

Berthoud Fire Protection District
Financial Statements and Supplementary Information
For the year ended December 31, 2023



Table of Contents

	Page
INDEPENDENT AUDITORS' REPORT	i-ii
Management's Discussion and Analysis	iii-vii
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	1
Statement of Activities	2
<i>Fund Financial Statements – Governmental Funds:</i>	
Balance Sheet	3
Reconciliation of Governmental Funds Balance Sheet with the Government-wide Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances with the Government-wide Statement of Activities	6
NOTES TO THE BASIC FINANCIAL STATEMENTS	7-33
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget Governmental Fund Type – General Fund	34
Schedule of Changes in Net Pension Liability/ (Asset) and Related Ratios —Volunteer Firefighters' Pension Plan —Last 10 Years.....	35
Schedule of Employer Contributions – Volunteer Firefighters' Pension Plan —Last 10 Years	36
Schedule of the District's Proportionate Share of the Net Pension (Asset)/Liability and Related Ratios – FPPA Statewide Defined Benefit Plan	37
Schedule of Employer Contributions – FPPA Statewide Defined Benefit Plan	38
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget Governmental Fund Type – Capital Projects Fund	39
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget Governmental Fund Type – Impact Fee Fund	40

Independent Auditors' Report

To the Board of Directors
Berthoud Fire Protection District

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Berthoud Fire Protection District, ("the District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of Berthoud Fire Protection District, as of December 31, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Berthoud 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 Berthoud 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. 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 Berthoud 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 the Berthoud Fire Protection District's ability to continue as a going concern for a reasonable period of time.

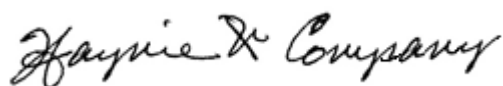
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund, and pension related schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary Information

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



Littleton, Colorado
May 14, 2024

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Berthoud Fire Protection 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, 2023, as required under the Governmental Accounting Standards Board Statement No. 34 (GASB 34). A comparative analysis of government-wide data is included in this report.

Financial Highlights

- The total assets and deferred outflows of resources of the District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,017,975. Total net position increased \$1,389,319 from 2022 which can be attributed to an increase in property tax revenue from assessed value and impact fee growth.
- As of the close of the current fiscal year, the District's general fund reported an ending fund balance of \$5,058,852, an increase of \$693,684 in comparison with the prior year. Of this total amount, \$176,016 is designated for the Emergency Fund per the TABOR Law.

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 are comprised of three components: 1) financial statements; 2) notes to the financial statements; 3) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

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

The Statement of Net Position presents information on all the District's assets, deferred outflows of resources, liabilities (both short-term and long-term), and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities shows 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unpaid salaries and benefits).

The District's financial statements can be found on pages 1 through 6 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 7-33 of this report.

Condensed Statements of Net Position

	Governmental Activities 2022	2023	Increase/ Decrease
Cash and investments	\$ 8,062,428	\$ 8,125,522	\$ 63,094
Other assets	8,289,030	7,647,674	\$ (641,356)
Capital assets	3,749,766	5,256,334	\$ 1,506,568
Total assets	<u>20,101,224</u>	<u>21,029,530</u>	<u>928,306</u>
Deferred outflows of resources	<u>1,054,550</u>	<u>2,079,596</u>	<u>1,025,046</u>
Current and other liabilities	294,824	878,112	583,288
Long-term liabilities	1,418,891	1,462,843	43,952
Total liabilities	<u>1,713,715</u>	<u>2,340,955</u>	<u>627,240</u>
Deferred inflows of resources	<u>7,813,403</u>	<u>7,750,196</u>	<u>(63,207)</u>
Net investment in			
Capital assets	3,739,177	5,016,447	1,277,270
Restricted for TABOR	174,188	176,016	1,828
Restricted - Pension	1,407,648	-	(1,407,648)
Unrestricted	6,307,643	7,825,512	1,517,869
Total net position	<u>\$ 11,628,656</u>	<u>\$ 13,017,975</u>	<u>\$ 1,389,319</u>

Condensed Statements of Activities

	Governmental Activities		Increase/ Decrease
	2022	2023	
Program Revenues			
Operating grants and contributions	\$ 222,314	\$ 48,647	\$ (173,667)
General Revenues			-
Property Taxes	5,464,746	6,325,060	860,314
Specific Ownership Taxes	374,154	392,215	18,061
Impact Fees	275,015	504,363	229,348
Investment Earnings	139,110	426,384	287,274
Other income	153,495	103,954	(49,541)
Total Revenues	<u>6,628,834</u>	<u>7,800,623</u>	<u>1,171,789</u>
Expenses			
Fire protection and emergency services	<u>5,752,357</u>	<u>6,411,304</u>	<u>658,947</u>
Total Expenses	<u>5,752,357</u>	<u>6,411,304</u>	<u>658,947</u>
Increase (decrease) in Net Position	876,477	1,389,319	512,842
Beginning Net Position	10,752,179	11,628,656	(876,477)
Ending Net Position	<u>\$ 11,628,656</u>	<u>\$ 13,017,975</u>	<u>\$ 1,389,319</u>

While the Statement of Net Position shows an increase in the District's financial position, the Statement of Activities provides answers concerning the nature and source of these changes. The Statement of Activities shows an 18% increase in revenues which mainly consisted of an increase in property tax revenues, impact fees and investment earnings. Although all of these revenue streams may be volatile, including property tax revenue due to oil & gas assessed values, management has strategically budgeted and planned to build reserves improve the financial health of the district in the case of decreased revenue.

General Fund Budgetary Highlights

The table on the following page illustrates the difference of the original budget to actuals for 2023.

The District was in a reasonable position for budget vs actual for all revenue line items except interest revenue. Interest revenue was \$324,932 with a budget of \$20,000 causing it to be \$304,932 over budget. Due to the volatility and uncertainty of the market and interest rates, the district takes a conservative approach budgeting this line item as interest income is not guaranteed income. Due to the nature of this income, the districts intent is to use revenue items such as interest revenue to build reserves.

Overall revenues were higher than budget and expenditures were below budget for 2023. The District put an emphasis on managing budgeted expenditures in areas such as necessary overtime to cover district staff needs while personnel is out on wildland assignments and other operations needs such as maintenance and equipment. This resulted in a favorable position of \$403,357 for expenditures.

The District has emphasized growing the reserve balance for capital needs.

The District continues to maintain the former, Berthoud Area Community Center, now known as Berthoud Fire Protection District, Phil Pennock Training Facility & Public Meeting Rooms, which it owns, operates and budgets for within the General Operating Fund.

Revenues Budget Overview & Variances

General Fund

	Original Budget		Final Budget		Actual		Variance
Revenues							
Total Taxes	\$	6,118,592	\$	6,118,592	\$	6,139,529	\$ 20,937
Interest	\$	20,000	\$	20,000	\$	324,932	304,932
Total Other		119,941		119,941		84,399	(35,542)
Total Revenues	\$	6,258,533	\$	6,258,533	\$	6,548,860	\$ 290,327

Expenditures Budget Overview & Variances

General Fund

	Original Budget		Final Budget		Actual		Variance
Expenditures							
Personnel	\$	4,911,472	\$	4,911,472	\$	4,696,496	\$ 214,976
Building & Land		161,332		161,332		165,709	(4,377)
Vehicles & Equipment		411,483		411,483		306,290	105,193
Communications & IT		110,622		110,622		80,215	30,407
Travel & Training		145,270		145,270		131,339	13,931
Managerial		518,354		518,354		472,143	46,211
Debt Service		-		-		2,984	(2,984)
Total Expenditure	\$	6,258,533	\$	6,258,533	\$	5,855,176	\$ 403,357

Capital Assets

The District continued construction in 2023 that was ongoing for over a year. There was a total of \$1,372,234 allocated to construction in process for 2023. There were miscellaneous equipment and staff vehicles purchased during the year for the ordinary course of business. The district purchased a Type III Engine during FY 2023.

Long-term Debt

The District entered into a new lease agreement during 2022 to purchase apparatus. Due to the state of economy, there is a delay in the build of major apparatus therefore an escrow balance of \$904,529 remained as of December 31, 2023. See note 5 on page 20 for more information regarding this lease agreement and long-term liabilities.

Economic Factors and Next Year's Budgets and Rates

The State of Colorado in 1982 amended the state constitution enacting what is known as the Gallagher Amendment. The District, due to the passing of the De-Gallagher ballot question in 2018, will maintain an assessed value of 7.15%. Assessed values for the District may be volatile in the upcoming years due to oil & gas revenues.

Due to legislation passing SB22-238 and SB23B-001, the district lost \$624,453 in property tax revenue for FY 2024. Shortly after the passing of these bills the state announced that there would be backfill for the entire amounts to be distributed back to the special taxing district. There is no certainty that this backfill will continue for the ongoing years, therefore management will budget and plan accordingly if the District will face any lost revenue as a result of these bills. At the moment, the Board of Directors and management do not believe these lost revenues will materially impact the financial health of the district.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Officer, Berthoud Fire Protection District, 275 Mountain Ave., PO Box 570, Berthoud, CO, 80513.

Basic Financial Statements

Berthoud Fire Protection District

Statement of Net Position

December 31, 2023

Assets	Governmental Activities
Current assets:	
Cash and cash equivalents	\$ 202,839
Cash held with county treasurer	30,213
Restricted cash	1,080,545
Investments	6,811,925
Property taxes receivable	7,501,429
Other receivables	5,218
Prepaid items	141,027
Total current assets	<u>15,773,196</u>
Long-Term assets:	
Capital assets, non depreciable	2,193,808
Capital assets, net of accumulated depreciation	<u>3,062,526</u>
Total long-term assets	<u>5,256,334</u>
Total assets	<u><u>\$ 21,029,530</u></u>
Deferred Outflows of Resources	
Deferred outflows related to pension - Volunteer Plan	39,230
Deferred outflows related to pension - SWDB Plan	<u>2,040,366</u>
Total deferred outflows of resources	<u>2,079,596</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 306,914
Accrued wages	<u>124,245</u>
Total current liabilities	<u>431,159</u>
Noncurrent liabilities:	
Due within one year	325,169
Due in more than one year	1,183,960
Net pension liability - SWDB plan	307,313
Net pension liability - Volunteer plan	<u>93,354</u>
Total noncurrent liabilities	<u>1,909,796</u>
Deferred Inflows of Resources	
Deferred property tax revenue	7,501,429
Deferred inflows related to pension - SWDP Plan	<u>248,767</u>
Total deferred inflows of resources	<u>7,750,196</u>
Net Position	
Net investment in capital assets	5,016,447
Restricted for TABOR	176,016
Unrestricted	<u>7,825,512</u>
Total net position	<u><u>\$ 13,017,975</u></u>

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

Berthoud Fire Protection District
Statement of Activities
For the Year Ended December 31, 2023

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities				
Administration	2,452,803	\$ -	\$ 7,896	\$ (2,444,907)
Firefighting	3,226,287	-	-	(3,226,287)
Deployment	30,829	-	40,751	9,922
Community Services	113,928	-	-	(113,928)
Communications	51,783	-	-	(51,783)
Training	54,538	-	-	(54,538)
Fire Repair Services	235,622	-	-	(235,622)
EMS	12,146	-	-	(12,146)
Stations and Grounds	141,697	-	-	(141,697)
Health and Safety	41,077	-	-	(41,077)
Interest on long-term debt	50,593	-	-	(50,593)
Total governmental activities	<u>\$ 6,411,304</u>	<u>\$ -</u>	<u>\$ 48,647</u>	<u>(6,362,657)</u>
General revenues:				
Property taxes				6,325,060
Specific ownership taxes				392,215
Impact fees				504,363
Interest				426,384
Gain on sale of assets				100,833
Miscellaneous				<u>3,121</u>
Total General Revenues				<u>7,751,976</u>
Change in net position				1,389,319
Net position - beginning of year				<u>11,628,656</u>
Net position - end of year				<u>\$ 13,017,975</u>

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

Berthoud Fire Protection District
Governmental Funds Balance Sheet
December 31, 2023

	General Fund	Capital Projects Fund	Impact Fee Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 193,193	\$ -	\$ 9,646	\$ 202,839
Investments	4,613,490	361,784	1,836,651	6,811,925
Cash held with county treasurer	30,213	-	-	30,213
Property taxes receivable	6,827,124	674,305	-	7,501,429
Other receivables	5,218	-	-	5,218
Prepaid items	141,027	-	-	141,027
Restricted cash	176,016	904,529	-	1,080,545
Due from other funds	98,470	35,773	-	134,243
	<u>\$ 12,084,751</u>	<u>\$ 1,976,391</u>	<u>\$ 1,846,297</u>	<u>\$ 15,907,439</u>
Liabilities				
Accounts payable	74,530	232,384	-	\$ 306,914
Accrued wages	124,245	-	-	124,245
Due to other funds	-	-	134,243	134,243
	<u>198,775</u>	<u>232,384</u>	<u>134,243</u>	<u>565,402</u>
Deferred Inflows of Resources				
Deferred property tax revenue	6,827,124	674,305	-	7,501,429
Total deferred inflows of resources	<u>6,827,124</u>	<u>674,305</u>	<u>-</u>	<u>7,501,429</u>
Fund Balances				
Nonspendable:				
Prepaid items	141,027	-	-	141,027
Restricted:				
Statutory emergencies	176,016	-	-	176,016
Capital projects	-	904,529	-	904,529
Assigned	-	165,173	1,712,054	1,877,227
Unassigned	4,741,809	-	-	4,741,809
	<u>5,058,852</u>	<u>1,069,702</u>	<u>1,712,054</u>	<u>7,840,608</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 12,084,751</u>	<u>\$ 1,976,391</u>	<u>\$ 1,846,297</u>	<u>\$ 15,907,439</u>

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

Berthoud Fire Protection District
Reconciliation of the Governmental Fund Balance Sheet
With the Government-Wide Statement of Net Position
December 31, 2023

Fund Balance - Total Governmental Fund	\$ 7,840,608
---	--------------

Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the governmental fund financial statements.

Cost of capital assets	10,740,518	
Less accumulated depreciation and amortization	<u>(5,484,184)</u>	5,256,334

Long-term liabilities, consisting of long-term debt, financed purchases, and compensated absences, are not due from current financial resources, and therefore are not reported as liabilities in the governmental funds balance sheet.

Accrued compensated absences	(357,035)	
Right-to-use lease liability	(7,678)	
Lease purchase	<u>(1,144,416)</u>	(1,509,129)

Net pension asset and liability amounts and the related deferred inflows and deferred outflows of resources are not current financial resources or due and payable in the current period and therefore are not reported in the fund financial statements.

Net pension liability - SWDB	(307,313)	
Net pension liability- Volunteer	(93,354)	
Deferred outflows of resources related to pension	2,079,596	
Deferred inflows of resources related to pension	<u>(248,767)</u>	<u>1,430,162</u>

Net position of governmental activities	\$ <u>13,017,975</u>
--	-----------------------------

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

Berthoud Fire Protection District
Statement of Revenues, Expenditures,
and Changes in Fund Balances
December 31, 2023

	General Fund	Capital Projects Fund	Impact Fee Fund	Total Governmental Funds
Revenues				
Property taxes	\$ 5,755,707	\$ 569,353	\$ -	\$ 6,325,060
Specific ownership taxes	383,822	8,393	-	392,215
Charges for services	32,631	-	471,732	504,363
Interest	324,932	41,957	59,495	426,384
Intergovernmental	40,751	-	-	40,751
Grant revenue	7,896	-	-	7,896
Other income	3,121	-	-	3,121
	<u>6,548,860</u>	<u>619,703</u>	<u>531,227</u>	<u>7,699,790</u>
Total Revenues				
Expenditures				
Current:				
Personnel expenses	4,696,496		-	4,696,496
Building and land	165,709	-	-	165,709
Vehicles and equipment	306,290	-	-	306,290
Communications and IT	80,215	-	-	80,215
Travel and training	131,339	-	-	131,339
Managerial	472,143	10,415	-	482,558
Capital outlay	-	1,860,508	137,379	1,997,887
Debt service:				
Principal	2,871	-	166,766	169,637
Interest	113	-	50,593	50,706
	<u>5,855,176</u>	<u>1,870,923</u>	<u>354,738</u>	<u>8,080,837</u>
Total Expenditures				
Excess of Revenues over Expenditures	<u>693,684</u>	<u>(1,251,220)</u>	<u>176,489</u>	<u>(381,047)</u>
Other Financing Sources				
Proceeds from sale of capital assets	-	131,058	-	131,058
Total Other Financing Sources	-	131,058	-	131,058
Net Change in fund balance	<u>693,684</u>	<u>(1,120,162)</u>	<u>176,489</u>	<u>(249,989)</u>
Fund balance:				
Beginning of the year	4,365,168	2,189,864	1,535,565	8,090,597
End of the year	<u>\$ 5,058,852</u>	<u>\$ 1,069,702</u>	<u>\$ 1,712,054</u>	<u>\$ 7,840,608</u>

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

Berthoud Fire Protection District

Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Activities To The Statement of Activities December 31, 2023

Net change in fund Balance - governmental funds \$ (249,989)

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report depreciation and amortization expense, the allocation of the cost of any depreciable asset over their estimated useful life of the asset. Therefore, this is the amount of capital outlay, net of depreciation and amortization expense, in the current

Capital outlay	1,895,413	
Depreciation and amortization expense	<u>(358,620)</u>	1,536,793

The issuance of long-term debt (e.g. lease purchases and other debt) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayment of long-term debt	169,637
---------------------------------------	---------

Changes in assets, liabilities, deferred outflows of resources, and deferred inflows of resources related to the District's defined benefit and volunteer retirement plans are recognized on the statement of activities and are not reflected as an expense on the statement of revenues, expenditures, and changes in fund balance.

53,342

The net effect of the sale of capital assets (disposal of related assets) is recorded in the statement of activities and not in the governmental funds.

(30,225)

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

Change in compensated absences	<u>(90,239)</u>
--------------------------------	-----------------

Change in net position of governmental activities

\$ 1,389,319

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

Berthoud Fire Protection District

Notes to Financial Statements

December 31, 2023

1. Definition of Reporting Entity

The Berthoud Fire Protection District (the "District") was established on June 26, 1950 as a Special District to provide fire protection and prevention services to certain areas of Larimer, Boulder and Weld Counties.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. A summary of the District's significant accounting policies applied in the preparation of these financial statements follows.

2. Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- A. Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- B. Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The District meets the criteria of an "other standalone government."

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Basic Financial Statements

The District's basic financial statements include the accounts and funds of all District operations. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

The financial statements of the Berthoud Fire Protection District (District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. Governmental activities are generally supported by taxes, charges for services and intergovernmental revenues. There are no business-type activities in the District for the year ended December 31, 2023.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those 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 instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund balance, revenues and expenditures/expenses. The focus of governmental fund financial statements is on the major funds rather than the reporting funds by type. Funds are organized into three major categories: governmental, proprietary and fiduciary. The District has three governmental funds.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are taken into account when they are earned, regardless of when they are collected; expenditures are reflected as soon as the liabilities are incurred, regardless of when they are paid. 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 accounted for using the current financial resources measurement focus and these funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, ("GASB No. 33") the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying nonexchange transaction occurs, when an enforceable legal claim has arisen., when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Governmental funds are used to account for all or most of the government's general activities.

The following are the District's major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition of equipment, apparatus or the construction of stations and station additions.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Impact Fee Fund - The Impact Fee Fund is a capital projects fund used to account for financial resources to be used for defraying projected impacts on capital facilities caused by new developments.

Budgets and Budgetary Accounting

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

- By October 15, the District staff submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted by the District Board of Directors to obtain taxpayer comments.
- In most years, prior to December 31, the budget is legally enacted through passage of a resolution. The resolutions can be adjusted by the Board for unforeseen circumstances. Equal line-item adjustments must be approved by the Board.
- Any budget revisions that alter the total expenditures of any fund must be approved by the District Board of Directors through passage of a resolution.
- The District legally adopts a budget for the governmental funds on its basis of accounting.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months.

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2023. Property taxes levied on December 31, 2023 are identified as property taxes receivable and deferred inflows of resources.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable District activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which are as follows:

Building/Improvements	20-50 years
Fire apparatus and equipment	3-15 years

Accrued Absences

The District's policy permits employees to accumulate earned, but unused, vacation and sick pay benefits. Vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

All employees earn vacation at varying annual rates based on years of employment. Nonexempt full-time uniformed employees working 24-hour shifts cannot accrue more than 120 hours above their annual allocation amounts. Nonexempt or exempt full-time uniformed employees and exempt administrative office staff working 40 hours a week may accumulate no more than 160 hours of vacation time above their annual allocation amounts.

Sick leave is earned and accumulated at a rate of 1 hour for every 16 hours worked, with the exception of fire suppression and emergency medical employees. Fire suppression and emergency medical employees accrue sick leave at a rate of 4.25 hours per pay period. Unused sick leave of up to 120 hours for permanent full-time uniformed employees and up to 96 hours for permanent part-time employees can be accumulated but may only be used in the event of illness or injury and is not paid upon termination of employment with the District.

Accrued Liabilities and Long-Term Obligations

All payables are reported in the government-wide financial statements. In general, payables that will be paid from governmental funds are reported on the governmental fund financial statements, regardless of whether they will be liquidated with current resources. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable and available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources at the District primarily relate to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Net Position and Fund Balance

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

- *Unassigned fund balance* – amounts that are available for any purpose.

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

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which they are levied provided they become available and measurable. Property tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

Leases

The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Pensions

The District participates in the Volunteer Firefighters' Pension Plan (the Volunteer Plan), an agent multiple-employer Public Employee Retirement System affiliated with the Fire and Police Pension Association of Colorado (FPPA) for the purpose of administering the plan and managing the funds of the plan for investment.

In addition, the District participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

The District implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended December 31, 2023. Statement 96, in general, requires the recognition of an intangible right-to-use asset for certain information technology agreements, along with a corresponding liability. Implementation of the new accounting standard requires retroactive application.

The District had no software arrangements that met the definition for recognition under GASB Statement No. 96 for the year ended December 31, 2023 and implementation had no effect on the financial statements.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

3. Cash and Investments

Custodial Credit Risks – Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits.

As of December 31, 2023, the District had cash deposits with a bank balance of \$191,642 and a carrying balance of \$202,445.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- certificates of deposit with an original maturity in excess of three months
- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a specific policy for custodial credit risk. As of December 31, 2023, the District's deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation or collateralized in accordance with PDPA.

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

3. Cash and Investments (continued)

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

Local Government Investment Pools

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AA+ by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Cash and investments as of December 31, 2023 are classified on the Statement of Net Position as follows:

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

3. Cash and Investments (continued)

As reported on statement of net position:

Cash with county treasurer	\$ 30,213
Cash and cash equivalents	202,839
Restricted cash	1,080,545
Investments	<u>6,811,925</u>
Total cash and investments	<u><u>\$ 8,125,522</u></u>

Cash and investments as of December 31, 2023 consist of the following:

Petty cash	\$ 394
Cash with the County Treasurer	30,213
Deposits with financial institutions	202,445
Investments	<u>7,892,470</u>
	<u><u>\$ 8,125,522</u></u>

Restricted Investments

The Board of Directors has established an emergency reserve savings account pursuant to Article X, Section 20, of the Colorado Constitution, otherwise known as TABOR. The District's emergency reserve, reported as restricted net position and restricted fund balance, is \$176,016 as of December 31, 2023.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

4. Capital Assets

The following table presents capital asset activity of the District for the year ended December 31, 2023:

	Balance at December 31, 2022	Additions	Disposals/ Retirements	Balance at December 31, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 807,361	\$ -	\$ -	\$ 807,361
Construction in progress	14,213	1,372,234	-	1,386,447
Total Capital assets, not being depreciated	821,574	1,372,234	-	2,193,808
Capital assets, being depreciated:				
Buildings and Improvements	3,000,191	67,007	-	3,067,198
Trucks and vehicles	3,543,371	425,512	(127,589)	3,841,294
Fire apparatus and equipment	628,576	-	-	628,576
Medical rescue equipment	182,289	30,660	-	212,949
Communication equipment	723,822	-	-	723,822
Office and administration	59,560	-	-	59,560
Right-to-use lease	13,311	-	-	13,311
Total capital assets being depreciated/amortized	8,151,120	523,179	(127,589)	8,546,710
Accumulated depreciation/amortization	(5,222,928)	(358,620)	97,364	(5,484,184)
Total Capital Assets, Depreciated/Amortized, Net	2,928,192	164,559	(30,225)	3,062,526
Total Capital Assets, Net	\$ 3,749,766	\$ 1,536,793	\$ (30,225)	\$ 5,256,334

Depreciation was charged to the functions/programs of the primary government as follows:

Governmental activities:	
Administration	\$ 867
Firefighting	190,671
Emergency medical services	13,596
Communications	42,892
Station and grounds	110,594
Total depreciation and amortization expense	\$ 358,620

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

5. Long-Term Liabilities

Changes in Long-Term Liabilities

The following is an analysis of the changes in long-term obligations:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Amounts Due Within One Year
Financed purchase	\$ 1,311,182	\$ -	\$(166,766)	\$ 1,144,416	\$ 173,186
Right-to-use lease liability	10,549	-	(2,871)	7,678	2,983
Compensated absences	266,796	270,784	(180,545)	357,035	149,000
Total Long-Term Debt	<u>\$ 1,588,527</u>	<u>\$ 270,784</u>	<u>\$(350,182)</u>	<u>\$ 1,509,129</u>	<u>\$ 325,169</u>

Compensated absences are liquidated through the General Fund.

Leases

Financed purchase liability

Effective June 21, 2022, the District entered into a lease purchase obligation with Zions Bancorporation, N.A. in the amount of \$1,502,715 to finance the purchase of vehicles. The lease requires annual payments of principal and interest according to a payment schedule reflecting interest at 3.85%. Some assets have not delivered as of year end. \$904,529 is reflected as restricted cash, which is being held in escrow by the lessor.

Annual debt service requirements for the outstanding lease obligation as of December 31, 2023 are as follows:

Year Ending December 31,	
2024	\$ 217,246
2025	217,246
2026	217,246
2027	217,246
2028	217,246
Thereafter	<u>217,246</u>
Total minimum lease payments	1,303,476
Less amount representing interest	<u>(159,060)</u>
Present value of future minimum lease payments	<u>\$ 1,144,416</u>

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

5. Long-Term Liabilities (continued)

Right-to-use lease liability

The District has entered into a lease agreement for a copier allowing the right-to-use the equipment over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the lease.

The lease rate, term and ending lease liability are as follows:

	<u>Interest rate</u>	<u>Liability at Commencement</u>	<u>Lease Term in Years</u>	<u>Ending Balance</u>
Leased copier	3.85%	\$ 13,311	3.5	\$ 7,678

The future principal and interest payments as of December 31, 2023 are as follows:

Year Ending December 31,	
2024	\$ 3,216
2025	3,216
2026	<u>1,607</u>
Total minimum lease payments	8,039
Less amount representing interest	<u>(361)</u>
Present value of future minimum lease payments	<u><u>\$ 7,678</u></u>

The net value of the right-to-use asset as December 31, 2023 was \$7,343 which includes accumulated amortization of \$5,968.

Line Of Credit

The District has a line of credit with a bank that matures on November 1, 2024. The line allows borrowing in the amount of \$500,000 and bears interest at the greater of 4.500% or the New York Prime Rate as published in the *Wall Street Journal* plus 1.00% (9.50% as of December 31, 2023). The District did not draw on the line of credit during 2023, and there is no outstanding balance at December 31, 2023.

6. Risk Management

The District is exposed to various risks of loss related to various torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

7. Defined Benefit Pension Plans

The District currently maintains two separate defined benefit pension plans. The plans cover paid participating firefighters hired prior to associating with Fire and Police Pension Association of Colorado including new hires, paid administrative personnel and all volunteer firefighters. The FPPA is responsible for the physical safekeeping and investing of such contributions as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the plan. The following tables present combining information relating to the District's Defined Benefit Pension Plans as of the year ended December 31, 2023:

Volunteer Firefighters' Plan

Plan Description. The District has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado ("FPPA") under their Public Employee Retirement System (PERS). PERS represents the assets of numerous separate plans that have been pooled for investment purposes.

Under the FPPA affiliation agreement, the District is responsible for the collection and transmission of all contributions to the Volunteer Plan. FPPA is responsible for the physical safekeeping and investing of such contributions, as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the Volunteer Plan.

All District volunteer firefighters participate in this agent-multiple employer noncontributing local defined benefit pension plan administered by FPPA. The Berthoud Fire Protection District Pension Board of Trustees (the Trustees), which includes District Board members and two District volunteer firefighters, has authority to amend benefit payments.

As of December 31, 2023, the Plan has 20 retirees and beneficiaries, 1 inactive, nonretired members, and no active members, for a total of 21 members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at www.fppaco.org.

Benefits Provided. The Volunteer Plan provides retirement, disability and death benefits. Volunteer firefighters with at least 10 years of service and who are at least 50 years of age are eligible to receive retirement benefits. Benefit terms are established and may be amended by the Trustees. Benefits provided under the Volunteer Plan are as follows:

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

7. Defined Benefit Pension Plans (continued)

Age and service retirement after age 50 with 20 years of credited service (monthly)	\$ 400
Vested retirement benefit (monthly):	
With 10 to 20 years of service, amount per year of service per minimum vesting years	\$ 20
Minimum vesting years	10
Disability retirement benefit (monthly):	
Short term	\$ 200
Long term	\$ 200
Surviving spouse death benefit (monthly):	
Following death before retirement eligible,	
death in the line of duty	\$ 200
Following death after normal retirement	\$ 200
Following death after vested retirement with 10 to 20 years of service, amount per year of service	
per minimum vesting years	\$ 10
Funeral benefit lump sum, one time only	\$ 200

Funding Policy. The District makes contributions in accordance with Colorado Revised Statutes (C.R.S.), based upon Trustees-established benefits and funding requirements based on actuarial study. The State of Colorado contributes a matching share up to a maximum of 90% of the District's contribution. For the year ended December 31, 2023, the District contributed \$12,264 to the Plan.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the District reported a net pension liability of \$93,354 for this Plan.

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2023.

For the year ended December 31, 2023, the District recognized pension expense of \$35,560.

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. Defined Benefit Pension Plans (continued)

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	\$ 26,966	\$ -
District contributions subsequent to the measurement date	<u>12,264</u>	<u>-</u>
Total	<u><u>\$ 39,230</u></u>	<u><u>\$ -</u></u>

The \$12,264 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amortization
2024	\$ (3,280)
2025	3,727
2026	9,304
2027	<u>17,215</u>
	\$ 26,966

Actuarial assumptions

The total pension liability and actuarially determined contributions as of the measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

7. Defined Benefit Pension Plans (continued)

	Actuarially Determined Contributions
Actuarial Valuation Date	January 1, 2021*
Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	20 years
Investment Rate of Return	7.00%
Asset Valuation Method	5-Year smoothed fair value
Retirement Age	50% per year of eligibility until 100% at age 65
Includes Inflation at	2.50%
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

* Actuarial determined contribution rates are calculated as of January 1 of odd numbered years. The contributions rates have a one-year lag, so the actuarial valuation as of January 1, 2021, determines the contribution amounts for 2022 and 2023.

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).

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

7. Defined Benefit Pension Plans (continued)

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (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)). Based on the assumption that the pension plan’s fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees, the resulting Single Discount Rate is 7.00%.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.0%	3.92%
Fixed Income - Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Long Short	6.0%	7.47%
Global Equity	35.0%	8.93%
Private Markets	34.0%	10.31%
Total	<u>100.0%</u>	

Sensitivity. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate this is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Projected Net Pension Liability</u>
1% Decrease to 6.00%	\$ 143,679
Single Discount Rate	93,354
1% Increase to 8.00%	49,926

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. Defined Benefit Pension Plans (continued)

Statewide Defined Benefit Plan (SWDBP)

Plan Description. Eligible employees of the District are provided with pensions through SWDBP, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided. SWDBP provides retirement and disability, annual increases and death benefits to members or their beneficiaries. A member is eligible for normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (rule of 80)

The annual normal retirement benefit 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 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 SWDB. 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 zero percent to the higher of 3.0 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

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

Contributions. Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings.

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. Defined Benefit Pension Plans (continued)

In 2022, members of the SWDBP and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

Contributions to the Plan from the District were \$285,988 for the year ended December 31, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the District reported a net pension liability of \$307,313 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The District's proportion of the net pension liability was based on District contributions to SWDBP for the calendar year 2022, relative to the total contributions of participating employers.

At December 31, 2022, the District's proportion was 0.346225 percent, which was an increase of 0.0173 from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the District recognized a pension expense of \$209,349. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

7. Defined Benefit Pension Plans (continued)

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 665,227	\$ 37,721
Changes of assumptions or other inputs	393,710	-
Net difference between projected and actual earnings on pension plan investments	695,441	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	211,046
District contributions subsequent to the measurement date	285,988	-
Total	<u>\$ 2,040,366</u>	<u>\$ 248,767</u>

The \$285,988 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ended December 31,	Amortization
2024	\$ 128,315
2025	260,836
2026	381,612
2027	540,641
2028	86,184
Thereafter	<u>108,023</u>
	\$1,505,611

Actuarial assumptions. The total pension liability and actuarially determined contributions as of the measurement date were determined using the following actuarial assumptions, applied to all periods included in the measurement for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumptions and other inputs:

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

7. Defined Benefit Pension Plans (continued)

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-Term Investment Rate of Return*	7.0%	7.0%
Projected Salary Increases	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments	0%	0%
Includes Inflation at*	2.5%	2.5%

For determining the total pension liability, 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 preretirement 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.

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 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, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

Sensitivity. The following presents the District's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate this is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

7. Defined Benefit Pension Plans (continued)

	Projected Net Pension (Asset) Liability
1% Decrease to 6%	\$ 2,118,578
Single Discount Rate	307,313
1% Increase to 8%	(1,193,000)

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income - Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
Total	100.0%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB 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.

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).

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

7. Defined Benefit Pension Plans (continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (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%.

8. Deferred Compensation Plans

The District participates in a deferred compensation plan (the 457 Plan) as defined under the Internal Revenue Code Section 457, which allows employees to make an elective deferral of a portion of their earned compensation to the 457 Plan. The 457 Plan is a multi-employer plan administered by FPPA. Amendments to the 457 Plan may be made by the 457 Plan trustee. The District does not match employee contributions to the 457 Plan. Employees who are participating members contributed \$133,342 pre-tax and \$26,577 after tax for the year-ended December 31, 2023.

The District also provides a 457 deferred compensation plan managed by a third-party administrator, Empower, for the purpose of providing retirement income and other deferred compensation benefits to eligible employees and beneficiaries. Eligible employees include administrative employees who work more than 20 hours per week with 12 consecutive months of service and who are not eligible for coverage in SWDBP offered by FPPA. The District will contribute an amount equal to the lesser of the amount agreed to by the participant and District or a percentage of participant compensation based on years of service. Employees who are participating members contributed \$49,268 pre-tax the District contributed \$17,341 pre-tax for the year-ended December 31, 2023.

9. Statewide Death and Disability Plan

The District contributes to the Statewide Death and Disability Plan (SWD&DP), a cost-sharing multiple-employer defined benefit death and disability plan administered by FPPA. All full-time firefighters are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by state statute and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for SWD&DP. That report may be obtained at www.fppaco.org.

The plan is funded by member contributions or contributions made on behalf of members. The District has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity.

Berthoud Fire Protection District
Notes to Financial Statements (continued)
December 31, 2023

9. Statewide Death and Disability Plan

The plan provides pre-retirement death benefits, as follows:

- Off-duty: 40% of the base salary paid to the member prior to death, with an additional 10% of base salary if a surviving spouse has two or more dependent children
- On-duty: 70% of the base salary paid to the member prior to death

Disability benefits, as follows:

- Total disability: 70% of the base salary preceding disability
- Permanent occupational disability: 50% of the base salary preceding disability
- Temporary occupational disability: 40% of the base salary preceding disability for up to five years

Benefit adjustments are granted periodically at the discretion of the FPPA Board of Directors. Total disability retirees receive an automatic increase of 3%. For other annuitants, the increase may reflect the Consumer Price Index for Urban Wage Earners and Clerical Workers, but in no case may be higher than 3%.

Once a member is eligible to retire, contributions to the plan and plan benefit obligations cease.

Contributions

The contribution requirements are established by state statutes. However, in accordance with C.R.S. 31-31-811(4), the FPPA Board of Directors, based on an annual actuarial valuation, may adjust the contribution rate every two years, but in no event may the adjustment for any two-year period exceed one-tenth of one percent of the member's salary.

Any decision regarding whether the employer or member contributes to the plan, or whether the contribution is paid jointly by the employer and the member, is determined by the District.

No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the District contributed 3.0% of base salaries on behalf of the members during the year ended December 31, 2023. Contributions to the plan for the year ended December 31, 2023 were \$96,383, equal to the required contributions.

Pension Liabilities, Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

The District has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the District does not report a net other post-employment benefits (OPEB) liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

Berthoud Fire Protection District

Notes to Financial Statements (continued)

December 31, 2023

9. Statewide Death and Disability Plan

OPEB Plan Fiduciary Net Position

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

10. TABOR Compliance

In November 1992, Colorado voters passed TABOR, which limits the revenue-raising and spending abilities of state and local governments. The limits on property taxes, revenue and fiscal year spending include allowable annual increases tied to inflation and local growth construction valuation. Fiscal year spending, as defined by the amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves.

TABOR requires voter approval for any increase in mill levy or tax rates, new taxes or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves of 1% of 1993 fiscal year spending, excluding bonded debt service, be established for declared emergencies, with 2% of fiscal year spending required in 1994 and 3% thereafter.

In 1996, the voters of the District approved the "de-Bruce" ballot issue to authorize the District to collect, retain and spend all revenue generated by its existing mill levy and future mill levies, which cannot be increased without voter approval, and from all other sources of revenue in excess of the limitations provided in TABOR for the purpose of providing increased fire protection by the purchase of additional equipment, staffing and other general expenditures. The District's management believes that it legally removed itself from TABOR's requirements. However, TABOR is complex and subject to future judicial interpretation, including the ability of government entities to obtain voter approval to "de-Bruce," including, but not limited to, the form and content of such ballot issues.

Berthoud Fire Protection District

Required Supplementary Information

Berthoud Fire Protection District
Schedule of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Governmental Fund Type—General Fund
December 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 5,772,834	\$ 5,755,707	\$ (17,127)
Specific ownership taxes	345,758	383,822	38,064
Charges for services	2,000	32,631	30,631
Interest	20,000	324,932	304,932
Intergovernmental	111,441	40,751	(70,690)
Grant revenue	-	7,896	7,896
Other Income	6,500	3,121	(3,379)
Total Revenues	<u>6,258,533</u>	<u>6,548,860</u>	<u>290,327</u>
Expenditures:			
Personnel	4,911,472	4,696,496	214,976
Building & Land	161,332	165,709	(4,377)
Vehicles & Equipment	411,483	306,290	105,193
Communications & IT	110,622	80,215	30,407
Travel & Training	145,270	131,339	13,931
Managerial	518,354	472,143	46,211
Debt service:			
Principal	-	2,871	(2,871)
Interest	-	113	(113)
Total Expenditures	<u>6,258,533</u>	<u>5,855,176</u>	<u>403,357</u>
Excess Revenue Over (Under)			
Expenditures	<u>-</u>	<u>693,684</u>	<u>693,684</u>
Fund Balance—Beginning of year	<u>4,116,970</u>	<u>4,365,168</u>	<u>248,198</u>
Fund Balance—End of Year	<u>\$ 4,116,970</u>	<u>\$ 5,058,852</u>	<u>\$ 941,882</u>

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

Berthoud Fire Protection District
Required Supplementary Information
Volunteer Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 9 Measurement Periods

Measurement period ended December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ 317	\$ 317	\$ 336	\$ 336	\$ 391
Interest on the total pension liability	38,090	39,963	42,754	43,797	46,635	47,795	49,388	50,712	50,401
Difference between expected and actual experience	39,076	-	(17,629)	-	(3,768)	-	(28,086)	-	24,322
Changes of assumptions	2,738	-	-	-	22,760	-	22,704	-	-
Benefit Payments	(59,280)	(73,906)	(56,380)	(60,960)	(62,760)	(64,360)	(66,760)	(70,560)	(71,324)
Net change in total pension liability	20,624	(33,943)	(31,255)	(17,163)	3,184	(16,248)	(22,418)	(19,512)	3,790
Total pension liability - Beginning	573,280	607,223	638,478	655,641	652,457	668,705	691,123	710,635	706,845
Total pension liability - Ending (a)	593,904	573,280	607,223	638,478	655,641	652,457	668,705	691,123	710,635
Plan fiduciary net position									
Contributions - employer	12,264	16,880	16,880	11,746	11,746	13,114	13,114	15,427	15,427
Net investment income	(46,439)	76,458	63,230	68,700	662	72,374	26,741	9,954	36,816
Benefit payments	(59,280)	(73,906)	(56,380)	(60,960)	(62,760)	(64,360)	(66,760)	(70,560)	(71,324)
Administrative expense	(6,018)	(5,854)	(4,708)	(7,065)	(5,163)	(6,449)	(994)	(1,051)	(1,044)
State of Colorado supplemental discretionary payment	15,192	25,763	-	10,571	11,803	11,803	13,884	13,884	18,240
Net change in plan fiduciary net position	(84,281)	39,341	19,022	22,992	(43,712)	26,482	(14,015)	(32,346)	(1,885)
Plan fiduciary net position - beginning	584,831	545,490	526,468	503,476	547,188	520,706	534,721	567,067	568,952
Plan fiduciary net position - end (b)	500,550	584,831	545,490	526,468	503,476	547,188	520,706	534,721	567,067
District's net pension liability - ending (a)-(b)	93,354	(11,551)	61,733	112,010	152,165	105,269	147,999	156,402	143,568
Plan fiduciary net position as a percentage of the total pension liability	84.28%	102.01%	89.83%	82.46%	76.79%	83.87%	77.87%	77.37%	79.80%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Berthoud Fire Protection District
Required Supplementary Information
Schedules of Employer Contributions
As of Measurement Period Ended

Volunteer Plan

<u>Period Ended</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>

12/31/2023	\$ 12,264	\$ 27,456	\$ 15,192	N/A**	N/A**
12/31/2022	12,264	12,264	-	N/A**	N/A**
12/31/2021	16,880	16,880	-	N/A**	N/A**
12/31/2020	16,880	22,317	5,437	N/A**	N/A**
12/31/2019	11,746	23,549	11,803	N/A**	N/A**
12/31/2018	11,746	24,917	13,171	N/A**	N/A**
12/31/2017	13,114	24,917	11,803	N/A**	N/A**
12/31/2016	13,114	26,998	13,884	N/A**	N/A**
12/31/2015	15,427	29,311	13,884	N/A**	N/A**
12/31/2014	15,427	33,667	18,240	N/A**	N/A**

Note: This schedule shows information for ten years.

Actuarially determined contributions rates are calculated as of January 1 of odd years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021, determines the contribution amounts for 2022 and 2023.

**** Ratio not applicable (N/A) since payroll is zero due to the plan covering volunteers.**

***** Includes both employer contribution and State of Colorado Supplemental Discretionary Payment**

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

Berthoud Fire Protection District
Required Supplementary Information
FPPA - Statewide Defined Benefit Plan
Schedules of Proportionate Share of the Net Pension and Related Ratios

<u>Statewide Defined Benefit Plan</u>						
<u>Period Ended*</u>	<u>Proportion of the Net Pension Liability/(Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)</u>	
12/31/2022	0.34623%	\$ 307,313	\$ 3,009,265	10.21%	97.60%	
12/31/2021	0.32885%	(1,782,142)	2,712,208	-65.71%	106.70%	
12/31/2020	0.30463%	(661,342)	2,470,236	-26.77%	101.90%	
12/31/2019	0.27890%	(151,735)	1,992,293	-7.62%	95.20%	
12/31/2018	0.24485%	309,551	1,698,539	18.22%	106.30%	
12/31/2017	0.24910%	(358,370)	1,476,167	-24.28%	98.21%	
12/31/2016	0.25536%	(92,270)	1,329,015	-6.94%	100.10%	
12/31/2015	0.23452%	4,134	1,137,638	0.36%	140.60%	
12/31/2014	0.22247%	(251,075)	1,115,371	-22.51%	139.00%	

* The amounts presented for each period ended were determined as of the measurement period - 12/31 of the prior year

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Berthoud Fire Protection District
Required Supplementary Information
Schedules of Employer Contributions

Statewide Defined Benefit Plan

<u>Period Ended</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/30/2023	\$ 285,988	\$ 285,988	\$ -	\$ 3,016,142	9.5%
12/31/2022	270,071	270,071	-	3,009,265	9.0%
12/31/2021	230,469	230,469	-	2,712,208	8.5%
12/31/2020	197,619	197,619	-	2,470,236	8.0%
12/31/2019	159,383	159,383	-	1,992,293	8.0%
12/31/2018	132,047	132,047	-	1,698,539	7.8%
12/31/2017	115,987	115,987	-	1,476,167	7.9%
12/31/2016	104,550	104,550	-	1,329,015	7.9%
12/31/2015	91,011	91,011	-	1,137,638	8.0%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

Berthoud Fire Protection District

Supplementary Information

Berthoud Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Capital Projects Fund
December 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 569,175	\$ 569,175	\$ 577,746	\$ 8,571
Interest	-	-	41,957	41,957
Total Revenues	<u>569,175</u>	<u>569,175</u>	<u>619,703</u>	<u>50,528</u>
Expenditures:				
Current:				
Administration	11,384	11,384	10,415	969
Capital outlay	<u>2,236,832</u>	<u>2,236,832</u>	<u>1,860,508</u>	<u>376,324</u>
Total Expenditures	<u>2,248,216</u>	<u>2,248,216</u>	<u>1,870,923</u>	<u>377,293</u>
Excess Revenue Over (Under)				
Expenditures	<u>(1,679,041)</u>	<u>(1,679,041)</u>	<u>(1,251,220)</u>	<u>427,821</u>
Other financing sources and (uses)				
Proceeds from sale of capital assets	-	-	131,058	131,058
Total other financing sources and (uses)	-	-	131,058	131,058
Net Change in fund balance	<u>(1,679,041)</u>	<u>(1,679,041)</u>	<u>(1,120,162)</u>	<u>558,879</u>
Fund Balance—Beginning of year	<u>1,229,019</u>	<u>1,229,019</u>	<u>2,189,864</u>	<u>960,845</u>
Fund Balance—End of Year	<u><u>\$ (450,022)</u></u>	<u><u>\$ (450,022)</u></u>	<u><u>\$ 1,069,702</u></u>	<u><u>\$ 1,519,724</u></u>

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

Berthoud Fire Protection District
Statement of Revenues, Expenditures
and Changes in Fund Balance—Actual and Budget
Impact Fee Fund
December 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Impact fee revenue	\$ 150,000	\$ 471,732	\$ 321,732
Earnings on deposits	-	59,495	59,495
Total Revenues	<u>150,000</u>	<u>531,227</u>	<u>381,227</u>
Expenditures:			
Current:			
Capital outlay	575,000	137,379	437,621
Debt Service	<u>108,361</u>	<u>217,359</u>	<u>(108,998)</u>
Total Expenditures	<u>683,361</u>	<u>354,738</u>	<u>328,623</u>
Excess Revenue Over (Under)			
Expenditures	<u>(533,361)</u>	<u>176,489</u>	<u>709,850</u>
Net Change in fund balance	(533,361)	176,489	709,850
Fund Balance—Beginning of year	<u>1,542,880</u>	<u>1,535,565</u>	<u>(7,315)</u>
Fund Balance—End of Year	<u><u>\$ 1,009,519</u></u>	<u><u>\$ 1,712,054</u></u>	<u><u>\$ 702,535</u></u>

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