

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

**AUDITED FINANCIAL STATEMENTS**

**WESTCLIFFE, COLORADO**

December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

August 24, 2022

Board of Directors  
Wet Mountain Fire Protection District  
Westcliffe, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Wet Mountain Fire Protection District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Wet Mountain Fire Protection District as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Wet Mountain Fire Protection District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wet Mountain 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 Wet Mountain 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 and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Arron Ross* | *DeNardo, Inc.*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2021

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, 2021. This discussion and analysis are 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 \$2,242,421 (net position). Of this amount \$374,674 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$55,068.
- As of the close of the current fiscal year, the District's governmental fund reported ending fund balance of \$393,080, an increase of \$114,585 in comparison with the prior year. This increase is caused by revenues exceeding expenditures in the general fund.
- At the end of the current fiscal year, unassigned fund balance of the general fund is \$369,803 or 40% of total general fund expenditures.
- Total revenues increased by \$55,670 from the previous year. The increase is mostly attributed to an increase in grant revenues, donations, and property tax revenues. During the November 6, 2018 general election voters approved an increase to the mill levy of 2 mills. The District can use the additional funds for general operations. Expenditures increased by \$309,075, mainly due to capital outlay increasing by \$264,311.

**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 using 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 like a private-sector business.

The *statement of net position* presents information on all 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, 2021

**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 resource 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 \$2,242,421 at the close of fiscal year 2021. 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, 2021**

**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, 2021:

	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Current and other assets	\$ 1,812,378	\$ 1,634,942
Capital assets	<u>1,363,304</u>	<u>1,153,841</u>
<b>Total Assets</b>	<u>3,175,682</u>	<u>2,788,783</u>
Deferred Outflow of Resources: Firemen's pension plan	<u>135,163</u>	<u>164,132</u>
<b>Liabilities:</b>		
Current and other liabilities	10,330	11,798
Current maturities of long-term debt	56,139	-
Long-term liabilities outstanding	<u>146,845</u>	<u>-</u>
<b>Total Liabilities</b>	<u>213,314</u>	<u>11,798</u>
Deferred Inflow of Resources: Firemen's pension plan	222,398	179,169
Deferred Inflow of Resources: Unavailable revenue – property tax	<u>632,712</u>	<u>574,595</u>
<b>Total Deferred Inflows</b>	<u>855,110</u>	<u>753,764</u>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	1,160,320	1,153,841
Restricted	707,427	769,595
Unrestricted	<u>374,674</u>	<u>263,917</u>
<b>Total Net Position</b>	<u>\$ 2,242,421</u>	<u>\$ 2,187,353</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 and payments on related debt with cash has resulted in a slight increase in 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 \$23,000 as of December 31, 2021.

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, 2021

The following table reflects the condensed Statement of Activities for the year ended December 31, 2021:

**Government Wide Financial Analysis (Continued)**

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,061	\$ 1,971
Grants and contributions	32,922	5,168
General revenues:		
Property taxes	629,887	615,083
Specific ownership taxes	98,985	90,056
Unrestricted investment earnings	1,245	988
Gain (loss) on sale of assets	(3,500)	-
Other	5,162	2,826
Pension plan income	-	72,747
Total Revenues	<u>765,762</u>	<u>788,839</u>
Expenses:		
Public safety	480,645	449,355
General government	165,379	156,062
Debt service-interest	1,502	730
Pension plan expenses	63,168	-
Total Expenses	<u>710,694</u>	<u>604,750</u>
Change in net position	55,068	182,692
Net position – beginning	2,187,353	2,004,661
Net position – ending	<u>\$ 2,242,421</u>	<u>\$ 2,187,353</u>

**Budgetary Highlights**

There were no amendments to the original budgets during 2021.

**Capital Asset and Debt Administration**

**Capital assets.** The District's investment in capital assets as of December 31, 2021 amounts to \$1,160,320 (net of accumulated depreciation and related debt). 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 \$356,000 less the decrease due to current year net asset disposals of \$6,000; depreciation of equipment and real property of \$140,537; and the remaining balance of a capital lease of \$202,984.

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

Substations	\$ 1,120,424
Equipment and furniture	2,932,678
Less: Accumulated depreciation	(2,689,798)
	<u>\$ 1,363,304</u>

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

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2021

***Long-term debt.*** By the end of the prior fiscal year, the District paid off its previously outstanding capital leases. During 2021, the District commenced a new capital lease for a rescue vehicle. The capital lease of the District was not a general obligation of the District and was 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.

**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, 2021

<b>Assets</b>		
Cash and equivalents	\$	332,487
Certificates of deposit		62,937
Taxes receivable		632,931
Other receivables		5,988
Inventory		277
Prepaid expenses		6,096
Net pension asset - firemen's pension plan		771,662
Capital assets - net of accumulated depreciation		<u>1,363,304</u>
	<b>Total Assets</b>	<u>3,175,682</u>
<b>Deferred Outflows of Resources</b>		
Related to firemen's pension plan		<u>135,163</u>
<b>Liabilities</b>		
Accounts payable		2,995
Accrued interest		1,502
Accrued expenses		5,833
Capital lease		<u>56,139</u>
	<b>Total Current Liabilities</b>	<u>66,469</u>
<b>Non-current Liabilities</b>		
Capital lease		<u>146,845</u>
	<b>Total Liabilities</b>	<u>213,314</u>
<b>Deferred Inflow of Resources</b>		
Related to firemen's pension plan		222,398
Unavailable revenue - property tax		<u>632,712</u>
	<b>Total Deferred Inflow of Resources</b>	<u>855,110</u>
<b>Net Position</b>		
Invested in capital assets, net of related debt		1,160,320
Restricted for:		
Emergency		23,000
Firemen's pension fund		684,427
Unrestricted		<u>374,674</u>
	<b>Total Net Position</b>	<u>\$ 2,242,421</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, 2021**

<b>Expenses</b>		
Public safety	\$	480,645
General government		165,379
Debt service-interest		1,502
Pension plan expense		<u>63,168</u>
<b>Total Program Expenses</b>		<u>710,694</u>
<b>Program Revenue:</b>		
Charges for services		1,061
Grants and contributions		<u>32,922</u>
<b>Total Program Revenues</b>		<u>33,983</u>
<b>Net Program (Expense) Revenue</b>		<u>(676,711)</u>
<b>General Revenues</b>		
Property taxes		629,887
Specific ownership taxes		98,985
Interest		1,245
Gain (loss) on sale of assets		(3,500)
Other revenues		<u>5,162</u>
<b>Total General Revenues</b>		<u>731,779</u>
<b>Change in Net Position</b>		55,068
<b>Net position at beginning of year</b>		<u>2,187,353</u>
<b>Net position at end of year</b>	<b>\$</b>	<u>2,242,421</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, 2021

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 332,487
Certificates of deposit	62,937
Taxes receivable	632,931
Other receivables	5,988
Inventory	<u>277</u>
<b>Total Assets</b>	<u>1,034,620</u>
<b>Liabilities</b>	
Accounts payable	2,995
Accrued expenses	<u>5,833</u>
<b>Total Liabilities</b>	<u>8,828</u>
<b>Deferred Inflow of Resources</b>	
Property tax	<u>632,712</u>
<b>Fund Balances</b>	
Nonspendable	277
Restricted - emergency	23,000
Unassigned	<u>369,803</u>
<b>Total Fund Balances</b>	<u>\$ 393,080</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, 2021

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<b>Total Fund Balances - Total Government Funds</b>	\$ 393,080
Amounts reported for governmental activities in the Statement of Net Position 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.	684,427
Capital assets used in governmental activities were not current financial resources, therefore, they were not reported in the Governmental Funds Balance Sheet.	1,363,304
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.	(1,502)
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	(202,984)
Some expenditures reported in the governmental funds 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>6,096</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 2,242,421</u></b>

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

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

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

**GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

	<b>General Fund</b>
<b>Revenues</b>	
Property taxes	\$ 629,887
Specific ownership tax	98,985
Interest	1,245
Grants and contributions	32,922
Charges for services	1,061
Gain on sale of assets	2,500
Miscellaneous	<u>5,162</u>
<b>Total Revenues</b>	<u>771,762</u>
<b>Expenditures</b>	
Current:	
General government	147,114
Public safety	357,047
Capital outlay	356,000
Debt Service:	
Principal retirement	-
Interest	<u>-</u>
<b>Total Expenditures</b>	<u>860,161</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(88,399)
<b>Other Financing Sources (Uses)</b>	
Proceeds from capital lease	<u>202,984</u>
<b>Net Change in Fund Balance</b>	114,585
<b>Fund balance - beginning</b>	<u>278,495</u>
<b>Fund balance - ending</b>	<u>\$ 393,080</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 BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 114,585
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position 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 (\$356,000) exceeded depreciation expense (\$140,537).	215,463
Basis of assets that have been sold reduces financial resources in the statement of activities. The basis is not recognized in the governmental funds.	(6,000)
Deferred income/expense related to the pension plan is not recognized in the governmental funds because it does not require the use of current financial resources.	(63,168)
One of the capital assets acquired this year was financed with a capital lease. The amount financed by the lease is reported in the governmental funds as a source of financing. The capital lease is not revenue in the statement of activities, but rather constitutes long-term liabilities in the statement of net assets.	(202,984)
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.	(1,502)
Expenditures for services which benefit a future period are reported as prepaid expenses and included in current assets in the government-wide statement of net position. In the governmental fund financial statements they are treated as expenditures when paid. This is the amount by which prepaid expenditures increased (decreased) from the prior year.	<u>(1,326)</u>
<b>Change in Net Position - Governmental Activities</b>	<b><u>\$ 55,068</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, 2021

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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, 2021

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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, 2021, 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, 2021

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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 two items, property taxes and deferred inflows related to the pension plan. These items are 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 2021.

**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.

**Subsequent Events**

Subsequent events were evaluated through August 24, 2022, which is the date the financial statements were available to be issued.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2021

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

**Risks and Uncertainties**

In March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, was severely impacted for months and may continue to impact the economy. Management has been carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

**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.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
 December 31, 2021

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

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, 2021, the District has reserved \$23,000 which represents 3% of fiscal year spending. The District believes it is in compliance with the amendment.

**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, 2021, 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, 2021, the District had cash balances with maturities less than one year stated at cost as follows:

	<u>Carrying Amounts</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
Petty Cash	\$ 25	\$ 25	\$ -
Checking	332,462	332,462	-
Certificates of Deposit	62,937	26,938	35,999
	<u>\$ 395,424</u>	<u>\$ 359,425</u>	<u>\$ 35,999</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

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
 December 31, 2021

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

**Investments (Continued)**

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

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 2022. As of December 31, 2021 these receivables are considered both measurable and available.

**Note E - Property Tax Accrual**

Property taxes which have been levied in 2021 and will not be collected until 2022 have been accrued as a receivable at December 31, 2021. 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>January 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>December 31</b>
Substations	\$ 1,120,424	\$ -	\$ -	\$ 1,120,424
Equipment	2,590,178	356,000	13,500	2,932,678
<b>TOTALS</b>	<u>3,710,602</u>	<u>\$ 356,000</u>	<u>\$ 13,500</u>	4,053,102
Less: Depreciation	(2,556,761)			(2,689,798)
<b>Net Capital Assets</b>	<u>\$ 1,153,841</u>			<u>\$ 1,363,304</u>

Depreciation expense for the year ended December 31, 2021 was \$140,537. Accumulated depreciation for the year ended December 31, 2021 was \$2,689,798.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2021

**Note G - Capital Leases**

The following is a summary of the District's capital lease transactions for the year ended December 31, 2021:

	<b>Debt</b>	<b>Additions</b>	<b>Retirements</b>	<b>Debt</b>	<b>Due Within</b>
	<b>Outstanding</b>	<b>of New</b>	<b>and</b>	<b>Outstanding</b>	<b>One Year</b>
	<b>January 1</b>	<b>Debt</b>	<b>Repayments</b>	<b>December 31</b>	<b>One Year</b>
Capital lease obligations	\$ _____	\$ 202,984	\$ _____	\$ 202,984	\$ 56,139

Capital leases outstanding as of December 31, 2021, consisted of the following:

Capital Lease with Community Leasing Partners:

2020 HME WildMax Dodge 5500 Rescue Truck dated August 27, 2021, with annual payments of \$60,000 for three years and a final payment of \$33,862 with an effective interest rate of 2.594% per annum.

\$ 202,984

The asset acquired through capital lease has a total cost of \$262,984 less accumulated depreciation of \$9,131. This asset is used in governmental activities.

Future minimum lease payments for all leases are as follows:

	2022		\$ 60,000
	2023		60,000
	2024		60,000
	2025		33,862
		Less: interest	<u>10,878</u>
<b>Present Value of Minimum Lease Payments</b>			<b>\$ <u>202,984</u></b>

The annual requirements to retire all capital leases as of December 31, 2021 are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 56,139	\$ 3,861	\$ 60,000
2023	56,191	3,809	60,000
2024	57,648	2,352	60,000
2025	33,006	856	33,862
Totals	<u>\$ 202,984</u>	<u>\$ 10,878</u>	<u>\$ 213,862</u>

**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.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
WET MOUNTAIN FIRE PROTECTION DISTRICT  
December 31, 2021

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**Note H - Net Position (Continued)**

- 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. The portion of net position restricted for emergency is the TABOR reserve requirement which is 3% of the fiscal year’s spending excluding bonded debt service.
- 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.

**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.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

December 31, 2021

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

**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, 2021, is 18 active members, 27 retired members, 1 beneficiary member, and 5 terminated vested members.

**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 \$450.

**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, 2021 the District contributed \$53,780 and the State contributed \$24,110.

**Funded Status and Funding Progress**

As of January 1, 2021, the most recent actuarial valuation date, the Plan was 137% funded. The actuarial liability for accrued benefits was \$1,682,831, and the actuarial value of the assets was \$2,309,013, resulting in an excess of \$626,182. 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.

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

At December 31, 2021, the District reported an asset of \$771,662 for its proportionate share of the net pension liability / asset. The net pension asset was measured as of December 31, 2020, and the total pension liability / asset used to calculate the net pension liability / asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability / asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the contributions of the District and all participants, actuarially determined. At December 31, 2020, the District's portion was 145.85%.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2021

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

As a result of its requirement to contribute to FPPA, the District recognized expense of \$63,168 for the year ended December 31, 2021. At December 31, 2021, 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:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between expected and actual experience	\$ 20,979	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	60,404	222,398
District contributions subsequent to the measurement date	<u>53,780</u>	<u>-</u>
Total	<u>\$ 135,163</u>	<u>\$ 222,398</u>

**Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

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

Year ending December 31:			
2022	\$	22,389	
2023		(26,306)	
2024		(56,506)	
2025		(26,812)	
2026		-	
Total	<u>\$</u>	<u>(87,235)</u>	

**Actuarial Methods and Assumptions**

In the January 1, 2021 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 fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50 years of age with 20 years of service 50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 Central Rates from the RP-2014 Employee Mortality Tables, 50% multiplier for off-duty. Post-retirement: RP-2014 Annuitant Mortality Table Disabled: RP-2014 Disabled Mortality Tables

All tables projected with MP-2017 Projection Scales

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
 December 31, 2021

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

The long-term expected rate of return on the pension plan investments is 7.00%; the municipal bond rate is 2.00% (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 7.00%.

**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 7.0%, 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:

	<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
	<b><u>6.0%</u></b>	<b><u>7.0%</u></b>	<b><u>8.0%</u></b>
District's proportionate share of the net Pension liability	<b><u>\$ (590,854)</u></b>	<b><u>\$ (771,662)</u></b>	<b><u>\$ (922,483)</u></b>

**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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
General property taxes	\$ 628,376	\$ 628,376	\$ 629,887	\$ 1,511
Specific ownership taxes	80,000	80,000	98,985	18,985
Interest income	610	610	1,245	635
Charges for services	3,650	3,650	1,061	(2,589)
Donations and other grants	175,000	175,000	32,922	(142,078)
Gain on sale of assets	18,000	18,000	4,285	(13,715)
Other revenues	3,500	3,500	3,377	(123)
<b>Total Revenues</b>	<u>909,136</u>	<u>909,136</u>	<u>771,762</u>	<u>(137,374)</u>
<b>Expenditures</b>				
General government	177,127	177,127	147,114	30,013
Public safety	481,704	481,704	357,047	124,657
Capital outlay	408,000	408,000	356,000	52,000
Debt service				
Principal retirement	60,000	60,000	-	60,000
Interest	-	-	-	-
<b>Total Expenditures</b>	<u>1,126,831</u>	<u>1,126,831</u>	<u>860,161</u>	<u>266,670</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(217,695)	(217,695)	(88,399)	129,296
<b>Other Finance Sources (Uses)</b>				
Proceeds from capital leases	-	-	202,984	202,984
<b>Net Change in Fund Balance</b>	(217,695)	(217,695)	114,585	332,280
<b>Fund Balance - Beginning</b>	<u>217,695</u>	<u>217,695</u>	<u>278,495</u>	<u>60,800</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,080</u>	<u>\$ 393,080</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, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Measurement Period Ending December 31,</b>							
<b>Total Pension Liability</b>							
Service cost	\$ 7,134	\$ 7,134	\$ 8,778	\$ 8,778	\$ 11,156	\$ 11,156	\$ 15,454
Interest on the total pension liability	98,610	99,976	105,615	105,730	87,650	87,503	83,950
Benefit changes	185,296	-	-	-	175,246	-	-
Difference between expected and actual experience of the total pension liability	55,945	-	(36,005)	-	42,109	-	37,881
Changes of assumptions	-	-	59,655	-	36,151	-	-
Benefit payments	(136,423)	(117,144)	(117,144)	(114,984)	(105,338)	(88,374)	(87,254)
Net change in total pension liability	210,562	(10,034)	20,899	(476)	246,974	10,285	50,031
Total pension liability - beginning	1,472,269	1,482,303	1,461,404	1,461,880	1,214,906	1,204,621	1,154,590
Total pension liability - ending	\$ 1,682,831	\$ 1,472,269	\$ 1,482,303	\$ 1,461,404	\$ 1,461,880	\$ 1,214,906	\$ 1,204,621
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 52,500	\$ 48,500	\$ 77,599	\$ 48,970	\$ 78,442	\$ 77,802	\$ 77,518
Net investment income	288,140	286,822	1,047	266,156	94,154	29,871	107,791
Benefit payments	(136,423)	(117,144)	(117,144)	(114,984)	(105,338)	(88,374)	(87,254)
Pension plan administrative expense	(8,735)	(10,918)	(9,465)	(8,994)	(3,050)	(4,896)	(2,869)
State of Colorado supplemental discretionary payment	24,110	24,110	-	24,110	24,110	24,110	24,110
Net change in plan fiduciary net position	219,592	231,370	(47,963)	215,258	88,318	38,513	119,296
Plan fiduciary net position - beginning market value	2,234,901	2,003,531	2,051,494	1,836,236	1,747,918	1,709,405	1,590,109
Plan fiduciary net position - ending market value	\$ 2,454,493	\$ 2,234,901	\$ 2,003,531	\$ 2,051,494	\$ 1,836,236	\$ 1,747,918	\$ 1,709,405
<b>Net Pension Liability / (Asset)</b>	\$ (771,662)	\$ (762,632)	\$ (521,228)	\$ (590,090)	\$ (374,356)	\$ (533,012)	\$ (504,784)
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	145.85%	151.80%	135.16%	140.38%	125.61%	143.87%	141.90%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability / (Asset) as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will report ten years of data when available

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, 2021

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<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>
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
2018	\$ -	\$ 77,599	\$ (77,599)	N/A	N/A
2019	\$ -	\$ 48,500	\$ (48,500)	N/A	N/A
2020	\$ -	\$ 52,500	\$ (52,500)	N/A	N/A
2021	\$ -	\$ 53,780	\$ (53,780)	N/A	N/A

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