

De BEQUE FIRE PROTECTION DISTRICT

Financial Statements and
Report of Independent Auditors
For the Year Ended December 31, 2025

De BEQUE FIRE PROTECTION DISTRICT

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December 31, 2025

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Blair and Associates, P.C.
Cedaredge, Colorado

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
De Beque Fire Protection District
4580 I-70 Frontage Road
De Beque, Colorado 81630

Opinions

We have audited the accompanying financial statements of the governmental activities of De Beque Fire Protection District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise De Beque Fire Protection District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of De Beque Fire Protection District, as of December 31, 2025, 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 De Beque Fire Protection District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of De Beque Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about De Beque Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, statements related to the statewide defined benefit plan, and statements related to the volunteer pension plan 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.

Blair and Associates, P.C.

Cedaredge, Colorado
February 20, 2026

Management's Discussion and Analysis

De Beque Fire Protection District

Fiscal Year 2025

The discussion and analysis are designed to provide an analysis of the District's financial condition and operating results and to inform the reader on District financial issues and activities. Please read it in conjunction with the District's financial statements that follow the Management's Discussion and Analysis.

USING THIS ANNUAL REPORT

The financial statements included in this annual report are those of a special-purpose government engaged only in a government-type activity. The following statements and schedules are included:

- Statement of Net Position and governmental fund balance sheet – reports the District's current financial resources (short-term spendable resources with capital assets and short and long-term obligations).
- Statement of revenue, expenditures, and changes in fund balances – governmental and statement of activities – reports the District operating and non-operating revenues by major source along with operating and non-operating expenditures.
- Statement of revenues, expenditures, and change in fund balance actual and budget – compares the District's budgeted and actual revenues and expenditures for the year ended December 31, 2025

STATEMENT OF NET POSITION

The following table shows the condensed statement of Net Position for the past two years.

Years ended December 31,	2025	2024
Current assets	\$ 4,433,187	\$ 4,738,314
Capital assets (net of depreciation)	6,666,010	6,539,927
Deferred Outflow of Resources-SWDB Pension	448,485	433,825
Total assets	11,547,682	11,712,066
Current liabilities	158,375	156,293
Long-term Debt-Note Payable Fire Truck	461,540	761,540
Deferred Inflow of Resources	1,702,742	2,267,344
Net Position		
Invested in capital assets	6,204,470	5,778,387
Restricted for Tabor emergency	84,678	84,678
Restricted for FPPA SWDB Pension	441,834	425,619
Nonspendable	5,588	5,338
Unrestricted	2,488,454	2,232,867
Total Net Position	\$ 9,225,024	\$ 8,526,889

The net position of the District increased \$698,135 from \$8,526,889 in 2024 to \$9,225,024 in 2025. The increase is a result of the purchase of capital assets and reduction of long-term debt. The District's total assets decreased from \$11,712,066 in 2024 to \$11,547,682 in 2025 for a difference of \$164,384. This decrease is due to the reduction of long-term debt in 2025. The District's total liabilities and deferred inflows decreased in 2025 by \$862,520. This is due to a decrease in accounts payable and a reduction in anticipated property taxes next year.

Management's Discussion and Analysis
De Beque Fire Protection District
Fiscal Year 2025

REVIEW OF REVENUES

Years ended December 31,	<u>2025</u>	<u>2024</u>
Operating revenue		
Charges for services	\$ 87,849	\$ 42,719
Total	<u>87,849</u>	<u>42,719</u>
Non-operating revenue		
Specific ownership tax	158,139	182,958
General property tax	2,077,380	2,954,313
Interest income	74,283	90,841
Other revenue	<u>1,197,556</u>	<u>336,283</u>
Total	<u>3,507,358</u>	<u>3,564,395</u>
Total revenue	<u>\$ 3,595,207</u>	<u>\$ 3,607,114</u>

The District's total revenues decreased in 2025 by \$11,907 from 2024. The decrease in revenue was due mainly to a decrease in property and specific ownership tax, of \$901,752 as well as an increase in deployment income of \$637,390, the sale of a fire vehicle for \$250,000 and a decrease in interest income of \$16,558.

REVIEW OF EXPENDITURES

	<u>2025</u>	<u>2024</u>
Operating expenditures:		
Fire & ambulance operations	\$ 3,340,993	\$ 3,642,622
Depreciation	261,649	226,151
Pension	(17,838)	623,922
Debt service	(300,000)	-
Capital Outlay	<u>(387,733)</u>	<u>(1,420,357)</u>
Total Expenditures	<u>\$ 2,897,071</u>	<u>\$ 3,072,338</u>

The District's total expenditures decreased in 2025 by \$175,267. This was mainly due to a decrease in capital outlays.

The major capital asset purchased, which is included in the \$387,267 total for 2025, was as follows:

Brush Truck \$296,336, Command squad \$86,362, and fire equipment of \$14,569.

Management's Discussion and Analysis
De Beque Fire Protection District
Fiscal Year 2025

ECONOMICS AND OTHER FACTORS

De Beque Fire Protection District became an independent District in January 2009. The District purchased fire and emergency equipment in the first few years of operation and completed construction of a fire station in 2016.

The local economy experienced a decline in the early operating years of the District due to a decrease in oil and gas production and a general decline on the national and local levels. The economy has not fully recovered from the oil & gas production decline, and recent laws passed at late night sessions have resulted in over \$1,000,000 in District loss of funding over the last two years and the loss is projected to continue on the same path. This decrease in funding has crippled the finances for the District. One of the plans implemented to help with the deficit was to increase the District's availability to respond to fire assignments (Wildland Fire Deployments) in other areas/states. This step has helped the current financial situation, enabling the District to continue services to the District constituents. Without this added deployment income, the District would be in dire financial straits.

FINANCIAL CONTACT

The District's financial statements are designed to present users (service users, taxpayers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions concerning this report or need additional financial information, please contact the Fire Chief, De Beque Fire Protection District, 4580 I-70 Frontage Road, De Beque, Colorado 81630, or 970-283-8632.

De Beque Fire Protection District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2025

	General Fund	Adjustments	Statement of Net Position
ASSETS			
Cash and cash equivalents	\$ 530,023	\$ -	\$ 530,023
Investments	1,163,472	-	1,163,472
Accounts receivable rescue (less allowance of \$60,000)	92,285	-	92,285
Property taxes receivable	1,696,091	-	1,696,091
Other current receivables	945,728	-	945,728
Prepaid Expenses	5,588	-	5,588
Capital Assets (net of accumulated depreciation):			
Land and building	-	4,890,518	4,890,518
Administrative equipment	-	61,079	61,079
Fire trucks and equipment	-	1,468,063	1,468,063
Rescue vehicles and equipment	-	246,350	246,350
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflow of Resources-Pension SWDE	-	448,485	448,485
TOTAL ASSETS	<u>\$ 4,433,187</u>	<u>7,114,495</u>	<u>11,547,682</u>
LIABILITIES			
Accounts payable	\$ 29,468	-	29,468
Other current liabilities	45,581	-	45,581
Current portion of long-term debt	-	300,000	300,000
Compensated absences	-	83,326	83,326
	<u>75,049</u>	<u>383,326</u>	<u>458,375</u>
Long-Term Debt			
Note-Fire Truck	-	161,540	161,540
Total Long-term debt	<u>-</u>	<u>161,540</u>	<u>161,540</u>
TOTAL LIABILITIES	<u>75,049</u>	<u>544,866</u>	<u>619,915</u>
DEFERRED INFLOW OF RESOURCES			
Property taxes	1,696,091	-	1,696,091
Pension FPPA SWDB	-	6,651	6,651
TOTAL INFLOW OF RESOURCES	<u>1,696,091</u>	<u>6,651</u>	<u>1,702,742</u>
FUND BALANCE			
Emergency reserve - TABOR	84,678	(84,678)	-
Nonspendable	5,588	(5,588)	-
Unassigned	2,571,780	(2,571,780)	-
TOTAL FUND BALANCE	<u>2,662,046</u>	<u>(2,662,046)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,433,187</u>		
NET POSITION			
Invested in capital assets, net of related debt		6,204,470	6,204,470
Restricted for:			
TABOR emergency		84,678	84,678
Pension FPPA SWDB		441,834	441,834
Nonspendable		5,588	5,588
Unassigned		2,488,454	2,488,454
TOTAL NET POSITION		<u>\$ 9,225,025</u>	<u>\$ 9,225,025</u>

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

De Beque Fire Protection District
Statement of Net Position and Governmental Fund Balance Sheet
December 31, 2025

Adjustments to reconcile the governmental fund balance sheet to the statement of net assets are as follows:

Fund balance per general fund balance sheet	\$ 2,662,046
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	6,204,470
Compensated absences	(83,326)
GASB 68 Pension Adjustment	441,834
Net Position	<u>\$ 9,225,025</u>

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

De Beque Fire Protection District
Statement of Revenue, Expenditures, and Change in Net Position-Governmental
and Statement of Activities
For the Year Ended December 31, 2025

	General Fund	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES			
Fire & ambulance-operation	\$ 2,646,732	\$ 6,528	\$ 2,653,260
Capital outlay	387,733	(387,733)	-
Pension Activity	-	(17,838)	(17,838)
Debt Service	300,000	(300,000)	-
Depreciation	-	261,649	261,649
Total expenditures/expenses	<u>3,334,465</u>	<u>(437,394)</u>	<u>2,897,071</u>
PROGRAM REVENUES			
Charges for services	87,849	-	87,849
Net program (expenses) revenue	<u>(3,246,616)</u>	<u>437,394</u>	<u>(2,809,222)</u>
GENERAL REVENUES			
Property taxes	2,077,380	-	2,077,380
Specific ownership	158,139	-	158,139
Interest income	74,283	-	74,283
Miscellaneous income	1,197,555	-	1,197,555
Total general revenues	<u>3,507,357</u>	<u>-</u>	<u>3,507,357</u>
Excess of Revenue over (Under) expenditures	260,741	437,394	
Change in net position			698,135
NET POSITION			
Beginning of the year	2,401,305	6,125,584	8,526,889
End of the year	<u>\$ 2,662,046</u>	<u>\$ 6,562,978</u>	<u>\$ 9,225,024</u>

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

De Beque Fire Protection District
Statement of Revenue, Expenditures, and Change in Net Position-Governmental
and Statement of Activities
For the Year Ended December 31, 2025

Amounts reported for the governmental activities in the statement of activities (page 6) are different because:

Excess of expenditures over revenues - general funds (page 8)	<u>\$ 260,741</u>
Governmental funds report capital outlay as expenditures. However, in the Statement of Activity the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	387,733
Depreciation	<u>(261,649)</u>
	<u>126,084</u>
Long-term liabilities not due and payable in current period	300,000
Compensated absences	(6,528)
GASB 68 Activity	<u>17,838</u>
Change in net position of governmental activities (page 8)	<u><u>\$ 698,135</u></u>

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

De BEQUE FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

The De Beque Fire Protection District is a special service district governed pursuant to provisions of the Colorado Special District Act. The District was established to provide fire protection and ambulance services within and surrounding the area of De Beque in 2008.

The District operates under the Board of Directors elected by the voters of the District. The District's financial statements include the accounts and operations of all the District's functions.

The District's boundaries cover a portion of two Colorado counties, Mesa, and Garfield. The District maintains fire and rescue at one location, De Beque, Colorado.

The more significant of the District's accounting policies are described below:

A. Financial Reporting Entity

The De Beque Fire Protection District is a special district as defined by Colorado Statutes and is governed by an elected board of directors. The Board of Directors has oversight, responsibility, and control over all activities within its boundaries.

The basic financial statements include only the District, as there are no component units required to be included in accordance with GASB Statement No. 14, as amended by GASB Statement No. 39, based on their operational or financial relationships with the District.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and statement of activities) report information on all the non-fiduciary activities of the District.

Governmental activities are supported by taxes, and charges for services. The district has no *business-type activities*, which rely to a significant extent on user charges for support.

The statement of governmental 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 the specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

C. Risk of Loss

The District is exposed to various risk of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance coverage for vehicles, commercial property, commercial umbrella, commercial general liability, and management liability through the Volunteer Firemen Insurance Services.

D. Subsequent Events

The District's management has reviewed subsequent events through the date of the audit report.

E. Fund Financial Statements

The accounts of the District are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

De BEQUE FIRE PROTECTION DISTRICT
Summary of Significant Accounting Policies
December 31, 2025

E. Fund Financial Statements-Continued

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period. The District has only one governmental fund, the *General Fund*, which is the general operating fund of the District. The District has no financial resources required to be accounted for in a separate fund.

F. Capital Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 5 to 40 years and are depreciated on the straight-line method. It is the District's policy to capitalize individual items costing \$3,000 or more.

G. 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both determined and "available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter, to be used to pay liabilities of the current period. For this purpose, the District considers revenues available within 60 days of the end of the current fiscal period. Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred.

H. Net Position

Net Position represents the difference between assets and liabilities. Net Position invested in capital assets net of related debt consists of capital assets net of accumulated depreciation and related debt. Net Position are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

J. Disaggregation of Receivables and Payables

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year with the exception of the amounts for the accrual of compensated absences and capital leases.

De BEQUE FIRE PROTECTION DISTRICT

Summary of Significant Accounting Policies

December 31, 2025

K. Budgets and Budgetary Accounting

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 level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. 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.

The budget is prepared on the same basis as that of the fund financial statements.

The details of the budget calendar are outlined below:

October 15	–	Deadline for Budget Officer to submit proposed budget to the government board. Governing body must publish "Notice of Budget" upon receiving proposed budget.
December 15	–	Deadline for certification of mill to the Board of County Commissioners.
December 22	–	Deadline for Board of County Commissioners to levy taxes and to certify the levies to the Assessor.
December 31–		Statutory deadline for local governing body to adopt budget. A certified copy of the adopted budget must be sent to the Division of Local Government within 30 days of adoption.
On or before December 31–		The District shall enact an ordinance appropriating the budget for the ensuing year.

L. Property Taxes - Receivable

Annual property taxes are levied on December 22 of each year and attached as an enforceable lien as of January 1. They are payable in full April 30, or in two equal installments due February 28 and June 30. The county bills and collects property taxes for the district. Property taxes collected by the county are remitted to the district in the subsequent month. Property taxes are reported as receivable and deferred revenue when levied and as revenue when collected in the following year.

M. Fund Equity

In the fund financial statements governmental funds report reservations of fund balance amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

N. Pensions – Statewide Defined Benefit Plan FPPA.

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

De BEQUE FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2025

Note 1 - Change in Capital Asset

	Balance 12/31/2024	Additions Transfers-in	Deletions Transfer-out	Balance 12/31/2025
Administrative equipment	\$ 279,362	\$ -	\$ -	\$ 279,362
EMS vehicles & equipment	735,984	-	-	735,984
Building	5,964,388	-	-	5,964,388
Fire vehicles & equipment	3,241,193	387,733	(910,687)	2,718,239
Total	10,220,927	387,733	(910,687)	9,697,973
Less accumulated depreciation	(3,905,151)	(261,649)	910,687	(3,256,113)
Net depreciable assets	6,315,776	126,084	-	6,441,860
Land	224,150	-	-	224,150
Net Fixed Assets	<u>\$ 6,539,926</u>	<u>\$ 126,084</u>	<u>\$ -</u>	<u>\$ 6,666,010</u>

In 2025, the District's depreciation \$261,649. This was allocated as follows:

Administration	\$ 171,656
EMS vehicles & equipment	38,575
Fire vehicles & equipment	<u>51,418</u>
Total	<u>\$ 261,649</u>

Note 2 – Deposits and Investments

Deposits

The District adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, effective December 31, 2004. This Statement establishes and modifies disclosure requirements related to investment credit risk, including custodial credit risk and concentration of credit risk, interest rate risk, and foreign currency risk, as well as deposit custodial credit risk and foreign currency risk.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. 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 100% of the uninsured deposits. Collateral in the pool is considered equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. On December 31, 2025, the District's cash deposits were \$530,023, of which \$500,000 is covered by F.D.I.C. insurance and \$30,023 is insured under PDPA.

On December 31, 2025, the reconciled balance of the District consisted of the following:

Petty cash	\$ 31
Cash in bank	102,992
Money market	<u>427,000</u>
Cash and Cash Equivalents	<u>\$ 530,023</u>

De BEQUE FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2025

Note 2 – Deposits and Investments-continued

Investments

Colorado statutes specify in which instruments the units of local government may invest, this includes:

- Repurchase agreements.
- Obligations of the United States or obligations unconditionally guaranteed by the United States.
- Obligations of the State of Colorado and most general obligations of units of local government.
- Federally insured mortgages and student loans.
- Participation with other local governments in pooled investment funds (trusts). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments.

The District's investment policy follows Colorado statutes.

At year-end, the District had invested \$1,163,472 in Colorado Government Liquid Assets Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund, and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investment owned by COLOTRUST. This pool is not required to and is not registered with the SEC. COLOTRUST funds are rated AAA by Standard and Poor's, Fitch's, and Moody's rating services. This investment is measured at Net Asset Value.

Note 3 - Tax, Spending, and Debt Limitation

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

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future 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 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1994 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

The District believes it is in compliance with this amendment.

De BEQUE FIRE PROTECTION DISTRICT

Notes to Financial Statements

December 31, 2025

Note 4 – Fund Balance Classification Policies and Procedures

During 2011, the District implemented GASB 54, Fund Balance Classification. With this new GASB, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted funds constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision-making authority, in the districts case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the Districts case that is the Fire Chief and (5) Unassigned – which are funds available for any purpose. The District does not have Committed or Assigned fund classification in 2025.

It is the District's policy to spend restricted funds first then unrestricted funds for the purpose for which both funds are available and committed and assigned funds are spent when expenditure is incurred for purposes for which amount in any of those unrestricted fund balance classification could be used.

The District does have fund classification as follows:

- Restricted which is dictated by Colorado State Law
- Non-spendable, which is its prepaid expenses,
- Unassigned.

Note 5 - Employee Retirement Plan

Plan description

The Statewide Retirement Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan currently has 229 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The Plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7.00 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

De BEQUE Fire Protection District
Notes to the Financial Statements
December 31, 2025

Note 5 - Employee Retirement Plan-continued

Description of Benefits

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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.

The annual retirement benefit for the Defined Benefit Component is 2.0 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 of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2024.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAS take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

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

De BEQUE Fire Protection District
Notes to the Financial Statements
December 31, 2025

Note 5 - Employee Retirement Plan-continued

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 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 2024, the total combined member and employer contribution rate was 22.0 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2024, the total minimum required member and employer contribution rate was 22.2 percent.

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 2024, the total combined member and employer contribution rate was 10.75 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2024, the total minimum combined member and employer contribution rate was 17.0 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2024 through June 30, 2025 is 14.56 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2024 was 14.24 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

De BEQUE Fire Protection District
Notes to the Financial Statements
December 31, 2020

Note 5 - Employee Retirement Plan-continued

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employer Contributions and Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA.

As reported in FPPA's Other Supplementary Schedule of Fiduciary Net Position by Participating Employer in the December 31, 2024, Annual Report, employer contributions to the Statewide Retirement Plan were \$109,033,068 compared to total employer contributions of \$109,037,538 on the Schedule of Employer Contributions. Adjustments were made to annualize employer contributions related to employers newly contributing to the plan, including employer departments completing reentry, and for known significant adjustments of non-recurring amounts.

The Schedule of Collective Pension Amounts represents total pension amounts for the Statewide Retirement Plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

Contributions to the Plan from the Department were \$115,874 for the year ended December 31, 2025.

Actuarial Valuation Dates

The collective total pension liability as of December 31, 2024, is based upon the January 1, 2025, actuarial valuation. The actuarially determined contributions as of December 31, 2024, are based upon the January 2024 actuarial valuation.

Collective Net Pension Liability/Asset)

The components of the calculation of the net pension liability/(asset) of the SWDB plan for participating departments as of December 31, 2024, are shown in the following table:

	Measurement Date December 31, 2024
Total Pension Liability / (Asset)	\$ 4,716,284,644
Plan Fiduciary Net Position	\$ 4,716,284,644
Employers' Net Pension Liability / (Asset)	\$ -
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%

Actuarial Assumptions

The actuarial valuation for the Statewide Defined Benefit Plan was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuation used the following actuarial assumption and other inputs:

:

De BEQUE Fire Protection District
Notes to the Financial Statements
December 31, 2025

Note 5 - Employee Retirement Statewide Plan-continued

	Total Pension Liability	Actuarial Determined Contribution
Actuarial Valuation Date	January 1, 2025	January 1, 2024
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*	7.00%	7.00%
Projected salary Increases*	4.25% - 11.75%	4.25% - 11.75%
Cost of Living adjustments (COLA)	0%	0%
*Includes Inflation at	2.50%	2.50%

For determining the total pension liability, 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 assumption uses 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. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 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 2023 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 & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2024. 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, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	33%	7.00%
Equity Long/Short	6%	6.20%
Private Markets	34%	8.80%
Fixed Income-Rates	7%	5.00%
Absolute Return	9%	5.70%
Fixed Income-Credit	7%	6.50%
Cash	4%	4.202%
Total	<u>100%</u>	

De BEQUE Fire Protection District
Notes to the Financial Statements
December 31, 2025

Note 5 - Employee Retirement Statewide Plan-continued

Actuarial 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.

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 the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.08 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1.00% Decrease 6%	Current Discount Rate 7%	1.00% Increase 8%
Department's proportionate share of the net pension liability/(asset)	\$ 431,818	\$ 0	\$ 0

De BEQUE Fire Protection District
Notes to the Financial Statements
December 31, 2025

Note 5 - Employee Retirement Statewide Plan-continued

Reconciliation of Collective Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 212,638	\$ 6,651
Changes in assumptions	76,101	-
Net difference between actual and projected earnings on pension plan investments	30,207	-
Changes in proportion and difference between Department contributions and proportionate share of contributions	13,665	-
Department contributions subsequent to the measurement date	115,874	-
Total	<u>\$ 448,485</u>	<u>\$ 6,651</u>

The following table presents the SWDB plan net amounts of collective deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter.

For the Plan Year Ended December 31,	Amounts Recognized in Collective Pension Expense
2025	\$ 86,968
2026	128,502
2027	9,089
2028	13,480
2029	29,625
Thereafter	44,631

Collective Pension Expense

	For the Plan Year Ended December 31, 2024
Collective Pension Expense / (Income)	
Service Cost	\$ 219,252
Interest on the Total Pension Liability	264,147
Current-Period Benefit Changes	4,288
IRC 414(h)(2) Employer paid Member Contributions	(114,669)
Member Purchase of service Credit	(8,101)
Projected Earnings on Plan Investments	(263,626)
Pension Plan administrative Expense	6,391
Other Changes in Plan Fiduciary Net Position	(82)
Recognition of Outflow of Resources due to Liabilities	69,828
Recognition of Outflow of Resources due to Assets	(14,082)
Total Pension Plan Expense / (Income)	<u>\$ 163,346</u>

De BEQUE Fire Protection District
Notes to the Financial Statements
December 31, 2025

Note 6 - Statewide Death and Disability Plan

Plan Description – The District contributes to the Statewide Death and disability Plan (SWD & DP), a cost sharing multiple-employer death and disability plan administered by FPPA. The SWD & DP covers full-time employees of substantially all fire and police departments in Colorado. As of August 1, 2003, the SWD & DP may include part-time police and fire employees. Contributions to the SWD & DP are used solely for the payment of death and disability benefits. Employers who are covered by Social security may elect supplementary coverage by the Plan. The Plan was established in Section 1098 pursuant to Colorado Revised Statutes. FPA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the SWD & DP. That report can be obtained at www.fppaco.org.

Funding Policy – The District and/or employee is required to contribute at a rate of 3.6% of base salary for all members as set by statute. All contributions are made by members or on behalf of members. The 3.6% contribution may be paid entirely by the employer or the member, or it may be split between the employer and employee. The total contribution made by the District on behalf of the employees was \$37,571 equal to the required contribution for the year

REQUIRED SUPPLEMENTAL INFORMATION

De BEQUE Fire Protection District
Notes to the Financial Statements
For the Year Ended December 31, 2025

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Department's Proportionate Share of the Net Pension Liability/ (Asset)
Fire & Police Statewide Defined Benefit Plan
As of December 31,

	2025	2024
Department's proportion of the net pension liability/(asset)	.0885%	.0897%
Department's proportionate share of the net pension liability/(asset)	\$0	\$0
Department's covered payroll	\$1,140,512	\$1,095,219
Department's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	100%	100.0%

Schedule of Department Contributions
Fire & Police Statewide Defined Benefit Plan
As of December 31,

	2025	2024
Contractually required contribution	\$96,482	\$83,705
Contributions in relation to the contractually required contribution	\$106,893	\$93,605
Contribution deficiency (excess)	\$(10,411)	\$(9,900)
Department's covered payroll	\$1,140,512	\$1,095,219
Contributions as a percentage of covered payroll	10.67%	11.7%

De Beque Fire Protection District
Statement of Revenues, Expenditures
Actual and Budget
For the Year Ended December 31, 2025

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
General property taxes	\$ 2,108,638	\$ 2,077,380	\$ (31,258)
Specific ownership tax	192,000	158,139	(33,861)
Ambulance	21,600	87,849	66,249
Interest income	85,000	74,283	(10,717)
Miscellaneous	400,000	1,197,555	797,555
Total Revenues	<u>2,807,238</u>	<u>3,595,206</u>	<u>787,968</u>
Expenditures:			
Administrative:			
Salaries	1,415,860	1,610,758	(194,898)
Payroll benefits	301,000	365,993	(64,993)
SWDB Pension expense	-	115,874	(115,874)
Insurance	75,325	58,073	17,252
Office expense	68,900	57,897	11,003
Professional	25,000	10,792	14,208
Dues and fees	1,000	2,168	(1,168)
Crew supplies & equipment	2,000	8,389	(6,389)
Treasurers fees	42,500	45,710	(3,210)
Director's fees	8,000	5,700	2,300
Equipment repairs	15,500	21,004	(5,504)
Bad debt expense	-	17,704	(17,704)
Deployment expense	-	121,033	(121,033)
Firefighting expense:			
Supplies and expense	62,500	69,785	(7,285)
Communication:			
911 expense	11,000	15,613	(4,613)
Ambulance services:			
Supplies and expense	46,000	37,041	8,959
Building and Grounds:			
Supplies and expense	35,800	83,197	(47,397)
Total Expenditures	<u>2,110,385</u>	<u>2,646,732</u>	<u>(536,347)</u>
Capital Outlay Major	<u>2,773,860</u>	<u>387,733</u>	<u>2,386,127</u>
Debt Service			
Principal		300,000	
Total	<u>4,884,245</u>	<u>3,334,465</u>	<u>1,849,780</u>
Revenue Over (Under) Expenditures	<u>\$ (2,077,007)</u>	260,741	<u>\$ 2,637,748</u>
ADJUSTMENTS TO BUDGET BASIS:			
Beginning Fund Balance		2,401,305	
Ending Fund Balance		<u>\$ 2,662,046</u>	