	<u>5,221,197</u>	<u>178,430</u>	<u>271,842</u>	<u>5,127,785</u>
Accumulated depreciation				
Buildings and improvements	371,349	27,474	19,997	378,826
Fire trucks and equipment	2,507,133	233,942	185,073	2,556,002
Office equipment	11,411	-	-	11,411
Total accumulated depreciation	<u>2,889,893</u>	<u>261,416</u>	<u>205,070</u>	<u>2,946,239</u>
Total capital assets, being depreciated	<u>2,331,304</u>	<u>(82,986)</u>	<u>66,772</u>	<u>2,181,546</u>
Lease assets, being amortized				
Fire trucks and equipment	703,769	-	-	703,769
Total lease assets, being amortized	<u>703,769</u>	<u>-</u>	<u>-</u>	<u>703,769</u>
Accumulated amortization				
Fire trucks and equipment	-	58,338	-	58,338
Total accumulated amortization	<u>-</u>	<u>58,338</u>	<u>-</u>	<u>58,338</u>
Total lease assets, being amortized	<u>703,769</u>	<u>(58,338)</u>	<u>-</u>	<u>645,431</u>
Governmental activities capital assets, net	<u>\$ 3,149,438</u>	<u>\$ 642,368</u>	<u>\$ 66,772</u>	<u>\$ 3,725,034</u>

*Beginning balances have changed due to the implementation of GASB No. 87. See note 10.

Depreciation and amortization expense of \$319,754 was charged to public services for the year ended December 31, 2022.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 – LONG-TERM DEBT

The following is an analysis of changes in the District’s long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021*	Additions	Deletions	Balance at December 31, 2022	Due In One Year
Fire equipment - lease liability (2019)	\$ 112,965	\$ -	\$ 56,968	\$ 55,997	\$ 55,997
Fire truck - lease liability (2020)	590,804	-	104,482	486,322	90,877
Compensated absences	92,537	44,906	45,407	92,036	46,018
Total	<u>\$ 796,306</u>	<u>\$ 44,906</u>	<u>\$ 206,857</u>	<u>\$ 634,355</u>	<u>\$ 192,892</u>

*Beginning balances have changed due to the implementation of GASB No. 87. See note 10.

Lease Liabilities

On January 1, 2019, the District entered into a master equipment lease to purchase agreement for new fire equipment in the amount of \$272,475. The District recognizes a lease liability and right-to-use lease asset in the government-wide financial statements. At the commencement of the lease, the District measures a lease liability at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured at the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets on the statement of net position. The lease requires principal and interest payments in the aggregate amount of \$58,237 annually with interest at 3.98%. The final payment is due in 2023. The District has the option to purchase all the equipment covered by the lease agreement on any rent payment due date by paying the full outstanding balance of the lease, plus the termination value amount set forth in the lease agreement.

The lease purchase agreement does not constitute a general obligation debt of the District as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreement.

Annual debt service requirements to maturity for the lease agreement as of December 31, 2022 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 55,997	\$ 2,240	\$ 58,237
Total	<u>\$ 55,997</u>	<u>\$ 2,240</u>	<u>\$ 58,237</u>

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 – LONG-TERM DEBT (CONTINUED)

Lease Liabilities (continued)

On February 24, 2020, the District entered into a master lease to purchase agreement for a new fire truck and associated equipment for \$659,975, with the total amount financed through the lease to purchase agreement. The District recognizes a lease liability and right-to-use lease asset in the government-wide financial statements. At the commencement of the lease, the District measures a lease liability at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured at the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets on the statement of net position. The lease requires principal and interest payments in the aggregate amount of \$107,412 annually with interest at 3.37%. The final payment is due in 2027. The District has the option to purchase all the equipment covered by the lease agreement on any rent payment due date by paying the full outstanding balance of the lease, plus the termination value amount set forth in the lease agreement.

The lease purchase agreement does not constitute a general obligation debt of the District as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreement.

Annual debt service requirements to maturity for the lease agreement as of December 31, 2022 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,877	\$ 16,535	\$ 107,412
2024	93,967	13,445	107,412
2025	97,133	10,279	107,412
2026	100,464	6,948	107,412
2027	103,881	3,532	107,413
Total	<u>\$ 486,322</u>	<u>\$ 50,739</u>	<u>\$ 537,061</u>

NOTE 5 – VOLUNTEERS' PENSION FUND

Plan Description

The District, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan area commingled for investment purposes in the Fire and Police member's Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Plan Description (continued)

The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772.

Volunteer firefighters who complete the minimum annual training required by the District and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers’ rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service are entitled to benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

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

Retirees and Beneficiaries	30
Inactive, Nonretired Members	4
Active Members	24
	58
	58

Benefits Provided

The Plan provides retirement, survivor, death, and funeral benefits. Retirement benefit for a member is \$275 a month for 20 or more years of service. Those members with a minimum of 10 years of service receive \$13.75 per month for every year of service. Survivor’s death benefits range from \$137.50 monthly benefit payment to 50% of normal benefit depending on different variables. Funeral benefit to the family members is a one-time payment of \$250.

Contributions

Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2022.

Contributions into the pension fund are derived from two sources: contributions directly from the District and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2022, the District’s contributions were \$10,000.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

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

At December 31, 2022, the District reported a net pension asset of \$375,647. The net pension asset was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. For the year ended December 31, 2022, the District recognized pension income of \$61,513. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,308
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	114,020
Contributions Subsequent to the Measurement Date	10,000	-
Total	<u>\$ 10,000</u>	<u>\$ 115,328</u>

\$10,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ (28,609)
2024	(41,812)
2025	(28,253)
2026	(16,654)
Total	<u>\$ (115,328)</u>

Actuarial Assumptions

The total pension liability is based on an actuarial valuation performed as of January 1, 2022 and a measurement date of December 31, 2021. The total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

Mortality rates were based on the following:

- **Pre-retirement:** 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
- **Post-retirement:** 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- **Disabled:** 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits). Being that the plan’s fiduciary net position is projected to be sufficient to pay benefits, the long-term expected rate of return of 7.00% was used as the discount rate.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

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

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2021	\$ 823,394	\$ 1,099,292	\$ (275,898)
Changes for the year:			
Service Cost	10,627	-	10,627
Interest	55,773	-	55,773
Net investment income	-	158,270	(158,270)
Contributions - employer	-	10,000	(10,000)
Benefit payments including refunds of employee contributions	(64,806)	(64,806)	-
Difference between expected and actual experience of Total Pension Liability	-	-	-
Changes in assumptions	-	-	-
Administrative expense	-	(11,121)	11,121
State of Colorado supplemental discretionary payment	-	9,000	(9,000)
Net changes	1,594	101,343	(99,749)
Balance, December 31, 2022	\$ 824,988	\$ 1,200,635	\$ (375,647)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability (Asset)	\$ (290,327)	\$ (375,647)	\$ (447,235)

The Fire & Police Pension Association administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at <http://www.fppaco.org>.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 – VOLUNTEERS’ PENSION FUND (CONTINUED)

On July 1, 1992, the District purchased annuity contracts for the benefit of retired volunteers as of July 1, 1992. The annuity contracts are in the name of the District. The insurance company has assumed responsibility for paying benefits to this group of retired volunteers. For legal compliance purposes, the annuity contracts list the District as both the owner and beneficiary of the contract in that, if a retiree dies within the first ten years of the contract, the remaining contract is paid to the District. Such payments, if any, will be recorded as revenue when received. In July 2015, the Board of Directors decided to increase the payments for retirees under this agreement beyond the amount being paid by the annuity, effective January 1, 2016. The additional payments to the members of the class under the District’s prior Length of Service Award Program were approved to be made from the General Fund. The payments will be made on a quarterly basis subject to annual appropriation. Total payments during 2022 were \$10,245.

NOTE 6 – STATEWIDE FIRE AND POLICE DEFINED PENSION PLAN

Plan Description

The District contributes to the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire and Police Pension Association of Colorado (FPPA). The Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Plan. All full-time, paid firefighters of the District are members of the SWDB and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the District to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and requires supplementary information for both the SWDB and the Statewide Death and Disability Plan. FPPA issues a publicly available financial report that includes information on the plan. That report may be obtained at www.fppaco.org.

Benefits Provided

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

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – STATEWIDE FIRE AND POLICE DEFINED PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

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

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

Contributions

The District and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contributions 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 will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers contributed at a rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent. In 2022, members of the SWDB plan and their employers contributed at a rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent.

The District's contributions to the plan of the year ended December 31, 2022, were \$158,865, equal to the required contributions.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – STATEWIDE FIRE AND POLICE DEFINED PENSION PLAN (CONTINUED)

Pension Asset, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2022, the District reported a net pension asset of \$1,050,899, representing its proportionate share of the net pension asset of the plan. The net pension asset was measured at December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The District’s proportion of the net pension asset was based on the District’s share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2021, the District’s proportion was 0.19392% which was an increase of 0.00765% from its proportion measured at December 31, 2020.

For the year ended December 31, 2022, the District recognized pension income of \$273,850.

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 300,928	\$ 24,510
Changes of Assumptions or other Inputs	149,866	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	703,321
Changes in Proportion and Differences between Contributions Recognized and Proportionate Share of Contributions	792	145,633
Contributions Subsequent to the Measurement Date	<u>158,865</u>	<u>-</u>
Total	<u>\$ 610,451</u>	<u>\$ 873,464</u>

\$158,865 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – STATEWIDE FIRE AND POLICE DEFINED PENSION PLAN (CONTINUED)

Pension Asset, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (continued)

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ (117,868)
2024	(190,618)
2025	(116,919)
2026	(48,860)
2027	43,073
Thereafter	9,314
Total	<u>\$ (421,878)</u>

Actuarial Assumptions

The actuarial valuations as of January 1, 2022, determined the total pension liability using the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0%	0%
*Includes Inflation at	2.5%	2.5%

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

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – STATEWIDE FIRE AND POLICE DEFINED PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100%</u>	

Discount Rate

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.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – STATEWIDE FIRE AND POLICE DEFINED PENSION PLAN (CONTINUED)

Discount Rate (continued)

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

For the purpose of the valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but 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 Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, as well as the District’s proportionate share of the net pension liability (asset) if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>Discount Rate</u>	<u>(8.00%)</u>
		<u>(7.00%)</u>	
Proportionate Share of the Net Pension Liability (Asset)	\$ (144,925)	\$ (1,050,899)	\$ (1,801,447)

Pension Plan Fiduciary Net Position

Detailed information about the plan’s fiduciary net position is available in FPPA’s separately issued financial report, which may be obtained at www.fppaco.org.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 – STATEWIDE FIRE AND POLICE DEFINED PENSION PLAN (CONTINUED)

Deferred Compensation Plan

The District has two deferred compensation plans created in accordance with Internal Revenue Code Section 457 in which employees can participate. The plans allow employees to defer a portion of their salary until future years. The first plan is administered by FPPA and participation in the plan is optional for all firefighting employees.

In 2012, the District started a second deferred compensation plan which is administered by Lincoln Financial Group. The plan was primarily established for administrative personnel not covered by FPPA. For the year ended December 31, 2022, the District contributed \$6,325, into the plan for administrative personnel, with a continuing 1.8% matching contribution in future years.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for all risks of loss. The District did not have any claim settlements in excess of coverage for each of the past three years.

NOTE 8 – COMMITEMENTS AND CONTINGENCIES

Tax, Spending, and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 – COMMITEMENTS AND CONTINGENCIES (CONTINUED)

Tax, Spending, and Debt Limitations (continued)

Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 4, 1997, a majority of the District’s electors authorized the District to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property, the full revenue generated by its existing mill levy (6.257 mills), nonfederal grants, fees, and any other excess revenue commencing January 1, 1996 and each subsequent year, notwithstanding any state restriction on Fiscal Year Spending, including without limitation, the restrictions of Article X, Section 20 of the Colorado Constitution and spent as voter approved revenue changes and an exception to the limits which would otherwise apply for (a) equipment purchase, repair and maintenance, (b) capital improvements, and (c) District services, without limiting in any year the amount of other revenue that may be collected and spent by the District.

On October 14, 1999, the Division of Local Government reviewed the District’s November 1997 election question and found the language of the ballot question sufficient to waive the 5.5% property tax revenue limitation.

On May 6, 2008, a majority of the District’s electors authorized the District to increase the existing mill levy by 2.650 mills, to provide fire, rescue, emergency medical and other emergency services, resulting in a total District mill levy rate exclusive of refunds, abatements or debt service, not to exceed 8.907 mills and authorized the District to collect, retain and spend the tax revenue collected from such total property tax rate, and all other revenue received from any source; commencing with taxes payable January 1, 2009, and continuing thereafter.

On November 7, 2017, a majority of the District’s electors authorized the District to increase the existing mill levy by a rate up to 4.093 mills, resulting in a total District mill levy rate exclusive of refunds, abatements, or debt service, not to exceed 13,00 mills through ballot issue No. 4D. The revenue therefrom would be used to pay the District’s operating, maintenance, and other expenses, including personnel costs necessary to improve the District’s public and life safety-related services; commencing with taxes payable January 1, 2018; as a voter-approved revenue change, offset and exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution (TABOR), or any other law, and as a permanent waiver of the 5.5% limitation under Section 29-1-301, C.R.S.

BENNETT FIRE PROTECTION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 – ECONOMIC DEPENDENCY

The District currently receives property tax revenue from two counties – Adams and Arapahoe. For Adams County, one taxpayer comprises over 20% of the County’s total taxable assessed valuation. Loss of this taxpayer to the County would greatly reduce the taxable assessed valuation, thus reducing the amount of property tax revenue received by the District from the County.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2022, a prior period adjustment was posted as a result of the implementation of GASB Statement No. 87, *Leases*. The implementation of the standard required the District to re-measure leased assets as of January 1, 2022. The impact on beginning net position is outlined below:

	<u>Governmental Activities</u>
Net position, as of December 31, 2021	\$ 8,019,320
Impact of GASB No. 87 Implementation	<u>(155,398)</u>
Restated net position, as of December 31, 2021	<u><u>\$ 7,863,922</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 3,757,028	\$ 3,742,363	\$ (14,665)
Specific ownership taxes	150,000	258,387	108,387
Charges for services	-	25,549	25,549
Interest	1,500	55,192	53,692
Emergency medical services	170,000	470,558	300,558
Grants and contributions	-	25,000	25,000
Outside fleet maintenance income	20,000	48,902	28,902
Other	12,000	124,294	112,294
Total revenues	<u>\$ 4,110,528</u>	<u>\$ 4,750,245</u>	<u>\$ 639,717</u>
<u>Expenditures</u>			
Current:			
Public safety			
Administration	127,078	128,111	(1,033)
Payroll and human resources	3,005,413	2,843,111	162,302
Facilities	249,400	192,136	57,264
Health and safety	18,450	15,937	2,513
Operations	294,600	232,872	61,728
Training	54,300	29,835	24,465
Public relations	13,200	14,985	(1,785)
Volunteer reimbursement	15,000	2,160	12,840
Annual banquet	20,000	17,759	2,241
Technology	76,510	52,909	23,601
Testing	16,200	10,239	5,961
Fleet	168,500	171,609	(3,109)
Miscellaneous	31,000	36,135	(5,135)
Legal and accounting	69,500	42,255	27,245
Professional services	20,000	13,000	7,000
Contribution to pension fund	10,000	10,000	-
VFIS volunteer payments	13,060	10,245	2,815
Capital outlay	352,000	1,047,961	(695,961)
Debt service			
Principal	141,902	161,450	(19,548)
Interest	23,748	4,200	19,548
Total expenditures	<u>4,719,861</u>	<u>5,036,909</u>	<u>(317,048)</u>
Excess (deficiency) revenue over (under) expenditures	(609,333)	(286,664)	322,669
<u>Other financing sources</u>			
Insurance proceeds	-	22,054	22,054
Transfer in	-	837,070	837,070
Total other financing sources	<u>-</u>	<u>859,124</u>	<u>859,124</u>
Net change in fund balance	(609,333)	572,460	1,181,793
Fund balances - beginning	<u>2,710,295</u>	<u>3,051,445</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,100,962</u>	<u>\$ 3,623,905</u>	<u>\$ 1,181,793</u>

See accompanying Independent Auditors' Report.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
STATEWIDE DEFINED BENEFIT PLAN
LAST NINE FISCAL YEARS

Fiscal year	2022	2021	2020	2019	2018	2017	2016	2015	2014*
Plan measurement date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
District's proportion of the net pension liability	0.1939%	0.1863%	0.1471%	0.1465%	0.1315%	0.0991%	0.0854%	0.0875%	0.0841%
District's proportionate share of the net pension liability (asset)	\$ (1,050,899)	\$ (404,386)	\$ (83,202)	\$ (185,171)	\$ (189,185)	\$ 35,816	\$ (1,506)	\$ (98,816)	\$ (75,244)
District's covered payroll	\$ 1,561,068	\$ 1,496,113	\$ 1,084,275	\$ 981,100	\$ 769,195	\$ 507,287	\$ 414,188	\$ 393,747	\$ 365,486
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(67.3%)	(27.0%)	(7.7%)	(18.9%)	(24.6%)	7.1%	(0.4%)	(25.1%)	(20.6%)
Plan fiduciary net pension as a percentage of the total pension liability	116.20%	106.70%	101.90%	95.23%	106.34%	98.21%	100.10%	106.80%	105.80%

*The amounts presented for each fiscal year were determined as of December 31 based on the measurement date of the plan. Information prior to 2014 is not available.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contributions	\$ 158,865	\$ 132,691	\$ 119,689	\$ 86,742	\$ 78,488	\$ 61,535	\$ 40,583	\$ 33,135	\$ 31,500	\$ 29,239
Contributions in relation to the statutorily required contributions	158,865	132,691	119,689	86,742	78,488	61,535	40,583	33,135	31,500	29,239
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,765,168	\$ 1,561,068	\$ 1,496,113	\$ 1,084,275	\$ 981,100	\$ 769,195	\$ 507,287	\$ 414,188	\$ 393,747	\$ 365,486
Contributions as a percentage of covered payroll	9.0%	8.5%	8.0%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

See accompanying Independent Auditors' Report.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS – VOLUNTEER PENSION PLAN
LAST EIGHT FISCAL YEARS

Measurement period ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014*
Total Pension Liability								
Service Cost	\$ 10,627	\$ 6,257	\$ 6,257	\$ 8,996	\$ 8,996	\$ 4,981	\$ 4,981	4,459
Interest	55,773	56,662	56,702	58,620	58,078	35,247	35,300	38,845
Changes in benefit terms	-	-	-	-	-	275,148	-	-
Differences between actual and expected experience	-	(13,604)	-	(8,458)	-	24,933	-	(61,344)
Changes in assumptions	-	-	-	33,525	-	16,782	-	-
Benefit payments	(64,806)	(63,525)	(63,555)	(62,203)	(57,590)	(51,794)	(30,561)	(28,455)
Net change in total pension liability	1,594	(14,210)	(596)	30,480	9,484	305,297	9,720	(46,495)
Total pension liability - beginning	823,394	837,604	838,200	807,720	798,236	492,939	483,219	529,714
Total pension liability - ending	\$ 824,988	\$ 823,394	\$ 837,604	\$ 838,200	\$ 807,720	\$ 798,236	\$ 492,939	\$ 483,219
Plan Fiduciary Net Position								
Contributions - employer	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Net investment income	158,270	127,887	132,258	584	131,274	47,591	16,354	57,947
Benefit payments including refunds of employee contributions	(64,806)	(63,525)	(63,555)	(62,203)	(57,590)	(51,794)	(30,561)	(28,455)
Pension plan administrative expense	(11,121)	(8,947)	(11,077)	(10,970)	(10,873)	(1,693)	(3,728)	(1,718)
State of Colorado discretionary payment	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Net change in plan fiduciary net position	101,343	74,415	76,626	(53,589)	81,811	13,104	1,065	46,774
Plan Fiduciary net position - beginning	1,099,292	1,024,877	948,251	1,001,840	920,029	906,925	905,860	859,086
Plan Fiduciary net position - ending	\$ 1,200,635	\$ 1,099,292	\$ 1,024,877	\$ 948,251	\$ 1,001,840	\$ 920,029	\$ 906,925	\$ 905,860
Net pension liability (asset) - ending	\$ (375,647)	\$ (275,898)	\$ (187,273)	\$ (110,051)	\$ (194,120)	\$ (121,793)	\$ (413,986)	\$ (422,641)
Plan fiduciary net position as a percentage of total pension liability	145.53%	133.51%	122.36%	113.13%	124.03%	115.26%	183.98%	187.46%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Information prior to 2014 is unavailable.

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
VOLUNTEER PENSION PLAN
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,799	\$ 1,799	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Actual contribution	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Contribution deficiency (excess)	\$ (8,201)	\$ (8,201)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal
Amortization Method: Level Dollar, Open*
Remaining Amortization Period: 20 years*
Asset Valuation Method: 5-Year smoothed fair value
Inflation: 2.50%
Salary Increases: N/A
Investment Rate of Return: 7.00%
Retirement Age Mortality: 50% per year of eligibility until 100% at age 65
Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

SUPPLEMENTARY INFORMATION

BENNETT FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL EXPANSION FUND
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<u>Revenues</u>			
Development fees	\$ 200,000	\$ 459,975	\$ 259,975
Interest	500	705	205
Total Revenues	<u>200,500</u>	<u>460,680</u>	<u>260,180</u>
<u>Expenditures</u>			
Current:			
Public safety			
Contingency	1,517,516	-	1,517,516
Capital outlay	350,000	-	350,000
Total Expenditures	<u>1,867,516</u>	<u>-</u>	<u>1,867,516</u>
Excess revenue over (under) expenditures	(1,667,016)	460,680	2,127,696
<u>Other financing sources (uses)</u>			
Transfer out	-	(837,070)	(837,070)
Total other financing sources (uses)	<u>-</u>	<u>(837,070)</u>	<u>(837,070)</u>
Net change in fund balance	(1,667,016)	(376,390)	1,290,626
Fund balances - beginning	<u>1,667,016</u>	<u>1,675,948</u>	<u>8,932</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,299,558</u>	<u>\$ 1,299,558</u>

See accompanying Independent Auditors' Report.

STATISTICAL INFORMATION

BENNETT FIRE PROTECTION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND
PROPERTY TAXES COLLECTED (UNAUDITED)
DECEMBER 31, 2022

Year ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year <u>Tax Levy</u> (1)	<u>Mills Levies</u>	<u>Total Property Taxes</u>		Percent Collected to Levied
			<u>Levied</u>	<u>Collected Currently</u>	
2018	\$ 182,010,853	13.041	\$ 2,373,604	\$ 2,368,060	99.77%
2019	191,744,893	13.041	2,500,545	2,494,985	99.78%
2020	281,629,650	13.070	3,680,900	3,678,646	99.94%
2021	302,691,525	13.122	3,971,918	3,956,178	99.60%
2022	286,322,838	13.122	3,757,128	3,737,770	99.48%
Estimated for the year ending December 31, 2023	\$ 381,246,834	13.152	5,014,158		