

**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
**AUDITED FINANCIAL STATEMENTS**  
**WESTCLIFFE, COLORADO**

December 31, 2017

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Office of the State Auditor

September 21, 2018

## Table of Contents

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 2
<b>Management's Discussion and Analysis - Required Supplementary Information</b>	i - v
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	3
Statement of Activities	4
<b>Governmental Fund Financial Statements</b>	
Balance Sheet - Governmental Funds	5
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	8
<b>Notes to Financial Statements</b>	9 - 19
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenditures and Changes in Fund Balance Budget to Actual - General Fund	20
Schedule of Changes in Net Pension Liability / (Asset) and Related Ratios	21
Schedule of District Contributions	22

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**INDEPENDENT AUDITOR'S REPORT**

September 12, 2018

Board of Directors  
Wet Mountain Fire Protection District  
Westcliffe, Colorado

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of Wet Mountain Fire Protection District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of Wet Mountain Fire Protection District as of December 31, 2017, 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.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through v, the budgetary comparison information on page 20, the Schedule of Changes in Net Pension Liability on page 21, and the Schedule of District Contributions on page 22, be presented to supplement the basic financial statements. Such information, although not 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 management's discussion and analysis, the budgetary comparison, and the Pension Trust Fund 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.

Harren, Ross & DeNardo, Inc.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2017

As management of the Wet Mountain Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

**Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$1,912,408 (net position). Of this amount \$209,657 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position decreased by \$78,284.
- As of the close of the current fiscal year, the District's governmental fund reported ending fund balance of \$218,750, a decrease of \$156,174 in comparison with the prior year. This decrease is caused by expenditures being more than revenues in the general fund.
- At the end of the current fiscal year, unassigned fund balance of the general fund is \$206,281 or 27.49% of total general fund expenditures.
- Total revenues increased by \$159,181 from the previous year. The District received a grant in 2017 and had capital lease income in 2017 which created the most difference.

**Overview of the Financial Statements**

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

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

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

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

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, firemen's pension plan income / expense).

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2017

**Government-wide Financial Statements (Continued)**

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

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as State Statutes. The District has one fund, the General Fund, which is categorized as a Governmental fund.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds are reported using an accounting method called modified accrual accounting which has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the District's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation, which is a part of the fund financial statements, to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, which is considered to be a major fund.

The District adopts an annual appropriated budget for governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 5 - 8 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 - 19 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets exceeded liabilities by \$1,912,408 at the close of fiscal year 2017. Increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the District is improving or deteriorating over time.

**Management's Discussion and Analysis**  
**Wet Mountain Fire Protection District**  
December 31, 2017

**Government-Wide Financial Analysis (Continued)**

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

The following table reflects the condensed Statement of Net Position at December 31, 2017:

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Current and other assets	\$ 1,130,517	\$ 1,249,713
Capital assets	<u>1,162,931</u>	<u>934,251</u>
Total Assets	<u>2,293,448</u>	<u>2,183,964</u>
Deferred Outflow of Resources: Firemen's pension plan	<u>124,708</u>	<u>184,986</u>
<b>Liabilities:</b>		
Current and other liabilities	57,594	7,582
Current maturities of long term debt	40,237	43,357
Long-term liabilities outstanding	<u>89,763</u>	<u>-</u>
Total Liabilities	<u>187,594</u>	<u>50,939</u>
Deferred Inflow of Resources: Unavailable revenue – property tax	<u>318,154</u>	<u>327,319</u>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	1,032,931	890,894
Restricted	669,820	730,398
Unrestricted	<u>209,657</u>	<u>369,400</u>
Total Net Position	<u>\$ 1,912,408</u>	<u>\$ 1,990,692</u>

At the end of the current fiscal year, the Wet Mountain Fire Protection District is able to report a positive balance in all categories of net position. The purchase of capital assets with cash has decreased the net assets invested in capital assets net of related debt.

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains the requirements of setting an emergency reserve. This reserve cannot be accessed except for an unexpected disaster. This reserve amounts to \$12,100 as of December 31, 2017.

The Statement of Activities presents information showing how the Districts' net position changed during the most recent fiscal year. Revenues and expenses in this statement are recorded when earned or when a liability is incurred.

**Management's Discussion and Analysis**  
**Wet Mountain Fire Protection District**  
December 31, 2017

The following table reflects the condensed Statement of Activities for the year ended December 31, 2017:

**Government Wide Financial Analysis (Continued)**

	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,187	\$ 17,311
Operating Grants and contributions	73,225	30,745
General revenues:		
Property taxes	328,720	325,175
Specific ownership taxes	55,095	50,241
Unrestricted investment earnings	1,468	2,449
Other	3,382	4,475
Pension plan revenues	-	96,715
Gain (loss) on disposal of assets	-	4,500
Total Revenues	388,665	531,611
Expenses:		
Public safety	351,135	321,462
General government	123,126	146,925
Debt service-interest	7,822	2,679
Pension plan expenses	60,278	-
Total Expenses	542,361	471,066
Change in net position	78,284	60,545
Net position – beginning	1,990,692	1,930,230
Net position – ending	\$ 1,912,408	\$ 1,990,692

**Budgetary Highlights**

There were no amendments to the original budgets during 2017.

**Capital Asset and Debt Administration**

*Capital assets.* The District's investment in capital assets as of December 31, 2017 amounts to \$1,162,931 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, equipment, and improvements. The increase in the District's investment in capital assets for the current fiscal year was due to current year additions of equipment and real property for \$369,619 less the decrease due to current year depreciation of equipment and real property for \$140,939.

**Wet Mountain Fire Protection District's Capital Assets**

Substations	\$ 852,870
Equipment and furniture	2,458,600
Less: Accumulated depreciation	(2,148,539)
	\$ 1,162,931

Additional information on the District's capital assets can be found in the notes section on page 14 and 15 of this report.

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2017

*Long-term debt.* At the end of the current fiscal year, the District had capital leases outstanding of \$130,000. The capital leases of the District are not general obligations of the District and are paid solely from the District's revenues as appropriated in the annual budget.

Additional information on the District's long-term debt can be found in note G on page 15 of this report.

**Wet Mountain Fire Protection District's Capital Leases**

Capital lease payable	\$ <u>130,000</u>
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**Final Comments**

The District continues to strive to achieve its mission of providing affordable, efficient, and reliable community safety services.

**Request for Information**

This financial report is designed to provide a general overview of the Wet Mountain Fire Protection District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Wet Mountain Fire Protection District, Board of Directors, P.O. Box 324, Westcliffe, CO 81252-0324.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

<b>Assets</b>		
Cash and equivalents	\$	164,995
Certificates of deposit		58,583
Taxes receivable		322,797
Grant receivable		42,858
Prepaid expenses		7,903
Inventory		369
Net pension asset - firemen's pension plan		533,012
Capital assets - net of accumulated depreciation		1,162,931
	<b>Total Assets</b>	<u>2,293,448</u>
<b>Deferred Outflows of Resources</b>		
Related to firemen's pension plan		<u>124,708</u>
<b>Liabilities</b>		
Accounts payable		50,092
Accrued interest		4,896
Accrued expenses		2,606
Current maturities - capital lease		40,237
	<b>Total Current Liabilities</b>	<u>97,831</u>
<b>Non-current Liabilities</b>		
Capital lease - non-current		89,763
	<b>Total Liabilities</b>	<u>187,594</u>
<b>Deferred Inflow of Resources</b>		
Unavailable revenue - property tax		<u>318,154</u>
<b>Net Position</b>		
Invested in capital assets, net of related debt		1,032,931
Restricted for:		
Emergency		12,100
Firemen's pension fund		657,720
Unrestricted		209,657
	<b>Total Net Position</b>	<u>\$ 1,912,408</u>

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

**STATEMENT OF ACTIVITIES**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
For the Year Ended December 31, 2017

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<b>Expenses</b>		
Public safety	\$	351,135
General government		123,126
Debt service-interest		7,822
Pension plan expenses		<u>60,278</u>
<b>Total Program Expenses</b>		<u>542,361</u>
<b>Program Revenue:</b>		
Charges for services		2,187
Grants and contributions		<u>73,225</u>
<b>Total Program Revenues</b>		<u>75,412</u>
<b>Net Program (Expense) Revenue</b>		<u>(466,949)</u>
<b>General Revenues</b>		
Property taxes		328,720
Specific ownership taxes		55,095
Interest		1,468
Other revenues		<u>3,382</u>
<b>Total General Revenues</b>		<u>388,665</u>
<b>Change in Net Position</b>		(78,284)
<b>Net position at beginning of year</b>		<u>1,990,692</u>
<b>Net position at end of year</b>	<b>\$</b>	<u><u>1,912,408</u></u>

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

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 164,995
Certificates of deposit	58,583
Taxes receivable	322,797
Grant receivable	42,858
Inventory	369
<b>Total Assets</b>	<u>589,602</u>
<b>Liabilities</b>	
Accounts payable	50,092
Accrued expenses	2,606
<b>Total Liabilities</b>	<u>52,698</u>
<b>Deferred Inflow of Resources</b>	
Unavailable revenue - property tax	<u>318,154</u>
<b>Fund Balances</b>	
Nonspendable	369
Restricted	12,100
Unassigned	206,281
<b>Total Fund Balances</b>	<u>\$ 218,750</u>

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

**RECONCILIATION OF GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
WET MOUNTAIN FIRE PROTECTION DISTRICT  
December 31, 2017

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<b>Total Fund Balances - Total Government Funds</b>	\$ 218,750
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Net pension assets used in governmental activities were not current financial resources, therefore, they were not reported in the Governmental Funds Balance Sheet.	657,720
Capital assets used in governmental activities were not current financial resources, therefore, they were not reported in the Governmental Funds Balance Sheet.	1,162,931
Interest payable on capital lease did not require current financial resources, therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	(4,896)
Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the payments method and, therefore, are not reported as expenses in the Statement of Activities.	7,903
Long term debt liabilities for capital leases are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet. Long term debt was adjusted as follows:	
Long-term debt	<u>(130,000)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 1,912,408</u></b>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**WET MOUNTAIN FIRE PROTECTION DISTRICT  
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2017

	<b>General Fund</b>
<b>Revenues</b>	
Property taxes	\$ 328,720
Specific ownership tax	55,095
Interest	1,468
Grants and contributions	73,225
Charges for services	2,187
Miscellaneous	<u>3,382</u>
<b>Total Revenues</b>	<u>464,077</u>
<b>Expenditures</b>	
Current:	
General government	90,385
Public safety	242,935
Capital outlay	369,619
Debt Service:	
Principal retirement	43,357
Interest	<u>3,955</u>
<b>Total Expenditures</b>	<u>750,251</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(286,174)
<b>Other Financing Sources (Uses)</b>	
Capital lease	<u>130,000</u>
<b>Excess of Revenues and Other Sources Over Expenditures and Other Uses</b>	(156,174)
<b>Fund balance - beginning</b>	<u>374,924</u>
<b>Fund balance - ending</b>	<u>\$ 218,750</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ (156,174)
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:	
Governmental funds reported capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$369,619) exceeds depreciation expense (\$140,939).	228,680
Deferred charges related to the pension plan are not recognized in the governmental funds because they do not require the use of current financial resources.	(60,278)
Principal retirements - Retirements of principal outstanding on the District's capital leases result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these reductions against long term liabilities.	43,357
Interest payable on outstanding capital leases is not recorded on the fund financial statements because it is not a current use of cash. Interest is accrued on the government-wide financial statements, and the change in the liability is recognized.	(3,867)
Capital lease proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balance. The capital lease is not revenue in the statement of activities, but rather constitutes long-term liabilities in the Statement of Net Assets.	(130,000)
Some expenditures reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in the governmental funds.	(7,905)
Some expenditures reported in the governmental funds do require the use of current financial resources because items are prepaid using the payments method and, therefore, are not reported as expenses in the statement of activities.	<u>7,903</u>
<b>Change in Net Position - Governmental Activities</b>	<b><u>\$ (78,284)</u></b>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

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**Note A - Summary of Significant Accounting Policies**

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

**Financial Reporting Entity**

Wet Mountain Fire Protection District (the District) is organized under the laws of the State of Colorado. It operates under the jurisdiction of a Board of Directors elected by voters of the District and provides fire protection services to the public. The District's initial year of operations was 1982. As required by generally accepted accounting principles, these financial statements present the Wet Mountain Fire Protection District (the primary government) and its component units, if any. No additional separate governmental units, agencies, or nonprofit corporations are included in the financial statements of the District, since none were discovered to fall within the oversight responsibility based upon the application of the following criteria: financial accountability, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial transactions of the Wet Mountain Fire Protection District are organized on the basis of funds, each of which is considered an accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government Wide Financial Statements**

The District's government wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities of the District.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized at the time liabilities are incurred, regardless of the timing of related cash flows. Nonexchange transactions include property taxes, grants, and donations. Property taxes are recognized as revenue in the fiscal year for which taxes are levied. Grants and donations are recognized in the fiscal year in which all eligibility requirements are met.

The following fund types and account groups are utilized by the District:

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-wide financial statements. The District considers all revenues available if they are collected within 60 days after year-end. The District has only one governmental fund, the general fund, which is always a major fund.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

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**Note A - Summary of Significant Accounting Policies (Continued)**

**General Fund**

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

**Cash and Cash Equivalents**

The statement focuses on the change in cash and cash equivalents during the period. Cash equivalents are short-term, liquid investments that are quickly converted to known cash amounts that have maturities of three months or less so as to minimize the risk of value changes.

**Inventory**

Inventory for the General Fund is valued at cost using the first-in, first-out method of determining inventories on hand. A physical count was made at December 31, 2017, and inventory was adjusted to reflect an accurate balance as determined by the physical count. Expendable supplies are charged directly to expenditures when purchased. Reported inventory in the General Fund is considered nonspendable fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of total reported assets.

**Investments**

The District's policy is to state investments in their financial statements at fair value. Unrealized gain or loss resulting from the change in fair market value of investments is recognized in the statement of revenues, expenses and changes in net assets.

**Receivables**

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

**Interest Receivable**

Interest on investments and certain receivables are recorded as revenue in the year the interest is earned and available to pay liabilities of the current period.

**Capital Assets**

Capital assets are reported at historical cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. Property and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight line depreciation is used based on the following estimated useful lives:

Buildings	25 - 50 years
Improvements	10 - 20 years
Fire Department Equipment	12 years
Office and Shop Equipment	5 - 10 years

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
WET MOUNTAIN FIRE PROTECTION DISTRICT  
December 31, 2017

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**Note A - Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item related to the pension plan. This item is deferred and recognized as an outflow of resources in the period that the amounts become available.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item, property taxes. This item is deferred and recognized as an inflow of resources in the period that the amounts become available.

**Revenues and Expenditures**

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recorded when received. Grants from other governments are recognized when the qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

**Property Taxes**

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

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

**Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District carries commercial insurance for such risks, including workers' compensation and accident insurance. Settled claims resulting from these risks did not exceed commercial coverage during 2017.

**Use of Estimates**

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

December 31, 2017

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**Note B - Stewardship, Compliance and Accountability**

**Budgets and Budgetary Data**

Formal budgetary accounting is employed as a management control tool for the District. Budgets are prepared on the modified accrual basis of accounting for all government fund types.

Annual operating budgets are adopted each fiscal year through passage of an annual budget resolution. The Board of the District may amend the adopted budget during the year by passing a new resolution to reflect current needs, changing conditions, or revised estimates. The budgetary amounts presented in the accompanying financial statements/schedules reflect original and most recent amended amounts which were adopted in accordance with the appropriate provisions of state law. Encumbrance accounting is not employed as part of the budgetary process. Encumbrance accounting allows a governmental entity to account for open purchase orders (purchase orders for which the underlying goods or services have not been received before the end of an accounting period) as expenditures against the budget of that accounting period. Differences between the budgetary reporting basis and the generally accepted accounting principles (GAAP) basis used to reflect actual revenues and expenses are described as follows.

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

All unencumbered budget appropriations lapse at the end of the year.

**Tax, Revenue, Spending, and Debt Limitation**

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

On May 5, 1998, District voters passed a referendum regarding the revenue and spending limits imposed by Article X, section 20 of the Colorado constitution. Effective in 1998, the referendum allows the District, without increasing or adding any taxes of any kind, to collect, retain, and expend all revenues and other funds collected during 1998 and thereafter.

In addition to the tax raising, revenue, spending, and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies must establish an "emergency reserve", to be used for declared emergencies only. Each entity will reserve 3% or more of its fiscal year spending excluding bonded debt service. For the year ended December 31, 2017, the District has reserved \$12,100 which represents 3% of fiscal year spending. The District believes it is in compliance with the amendment.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

December 31, 2017

**Note B - Stewardship, Compliance and Accountability (Continued)**

**Grant Funding**

The District receives funding from federal, state, and foundation grants which may be subject to regulatory or other oversight by the granting agencies. Such oversight may include an audit or other compliance procedures. Any adjustments made by a granting agency would become a liability to the District. There are no such proceedings presently in progress.

**Note C - Cash Deposits and Investments**

**Cash Deposits**

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

As of December 31, 2017, all of the District's deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

At December 31, 2017, the District had cash balances with maturities less than one year stated at cost as follows:

	<b><u>Carrying Amounts</u></b>	<b><u>Less Than One Year</u></b>	<b><u>Less Than Five Years</u></b>
Petty Cash	\$ 25	\$ 25	\$ -
Checking	164,970	164,970	-
Certificates of Deposit	58,583	28,933	29,650
	<u>\$ 223,578</u>	<u>\$ 193,928</u>	<u>\$ 29,650</u>

**Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- 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
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

December 31, 2017

**Note C - Cash Deposits and Investments (Continued)**

**Investments (Continued)**

Interest rate risk - The District's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates parallels Colorado statutes. Specifically, all securities are limited to a maximum maturity of five years from date of purchase unless a governing body authorized a longer period.

Credit risk - The District does not have an investment policy that would further limit its investment choices beyond the requirements of Colorado statutes.

**Note D - Accounts and Other Receivables**

Accounts and other receivables consist primarily of taxes which are due but will not be collected until January 2018. As of December 31, 2017 these receivables are considered both measurable and available.

**Note E - Property Tax Accrual**

Property taxes which have been levied in 2017 and will not be collected until 2018 have been accrued as a receivable at December 31, 2017. An offsetting amount for deferred inflow of resources - unavailable property tax revenue has also been recorded.

**Note F - Change in Capital Assets**

Activity for general fixed assets which are capitalized by the District is summarized below:

	<b>Balances</b>			<b>Balances</b>
	<b><u>January 1</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>December 31</u></b>
Substations	\$ 845,427	\$ 7,443	\$ -	\$ 852,870
Equipment	2,096,424	362,176	-	2,458,600
<b>TOTALS</b>	<u>2,941,851</u>	<u>\$ 369,619</u>	<u>\$ -</u>	<u>3,311,470</u>
Less: Depreciation	<u>(2,007,600)</u>			<u>(2,148,539)</u>
<b>Net Capital Assets</b>	<u>\$ 934,251</u>			<u>\$ 1,162,931</u>

Depreciation expense for the year ended December 31, 2017 was \$140,939. Accumulated Depreciation for the year ended December 31, 2017 was \$2,148,539.

The District has reports all capital assets in the Government-wide Statement of Net Position.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

**Note G - Capital Leases**

The following is a summary of the District's capital lease transactions for the year ended December 31, 2017:

	<u>Debt Outstanding January 1</u>	<u>Additions of New Debt</u>	<u>Retirements and Repayments</u>	<u>Debt Outstanding December 31</u>	<u>Due Within One Year</u>
Capital lease obligations	\$ 43,357	\$ 130,000	\$ 43,357	\$ 130,000	\$ 40,237

Capital leases outstanding as of December 31, 2017, consisted of the following:

Capital Lease with Colorado Mountain Bank:

2012 International 7800 Tender, \$45,158 per year for 5 years, dated June 4, 2012,  
with an effective interest rate of 4.125%.

\$ -

Capital Lease with First State Bank:

2017 Deep South Fire Truck, \$47,597 per year for 3 years, dated January 17, 2017,  
with an effective interest rate of 3.95%.

\$ 130,000

The assets acquired through capital leases total \$290,488 less accumulated depreciation of \$24,207. These assets are used in governmental activities.

Future minimum lease payments for all leases are as follows:

2018	\$	47,597
2019		47,598
2020		47,598
	Less: imputed interest	12,793
<b>Present Value of Minimum Lease Payments</b>		<u>\$ 130,000</u>

The annual requirements to retire all capital leases as of December 31, 2017 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 40,237	\$ 7,360	\$ 47,597
2019	44,003	3,595	\$ 47,598
2020	45,760	1,838	\$ 47,598
Totals	<u>\$ 130,000</u>	<u>\$ 12,793</u>	<u>\$ 142,793</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

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**Note H - Net Position**

**Government-wide Net Position**

Government-wide net position is classified in the following categories:

- Invested in Capital Assets, Net of Related Debt - This amount consists of the historical cost of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets
- Restricted Net Position - This amount is restricted by external creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted Net Position - This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net position.”

**Governmental Fund Balances**

The fund financial statements use the following classifications describing the relative strengths of the spending constraints.

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

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is District policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

December 31, 2017

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**Note I - Firemen's Pension Plan**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

**Plan Description**

The District contributes to a single employer defined benefit pension plan (the plan) administered by the Colorado Fire and Police Pension Association (FPPA). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefit provisions are established and may be amended by the District's board of directors under the provisions of applicable State statutes. FPPA issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting FPPA directly or on FPPA's website at <http://www.fppaco.org>.

All active members of the District are eligible to participate. Membership in the plan, per the latest actuarial study dated January 1, 2017, is 13 active members, 23 retired members, 1 beneficiary, and 5 terminated vested member.

**Benefits Provided**

Retirement and death benefits are paid in accordance with the plan provisions. Full retirement is when the retiree has 20 years of qualified service and is at least 50 years of age. Death benefits are a one time lump sum payment. The current maximum monthly benefit is \$400.

**Funding Policy**

The plan covers only volunteer firefighters. As such, plan members are not required nor allowed to contribute to the plan, and District contributions have no relationship to any payroll the District may have. The District is required to contribute an amount equal to one-half mill levied on total assessed valuation each year. The State is required to contribute 90% of District appropriations up to a maximum of the one-half mill levied on total assessed valuation. The contribution requirements of the District are established by the District under provisions of applicable State statutes. The State's matching contributions are established and may be amended by the State legislature. During the year ended December 31, 2017 the District contributed \$48,970 and the State contributed \$24,110.

**Funded Status and Funding Progress**

As of January 1, 2017, the most recent actuarial valuation date, the Plan was 143.87% funded. The actuarial liability for accrued benefits was \$1,214,906, and the actuarial value of the assets was \$1,747,918, resulting in an excess of \$533,012. Since the plan covers volunteer firefighters only there is no covered payroll.

The schedule of changes in net pension liability / (asset) and related ratios and the schedule of District contributions, presented as RSI following the notes to the financial statements, presents multi-year information for the pension plan. Actuarial studies are compiled on January 1 of odd numbered years.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

**Note I - Firemen's Pension Plan (Continued)**

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

At December 31, 2017, the District reported an asset of \$533,012 for its proportionate share of the net pension liability / asset. The net pension asset was measured as of January 1, 2017, and the total pension liability / asset used to calculate the net pension liability / asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability / asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the contributions of the District and all participants, actuarially determined. At January 1, 2017, the District's portion was 143.87%.

As a result of its requirement to contribute to FPPA, the District recognized expense of \$60,278 for the year ended December 31, 2017. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to FPPA:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows or Resources</u>
Difference between expected and actual experience	\$ 20,487	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	55,251	-
District contributions subsequent to the measurement date	<u>48,970</u>	<u>-</u>
Total	<u>\$ 124,708</u>	<u>\$ -</u>

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

Year ending December 31:	
2018	79,776
2019	25,203
2020	19,729
2021	-
2022	-
Thereafter	-
Total	<u>\$ 124,708</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
 December 31, 2017

**Note I - Firemen's Pension Plan (Continued)**

**Actuarial Methods and Assumptions**

In the January 1, 2017 actuarial valuation, the actuarial assumptions included:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	20 years
Asset valuation method	5-Year smoothed market
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.50%
Retirement age	50 years of age with 20 years of service 50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality. Increased by 0.00020 for on-duty related Fire and Police experience. Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. Disabled: RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and a 2% rate for females.

The long-term expected rate of return on the pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease 6.5%	Current Single Discount Rate Assumption 7.5%	1% Increase 8.5%
District's proportionate share of the net pension liability	\$ (401,121)	\$ (533,012)	\$ (643,403)

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET TO ACTUAL - GENERAL FUND**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
General property taxes	\$ 327,319	\$ 327,319	\$ 328,720	\$ 1,401
Specific ownership taxes	40,000	40,000	55,095	15,095
Interest income	2,615	2,615	1,468	(1,147)
Charges for services	16,750	16,750	2,187	(14,563)
Donations and other grants	425,000	425,000	73,225	(351,775)
Gain on Sale of Asset	7,000	7,000	-	(7,000)
Other revenues	9,000	9,000	3,382	(5,618)
<b>Total Revenues</b>	<u>827,684</u>	<u>827,684</u>	<u>464,077</u>	<u>(363,607)</u>
<b>Expenditures</b>				
General government	127,600	127,600	90,385	37,215
Public safety	357,100	357,100	242,935	114,165
Capital outlay	480,500	480,500	369,619	110,881
Debt service				
Principal retirement	172,500	172,500	43,357	129,143
Interest	5,800	5,800	3,955	1,845
<b>Total Expenditures</b>	<u>1,143,500</u>	<u>1,143,500</u>	<u>750,251</u>	<u>393,249</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(315,816)</b>	<b>(315,816)</b>	<b>(286,174)</b>	<b>29,642</b>
<b>Other Financing Sources (Uses)</b>				
Capital lease	-	-	130,000	(130,000)
<b>Fund Balance - Beginning</b>	<u>367,100</u>	<u>367,100</u>	<u>374,924</u>	<u>168,251</u>
<b>Fund Balance - Ending</b>	<u>\$ 51,284</u>	<u>\$ 51,284</u>	<u>\$ 218,750</u>	<u>\$ 67,893</u>

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

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY / (ASSET) AND RELATED RATIOS**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
For the year ended December 31, 2017

<b><u>Measurement Period Ending December 31,</u></b>	<b><u>2016</u></b>
<b>Total Pension Liability</b>	
Service cost	\$ 11,156
Interest on the total pension liability	87,503
Benefit Changes	-
Difference between expected and actual experience	-
Changes of assumptions	-
Benefit payments	<u>(88,374)</u>
Net change in total pension liability	10,285
Total pension liability - beginning	<u>1,204,621</u>
Total pension liability - ending	<u>\$ 1,214,906</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ 77,802
Net investment income	29,871
Benefit payments	(88,374)
Pension plan administrative expense	(4,896)
State of Colorado supplemental discretionary payment	<u>24,110</u>
Net change in plan fiduciary net position	38,513
Plan fiduciary net position - beginning market value	<u>1,709,405</u>
Plan fiduciary net position - ending market value	<u>\$ 1,747,918</u>
<b>Net Pension Liability / (Asset)</b>	<u>\$ (533,012)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	143.87%
<b>Covered-employee Payroll</b>	N/A
<b>Net Pension Liability / (Asset) as a Percentage of Covered Employee Payroll</b>	N/A

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

**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**FIREMEN'S PENSION PLAN**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2017

<b>Fiscal Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2006	\$ -	\$ 92,930	\$ (92,930)	N/A	N/A
2007	\$ -	\$ 67,257	\$ (67,257)	N/A	N/A
2008	\$ -	\$ 62,407	\$ (62,407)	N/A	N/A
2009	\$ -	\$ 36,877	\$ (36,877)	N/A	N/A
2010	\$ -	\$ 36,786	\$ (36,786)	N/A	N/A
2011	\$ -	\$ 70,072	\$ (70,072)	N/A	N/A
2012	\$ -	\$ 117,418	\$ (117,418)	N/A	N/A
2013	\$ -	\$ 101,259	\$ (101,259)	N/A	N/A
2014	\$ -	\$ 101,628	\$ (101,628)	N/A	N/A
2015	\$ -	\$ 101,912	\$ (101,912)	N/A	N/A
2016	\$ -	\$ 102,552	\$ (102,552)	N/A	N/A
2017	\$ -	\$ 73,080	\$ (73,080)	N/A	N/A

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