

BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
BEULAH, COLORADO

December 31, 2024

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Independent Auditor's Report

September 25, 2025

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 and for December 31, 2024, 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, 2024, 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.

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.

Garrett Ross | *DeNardo, Inc.*

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
Beulah Fire Protection & Ambulance District
December 31, 2024

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, 2024. 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 \$914,737 (net position). Of this amount, a deficit of \$36,985 (-4%) 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 \$929,467 (102%) 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 decreased by \$95,228.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$48,353 for the year ending December 31, 2024.
- At the end of the current fiscal year, unassigned fund balance of the general fund is \$26,098.

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, 2024

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, 2024

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 \$914,737 at the close of fiscal year 2024. 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:

	<u>2024</u>	<u>2023</u>
Assets:		
Current and other assets	\$ 517,835	\$ 413,307
Capital assets	2,555,442	2,693,236
Total Assets	3,073,297	3,106,543
Deferred Outflow of Resources – Pension fund	59,356	63,069
Liabilities:		
Current and other liabilities	253,434	140,479
Long-term liabilities	1,559,687	1,625,976
Total Liabilities	1,813,121	1,766,455
Deferred Inflow of Resources:		
Unavailable revenue – property taxes	403,790	391,858
Related to pension fund	1,005	1,334
Total Deferred Inflow	404,795	393,192
Net Position:		
Invested in capital assets, net of related debt	929,467	995,805
Restricted	22,255	15,622
Unrestricted	(36,985)	(1,462)
Total Net Position	\$ 914,737	\$ 1,009,965

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 \$22,100 and \$15,200 as of December 31, 2024 and 2023 respectively.

Management's Discussion and Analysis
Beulah Fire Protection & Ambulance District
 December 31, 2024

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>2024</u>	<u>2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 208,343	\$ 144,393
Operating grants and contributions	262,703	35,558
Capital grants and contributions	11,218	87,040
General revenues:		
Property taxes	438,669	355,566
Specific ownership taxes	32,200	31,656
Unrestricted investment earnings	5	4
Gain/(loss) on sale of assets	3,440	-
Other	70,213	27,909
Total Revenues	1,026,791	682,126
Expenses:		
Public safety	941,817	545,717
General government	180,202	149,355
Total Expenses	1,122,019	695,072
Change in net position	(95,228)	(12,946)
Net position – beginning	1,009,965	1,022,911
Net position – ending	\$ 914,737	\$ 1,009,965

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 2024, the Directors appropriated \$1,001,618 for general fund expenditures.

2024 General Fund Budget

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 664,967	\$ 1,001,618	\$ 1,005,310
Expenditures	\$ 664,967	\$ 1,001,618	\$ 965,027

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets as of December 31, 2024 amounts to \$2,555,442 (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, 2024

Capital Asset and Debt Administration (Continued)

Beulah Fire Protection & Ambulance District's Capital Assets

Land	\$	30,000
Furniture & fixtures		20,972
Building and improvements		2,884,722
Equipment		1,169,043
Accumulated depreciation		(1,549,295)
	\$	<u>2,555,442</u>

Additional information on the District's capital assets can be found in the notes section on page 15 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, 2024

<u>Assets</u>		
Cash and equivalents	\$	4,775
Cash - restricted		155
Receivables		512,925
Net pension asset - firemen's pension plan		-
Capital Assets		
Non-depreciable		30,000
Depreciable - net		<u>2,525,442</u>
Total Assets		<u>3,073,297</u>
<u>Deferred Outflow of Resources</u>		
Related to pension plan		<u>59,356</u>
<u>Liabilities</u>		
Accounts payable		52,448
Accrued interest		99,834
Payroll liabilities		13,264
Long-term liabilities:		
Due within one year		87,888
Due in more than one year		<u>1,559,687</u>
Total Liabilities		1,813,121
<u>Deferred Inflow of Resources</u>		
Unavailable revenue - property taxes		403,790
Related to pension plan		<u>1,005</u>
Total Deferred Inflow of Resources		404,795
<u>Net Position</u>		
Invested in capital assets, net of related debt		929,467
Restricted		22,255
Unrestricted		<u>(36,985)</u>
Total Net Position	\$	<u>914,737</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, 2024

	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>	
Primary Government:					
Government activities:					
General government	\$ 180,202	\$ -	\$ -	\$ -	\$ (180,202)
Public safety	941,817	262,703	11,218	482,264	(459,553)
Total	\$ 1,122,019	\$ 262,703	\$ 11,218	\$ 482,264	\$ (639,755)
General revenues and taxes					
Taxes:					
General property taxes					\$ 438,669
Specific ownership taxes					32,200
Investment earnings					5
Gain/(loss) on sale of assets					3,440
Other revenues					70,213
					<u>544,527</u>
Total General Revenues and Taxes					<u>(95,228)</u>
					<u>1,009,965</u>
					<u>\$ 914,737</u>

Change in Net Position
Net Position - Beginning
Net Position - Ending

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, 2024

	<u>General Fund</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 4,775
Cash - restricted	155
Receivables	<u>512,925</u>
Total Assets	<u>517,855</u>
 <u>Liabilities</u>	
Accounts payable	52,448
Payroll liabilities	<u>13,264</u>
Total Liabilities	<u>65,712</u>
 <u>Deferred Inflow of Resources</u>	
Unearned revenue - property taxes	<u>403,790</u>
 <u>Fund Balances</u>	
Restricted	22,255
Unassigned	<u>26,098</u>
Total Fund Balances	<u>\$ 48,353</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, 2024

Total Fund Balances - Government Funds	\$	48,353
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.		-
Capital assets used in governmental activities are not current financial resources, and therefore, not reported in the Governmental Funds Balance Sheet.		2,555,442
Interest payable on long term liabilities does not require current financial resources, therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.		(99,834)
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.		(1,647,575)
Deferred activity related to pension assumptions are not recorded and included in the governmental funds.		<u>58,351</u>
Net Position of Governmental Activities	\$	<u>914,737</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, 2024

	<u>General Fund</u>
Revenues	
General property tax	\$ 438,669
Specific ownership tax	32,200
Investment income	5
Grant & donation income	273,921
Proceeds from sale of assets	10,000
Charges for services	208,343
Other	<u>42,172</u>
Total Revenues	<u>1,005,310</u>
Expenditures	
General government	178,061
Public safety	589,595
Debt service:	
Principal	114,712
Interest	55,111
Capital outlay	<u>27,548</u>
Total Expenditures	<u>965,027</u>
Excess (Deficiency) of Revenues Over Expenditures	40,283
Fund balances - beginning	<u>8,070</u>
Fund balances - ending	<u>\$ 48,353</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, 2024

Total Net Change in Fund Balances - Governmental Funds	\$	40,283
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 depreciation expense (\$158,782) exceeds capital outlay (\$27,548) in the current period.		(131,234)
Basis of assets that have been sold reduces financial resources in the statement of activities. The basis is not recognized in the governmental funds.		(6,560)
Deferred income/expense related to the pension plan is not recognized in the governmental funds because it does not require the use of current financial resources.		7,487
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.		71,456
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.		910
Interest payable on 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, and the change in the liability is recognized.		(77,570)
Change in Net Position - Governmental Activities	\$	(95,228)

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, 2024

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, 2024

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, 2024

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.

Receivables

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

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, 2024.

Property Taxes

Each county is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes are levied on January 1 based on the assessed value of property as listed on the previous June 30. Levied taxes are payable in two equal installments before the last day of February and the 15th day of June or in one full payment before the last day of April.

Property taxes which have been levied for 2024 which will not be collected until 2025 have been accrued as a receivable at December 31, 2024. An offsetting liability for deferred inflows of resources - unearned property tax revenue has been recorded on the statement of net position.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

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 and deferred inflows for amounts related to pension. The pension amounts consist of several components and are more fully described in Note 7.

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.

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.

SBITA

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This standard requires the recognition of a right-to-use subscription, an intangible asset, and a corresponding liability. A subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is initially measured at present value of subscription payments expected to be made during the subscription term. Future payments are discounted using the interest rate that the SBITA vendor charges the government, which may be implicit, or the District's incremental borrowing rate if the interest rate is not readily determinable. Amortization of the discount is recognized as an outflow of resources in subsequent reporting periods. The asset is measured as the sum of the initial liability, payments made to the vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received. Amortization of the asset is recognized as an outflow of resources over the subscription term. The District currently has no arrangements that require application of this standard.

Compensated Absences

The District affords vacation benefits to full time employees. 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 2024 in the amount of \$21,600 is included in the government-wide financial statements.

The District also affords sick leave benefits to employees. These benefits are earned based upon the length of service and accumulation is limited to 50 days. Accrued sick leave is not payable upon termination of employment.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Data

Formal budgetary accounting is employed as a management control tool for 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 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 the year.

Differences between the budgetary reporting basis and the generally accepted accounting principles (GAAP) basis used to reflect actual revenues and expenses are described as follows.

1. Depreciation, amortization, and unrealized gains or losses on investments are not recognized on the budgetary basis and are treated as expenses on the GAAP basis.
2. Debt proceeds are treated as revenue and debt repayments and capital expenditures are treated as expenditures on the budgetary basis. Debt proceeds are not treated as revenue and debt repayments and capital expenditures are not treated as expenses on the GAAP basis.

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.

New Accounting Pronouncements

In June 2022, the GASB issued Statement 100, *Accounting Changes and Errors Corrections*. This standard enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District adopted the standard on January 1, 2024 and it did not have a material impact on the District's financial statements.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. This standard updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District adopted the standard on January 1, 2024. There was no effect on beginning net position.

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 2024.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 December 31, 2024

Note 2 - Stewardship, Compliance, And Accountability (Continued)

Tax, Revenue, Spending and Debt Limitation

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. The District believes it is in compliance with the tax raising, revenue, spending, debt and other limitations.

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 establish an “emergency reserve”. To be used for declared emergencies only, each entity must reserve 3% or more of its fiscal year spending excluding bonded debt service. As of December 31, 2024, the District may not have satisfied the reserve requirement of \$22,100.

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 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</u> <u>Amounts</u>		<u>Less Than</u> <u>One Year</u>		<u>Less Than</u> <u>Five Years</u>
<u>Deposits</u>						
Cash	\$	4,930	\$	4,930	\$	-

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

Note 4 - Accounts and Other Receivables

Tax receivable consist of taxes which are due but will not be collected until 2025. Accounts receivable consist mainly of fire payments and emergency medical services that were earned in 2024 but will not be collected until 2025. 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 2024. As of December 31, 2024, these receivables are considered both measurable and available.

General Fund	
Property taxes	\$ 406,153
Grants	90,583
Accounts receivable - net of allowance	16,189
Total	<u><u>\$ 512,925</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>1-1-24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-24</u>
Non-Depreciable Assets:				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Depreciable Assets:				
Buildings and improvements	2,882,322	2,400	-	2,884,722
Machinery and equipment	1,161,320	17,223	9,500	1,169,043
Furniture and fixtures	13,047	7,925	-	20,972
Total Depreciable Assets	<u>4,056,689</u>	<u>27,548</u>	<u>9,500</u>	<u>4,074,737</u>
Less: Accumulated depreciation				
for:				
Buildings and improvements	506,403	100,771	-	607,174
Machinery and equipment	875,578	55,870	2,940	928,508
Furniture and fixtures	11,472	2,141	-	13,613
Total Accumulated Depreciation	<u>1,393,453</u>	<u>158,782</u>	<u>2,940</u>	<u>1,549,295</u>
Total Capital Assets, Net	<u><u>\$ 2,693,236</u></u>	<u><u>\$ (131,234)</u></u>	<u><u>\$ 6,560</u></u>	<u><u>\$ 2,555,442</u></u>

Depreciation expense by function:

General Government	\$ 2,141
Public Safety	156,641
	<u><u>\$ 158,782</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

Note 6 - Long-Term Liabilities

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

	<u>Balance at</u> <u>1-1-2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>12-31-2024</u>	<u>Due in</u> <u>One Year</u>
Note Payable	\$ 1,645,031	\$ -	\$ 63,926	\$ 1,581,105	\$ 66,003
Finance Lease	52,400	-	7,530	44,870	6,403
Compensated Absences	22,510	-	910	21,600	15,482
Total Long Term Liabilities	<u>\$ 1,719,941</u>	<u>\$ -</u>	<u>\$ 72,366</u>	<u>\$ 1,647,575</u>	<u>\$ 87,888</u>

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 \$ 1,581,105 payable over 25 annual installments of \$117,389 at 3.25% interest ending July 2042.

Community First National Bank - Cascade System

\$52,400 finance lease for new cascade system payable over 7 annual installments of 44,870 \$9,177.62 at 6.20% interest ending June 2030.

Compensated Absences - Accumulated vacation and sick leave for eligible employees.

21,600
Total \$ 1,647,575

The following schedule reflects the 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>
2024	\$ 87,888	\$ 53,661	\$ 141,549
2025	74,947	51,620	126,567
2026	77,582	48,984	126,566
2027	80,315	46,251	126,566
2028	83,150	43,416	126,566
2029-2033	421,887	174,234	596,121
2034-2038	484,906	102,038	586,944
2039-2043	330,782	21,741	352,523
Compensated Absences	6,118	-	6,118
Total	<u>\$ 1,647,575</u>	<u>\$ 541,945</u>	<u>\$ 2,189,520</u>

Note 7 - 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.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

Note 7 - Firemen's Pension Plan (Continued)

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 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.

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

Contribution rates for the plan are set by state statute. The FPPA board may further increase the required contributions, equally between employer and member, upon approval through and election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020 legislation was enacted to increase the member contribution rate to the Plan beginning in 2021. Employer contribution rates will increase .5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry group is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, then employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases .5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

Note 7 - Firemen's Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Contributions (Continued)

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer rate was 10.75 percent.

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

At December 31, 2024, the District reported a liability of \$0 for its proportionate share of the net pension liability / asset. The net pension asset was measured as of December 31, 2023, 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, 2023, the District's portion was 0.010983%.

As a result of its requirement to contribute to FPPA, the District recognized income of \$7,487 for the year ended December 31, 2024. At December 31, 2024, 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	\$ 20,917	\$ (1,005)
Changes in assumptions	12,133	-
Net difference between projected and actual earnings on pension plan investments	15,017	-
Changes in proportion and differences between District contributions and proportionate share of contributions	(5,018)	-
District contributions subsequent to the measurement date	16,307	-
Total	\$ 59,356	\$ (1,005)

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

Year ending December 31:		
2025	\$	21,306
2026		4,999
2027		4,999
2028		4,999
2029		4,999
Thereafter		17,049
Total	\$	58,351

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

Note 7 - Firemen's Pension Plan (Continued)

General Information about the Pension Plan (Continued)

Actuarial Methods and Assumptions

In the January 1, 2023 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 the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumptions use Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier of the MP-2020 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 2022 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, 2023. 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.33%
Equity Long / Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100%	

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
 December 31, 2024

Note 7 - 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.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Discount Rate

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

For purposes of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.77% (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 liability	\$ <u>(61,586)</u>	\$ <u>-</u>	\$ <u>-</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
BEULAH FIRE PROTECTION & AMBULANCE DISTRICT
December 31, 2024

Note 8 - 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, 2024, restricted fund balance consists of \$22,100 for the District's emergency reserve and \$155 for debt service.

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.010983%	0.012248%	0.011434%	0.011610%	0.008173%
District's proportionate share of the net pension liability / (asset)	\$ -	\$ 10,871	\$ (47,951)	\$ (11,191)	\$ 9,392
District's covered payroll	\$ 163,070	\$ 113,975	\$ 106,773	\$ 92,046	\$ 93,250
District's proportionate share of the net pension liability / (asset) as a percentage of its covered payroll	0.00%	9.54%	-44.91%	-12.16%	10.07%
Plan fiduciary net position as a percentage of the total pension asset	0.00%	0.00%	116.20%	106.70%	101.90%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
District's proportion of the net pension liability	0.008731%	0.009708%	0.010669%		
District's proportionate share of the net pension liability / (asset)	\$ 25,053	\$ 45	\$ 17,867		
District's covered payroll	\$ 60,243	\$ 56,784	\$ 54,600		
District's proportionate share of the net pension liability / (asset) as a percentage of its covered payroll	41.59%	0.08%	32.72%		
Plan fiduciary net position as a percentage of the total pension asset	95.20%	106.30%	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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 10,251	\$ 9,590	\$ 7,824	\$ 7,460	\$ 4,819
Contributions in relation to the contractually required contribution	<u>(10,251)</u>	<u>(9,590)</u>	<u>(7,824)</u>	<u>(7,460)</u>	<u>(4,819)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 163,070	\$ 113,975	\$ 92,046	\$ 93,250	\$ 60,243
Contributions as a percentage of covered payroll	6.29%	8.41%	8.50%	8.00%	8.00%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Contractually required contribution	\$ 4,679	\$ 4,543	\$ 4,368		
Contributions in relation to the contractually required contribution	<u>(4,679)</u>	<u>(4,543)</u>	<u>(4,368)</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered payroll	\$ 58,488	\$ 56,784	\$ 54,600		
Contributions as a percentage of covered payroll	8.00%	8.00%	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, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General property taxes	\$ 440,462	\$ 438,669	\$ 438,669	\$ -
Specific ownership taxes	24,000	32,200	32,200	-
Charges for services	96,000	216,224	208,343	(7,881)
Interest income	5	5	5	-
Grants	100,000	161,452	252,035	90,583
Donations	4,500	21,887	21,886	(1)
District Savings	-	20,753	-	(20,753)
Gain/(loss) on sale of assets	-	10,000	10,000	-
Loan	-	58,256	-	(58,256)
Reimbursements	-	42,172	42,172	-
Total Revenues	<u>664,967</u>	<u>1,001,618</u>	<u>1,005,310</u>	<u>3,692</u>
Expenditures				
Professional expenses	36,678	88,576	26,605	61,971
Department expenses & supplies	166,800	295,704	313,573	(17,869)
Administration	224,156	356,555	360,022	(3,467)
Insurance	34,345	34,908	34,908	-
Office expense	36,900	49,723	56,428	(6,705)
Public outreach	1,300	1,539	1,539	-
Contingency expenses	16,783	22,422	17,838	4,584
Capital outlay	12,500	15,227	27,548	(12,321)
Debt service	117,389	117,389	126,566	(9,177)
Emergency reserve	18,116	19,575	-	19,575
Total Expenditures	<u>664,967</u>	<u>1,001,618</u>	<u>965,027</u>	<u>36,591</u>
Excess of Revenue Over (Under) Expenditures	-	-	40,283	40,283
Other Finance Sources (Uses)				
Proceeds from lease	-	-	-	-
Net Change in Fund Balance	-	-	40,283	40,283
Fund Balance - Beginning	-	-	8,070	8,070
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,353</u>	<u>\$ 48,353</u>

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