CRESTED BUTTE FIRE PROTECTION DISTRICT

Financial Statements
with
Independent Auditors' Report

For the Year Ended
December 31, 2022

Crested Butte Fire Protection District

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FINANCIAL SECTION

CRESTED BUTTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
December 31, 2022

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the District's financial condition and operating results and to disclose to the reader important financial activities and issues related to the District's basic operations and mission. The MD&A should be read in conjunction with the District's basic financial statements.

Within the government type activities, the District has a general fund, a capital projects fund and a debt service fund. During 2022 the District issued a significant amount of general obligation bonds for new facilities following voter approval in November of 2021. As such the capital projects fund is now seeing activity for the first time in a number of years. Most expenses continue to be accounted for in the general fund, including capital purchases unrelated to the new facilities and existing lease-purchase financing activities. District activities are funded primarily through the District's ad-valorem property tax with supplemental funds derived from fees for services, grants, rental income and intergovernmental transfers.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *Basic Financial Statements*, *Required Supplementary Information,* The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements, Statement of Net Position and Statement of Activities, are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

The basic financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of *Required Supplementary Information* that provides a budget and actual comparison for the District's General fund.

Government-wide Statements

The government-wide statements consist of the *Statement of Net Position* and *the Statement of Activities*. These statements report information about the District as a whole and include *all* assets, liabilities and deferred inflow of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. The District's net position – the difference between assets, liabilities and deferred inflow of resources – is one way to measure the District's financial health, or *financial position*. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base are needed to assess the overall health of the District.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds – not the District as a whole.

The District's activity in the governmental funds focuses on how money flows into and out of these funds. The District's primary governmental fund, the general fund, is reported using an accounting method called modified accrual accounting, which measures cash and all of other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

HIGHLIGHTS OF GOVERNMENTAL ACTIVITIES

- As of December 31, 2022 the governmental funds held $37,847,581 in assets that were readily convertible to cash.
- As of December 31, 2022, the District's governmental activities held $(20,430,019) in net investment in capital assets. As of December 31, 2022 the District has long term debt of $27,503,202.

STATEMENTS OF NET POSITION

The perspective of the statement of Net Position is of the District as a whole. The following is a summary of the District's Net Position for 2022 compared to 2021:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2022	2021
ASSETS		
Current and Other Assets	$ 37,847,581	$ 7,422,211
Capital Assets	8,185,087	4,906,058
Total Assets	46,032,668	12,328,269
DEFERRED OUTFLOWS	780,197	1,042,688
LIABILITIES		
Current Liabilities	262,640	125,307
Noncurrent Liabilities	27,503,202	1,138,846
Total Liabilities	27,765,842	1,264,153
DEFERRED INFOWS	11,064,571	6,085,370
NET POSITION		
Net Investment in Capital Assets	(20,430,019)	3,606,668
Restricted	31,107,607	964,988
Unrestricted	(2,695,136)	1,450,816
Total Net Position	$ 7,982,452	$ 6,022,472

CRESTED BUTTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
December 31, 2022

STATEMENT OF ACTIVITIES

The perspective of the statement of activities is of the District as a whole. The following table reflects the change in Net Position for fiscal year 2022 and 2021.

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2022	**2021**
PROGRAM REVENUES		
Charges for Services	$ 1,042,793	$ 558,117
Operating Grants	42,840	74,386
Capital Grants	-	15,000
Total Program Revenues	1,085,633	647,503
GENERAL REVENUES		
Property Taxes	5,051,307	2,886,304
Specific Ownership Taxes	320,473	205,671
Interest Income	124,365	7,837
Other Revenues	20	39,248
Total General Revenues	5,496,165	3,139,060
Total Revenues	6,581,798	3,786,563
PROGRAM EXPENSES		
General Government	1,582,800	1,291,337
Fire Protection	2,273,183	2,700,543
Interest on Debt	765,835	14,487
Total Program Expenses	4,621,818	4,006,367
CHANGE IN NET POSITION	1,959,980	(219,804)
Net Position, Beginning	6,022,472	6,242,276
NET POSITION, ENDING	**$ 7,982,452**	**$ 6,022,472**

GOVERNMENTAL ACTIVITIES

The cost of governmental activities this year was $4,621,818 compared to $4,006,367 in the prior year. This increase is primarily the result of additional investments in full-time staff, staff salaries, and benefits. The District also purchased an additional 5.6 acres of via a multi-year purchase agreement to accommodate new station facilities. The table above presents the cost of each of the District's programs – general government -- public safety services – and interest on debt as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions for the last year.

THE DISTRICT'S FUNDS

As the District completed the year, its general fund (shown on page 6 of the financial statements) reported a fund balance of $3,079,642, an increase of $837,209 over the previous year. The decrease in 2021 was $319,514.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund expenditures were approximately $2,346,788 less than budgeted (exclusive of contingency and reserves). General fund actual revenues were $769,194 more than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

At year end the District had $6,989,294 invested in the cost of its capital assets. The most significant capital assets the District holds are land, District facilities, its fleet of fire emergency and support vehicles, related, equipment and member housing units which account for approximately $11,604,183 before depreciation. The table below summarizes the District's capital assets by category.

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Governmental-Type Activities				
Capital Assets not being depreciated:				
Land	$ 552,380	$ 1,955,123	$ -	$ 2,507,503
Construction in Progress	249,454	331,211	-	580,665
Total Capital Assets not being depreciated	801,834	2,286,334	-	3,088,168
Capital Assets being depreciated:				
Buildings	3,523,171	-		3,523,171
Vehicles	4,363,107	147,202	-	4,510,309
Medical Equipment	253,367	-	-	253,367
Other Equipment	96,337	6,956	-	103,293
Lease Assets	-	125,875	-	125,875
Total Capital Assets being depreciated	8,235,982	280,033	-	8,516,015
Less: Accumlated Depreciation				
Buildings	(1,082,092)	(76,659)	-	(1,158,751)
Vehicles	(3,128,047)	(105,047)	-	(3,233,094)
Medical Equipment	(117,508)	(27,271)	-	(144,779)
Other Equipment	(37,320)	(9,035)	-	(46,355)
Lease Assets	-	(31,910)	-	(31,910)
Total Accumulated Depreciation	(4,364,967)	(249,922)	-	(4,614,889)
Net Capital Assets	$ 4,672,849	$ 2,316,445	$ -	$ 6,989,294

CRESTED BUTTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
December 31, 2022

DEBT OUTSTANDING

In 2022 the District issued $25,315,000 in general obligation bonds payable over 25 years that yielded $30,000,000 in capital project funds after expenses. Additionally, in 2020 the District re-financed a 15-year lease-purchase arrangement to partially finance construction of a member housing triplex unit for $713,140. The District also maintains liabilities for unpaid compensated absences and liabilities associated with the District's pension plans.

	Balance 1/1/22	Advances	Repayments	Balance 12/31/22	Current Portion
Capital Lease Payable	$ 666,181	$ -	$ 46,569	$ 619,612	$ 47,647
Building Lease - Condo	-	54,274	26,088	28,186	28,186
Building Lease - Office	-	71,602	2,587	69,015	8,629
2021 Note Payable	400,000	-	100,000	300,000	100,000
2022 Note Payable	-	1,852,500	-	1,852,500	231,563
G.O. Bonds Payable	-	25,315,000	765,000	24,550,000	625,000
Compensated Absences	72,665	11,224	-	83,889	-
Total Obligations	**$ 1,138,846**	**$ 27,304,600**	**$ 940,244**	**$ 27,503,202**	**$ 1,041,025**

ECONOMIC AND OTHER FACTORS

The District's Board of Directors remains attentive to evolving economic trends. The assessed valuation of the District continues to increase at a significant pace. Increased tourism to the area has also increased call volumes driving the need to hire additional response staff capable of meeting daily needs. Both the increase in emergency medical services activity, as well as increased building activity, have also generated additional fee revenue. In addition to paid staff, the District continues to invest in volunteer and part-time members to supplement service delivery and provide surge capacity. As of December 31st, the District employees 15 full-time staff members assigned to field operations with a total force of 22 full-time and 2 regular-part-time employees. This expansion has been funded by the 2017 mill levy increase. Due to recent growth in assessed valuation the District has not been significantly impacted by decreases in the statewide residential assessment ratio.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

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Mayberry & Company, LLC
Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Directors
Crested Butte Fire Protection District
Crested Butte, Colorado

Independent Auditors' Report

Opinion
We have audited the accompanying financial statements of the governmental activities and major of Crested Butte Fire Protection District, as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise Crested Butte Fire Protection District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Crested Butte Fire Protection District as of December 31, 2022, 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 Opinion
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 Financial Statements section of our report. We are required to be independent of the Crested Butte Fire Protection District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Crested Butte Fire Protection District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility 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.

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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 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 Crested Butte Fire Protection District 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 Crested Butte 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.

Report on Summarized Comparative Information

We have previously audited the Crested Butte Fire Protection District's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, and historical pension information listed in the tables of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Mayberry + Company, LLC

Englewood, Colorado
May 24, 2023

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Basic Financial Statements

CRESTED BUTTE FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	GOVERNMENTAL ACTIVITIES
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	
Cash	$ 42,167
Investments	3,114,978
Restricted Cash and Investments	29,516,535
Receivables	
Property Tax Receivable	5,044,476
Interest Receivable	42,438
Cash with Fiscal Agent	25,453
Prepaid Expenses	61,534
Total Current Assets	37,847,581
Noncurrent Assets	
Capital Assets not being Depreciated	3,088,168
Capital Assets being Depreciated	8,516,015
Accumulated Depreciation	(4,614,889)
Net Pension Asset	1,025,793
Notes Receivable	170,000
Total Noncurrent Assets	8,185,087
TOTAL ASSETS	46,032,668
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Deferred Outflows - Statewide Defined Benefit Plan	647,232
Net Deferred Outflows - Volunteer Pension Plan	132,965
TOTAL DEFERRED OUTFLOWS	780,197
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 46,812,865
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 41,123
Accrued Salaries and Benefits	109,037
Deposits and Escrow	2,200
Accrued Interest Payable	107,176
Unearned Revenue	3,104
Total Current Liabilities	262,640
Noncurrent Liabilities	
Due within one year	1,041,025
Due in more than one year	26,462,177
Total Noncurrent Liabilities	27,503,202
TOTAL LIABILITIES	27,765,842
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Property Taxes	5,044,476
Net Deferred Inflows - Statewide Defined Benefit Plan	833,110
Net Deferred Inflows - Volunteer Pension Plan	503,947
Bond Premiums	4,683,038
TOTAL DEFERRED INFLOWS	11,064,571
NET POSITION	
Net Investment in Capital Assets	(20,430,019)
Restricted Net Position	31,107,607
Unrestricted Net Position	(2,695,136)
TOTAL NET POSITION	7,982,452
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 46,812,865

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENT ACTIVITIES
FUNCTIONS/PROGRAMS				
Government Activities				
Current:				
General Government	$ 1,582,800	$ 1,042,793	$ 42,840	$ (497,167)
Public Safety	2,273,183	-	-	(2,273,183)
Interest on Debt	765,835	-	-	(765,835)
TOTAL GOVERNMENT	$ 4,621,818	$ 1,042,793	$ 42,840	(3,536,185)
GENERAL REVENUES				
Property Taxes				5,051,307
Specific Ownership Taxes				320,473
Interest Income				124,365
Other Revenues				20
TOTAL GENERAL REVENUES AND TRANSFERS				5,496,165
CHANGE IN NET POSITION				1,959,980
NET POSITION - Beginning				6,022,472
NET POSITION - Ending				$ 7,982,452

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022
With Comparative Totals for December 31, 2021

	General Fund	Capital Projects: Capital Reserve Project Fund	Debt Service: Bond Redemption Fund	GENERAL FUND 2022	GENERAL FUND 2021
ASSETS AND DEFERRED OUTFLOWS					
ASSETS					
Current Assets					
Cash and Investments					
Cash	$ 42,167	$ -	$ -	$ 42,167	$ 22,723
Investments	3,114,978	-	-	3,114,978	2,300,818
Restricted Cash and Investments	-	168,192	29,348,343	29,516,535	-
Receivables					
Property Tax Receivable	3,364,776	1,679,700	-	5,044,476	5,058,701
Interest Receivable	-	-	42,438	42,438	-
Cash with Fiscal Agent	16,427	9,026	-	25,453	18,631
Accounts Receivable	-	-	-	-	20,364
Prepaid Expenses	61,534	-	-	61,534	974
TOTAL ASSETS	$ 6,599,882	$ 1,856,918	$ 29,390,781	$ 37,847,581	$ 7,422,211
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 41,123	$ -	$ -	$ 41,123	$ 35,805
Accrued Salaries and Benefits	109,037	-	-	109,037	77,347
Deposits and Escrow	2,200	-	-	2,200	6,200
Unearned Revenue	3,104	-	-	3,104	1,725
TOTAL LIABILITIES	155,464	-	-	155,464	121,077
DEFERRED INFLOWS OF FINANCIAL RESOURCES					
Deferred Property Taxes	3,364,776	1,679,700	-	5,044,476	5,058,701
FUND BALANCE					
Nonspendable Fund Balance	61,534	-	-	61,534	974
Restricted Fund Balance	513,815	177,218	29,390,781	30,081,814	901,779
Committed Fund Balance	2,122,210	-	-	2,122,210	1,332,162
Unassigned Fund Balance	382,083	-	-	382,083	7,518
TOTAL FUND BALANCE	3,079,642	177,218	29,390,781	32,647,641	2,242,433
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	$ 6,599,882	$ 1,856,918	$ 29,390,781	$ 37,847,581	$ 7,422,211

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

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CRESTED BUTTE FIRE PROTECTION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO GOVERNMENTAL ACTIVITIES NET POSITION
DECEMBER 31, 2022

Fund Balance - Governmental Funds		$ 32,647,641
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	$ 3,088,168	
Capital assets, being depreciated	8,516,015	
Accumulated depreciation	(4,614,889)	6,989,294
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds		
Note receivable		170,000
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds		
Bond premiums		(4,683,038)
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
FPPA - Statewide Defined Benefit Plan		
Net pension related deferred outflows	647,232	
Net pension asset (liability)	906,147	
Net pension related deferred inflows	(833,110)	
FPPA - Volunteer Pension Plan		
Net pension related deferred outflows	132,965	
Net pension asset (liability)	119,646	
Net pension related deferred inflows	(503,947)	468,933
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(24,550,000)	
Notes payable	(2,152,500)	
Capital leases payable	(716,813)	
Accrued interest payable	(107,176)	
Accrued compensated absences	(83,889)	(27,610,378)
Total Net Position - Governmental Activities		$ 7,982,452

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

		Capital Projects	Debt Service		
	General	Capital Reserve Project	Bond Redemption	GENERAL FUND	
	Fund	Fund	Fund	2022	2021
REVENUES					
Taxes	$ 3,473,331	$ 1,898,449	$ -	$ 5,371,780	$ 3,091,975
Intergovernmental Revenues	41,840	-	-	41,840	65,986
Charges for Services	1,042,794	-	-	1,042,794	558,117
Investment Earnings	61,567	14,137	48,661	124,365	7,837
Other Revenues	1,020	-	-	1,020	12,515
TOTAL REVENUES	4,620,552	1,912,586	48,661	6,581,799	3,736,430
EXPENDITURES					
Current:					
General Government	1,248,958	53,892	245,141	1,547,991	1,109,286
Public Safety	2,436,050	-	-	2,436,050	2,047,169
Capital Outlay	280,534	-	2,286,334	2,566,868	1,237,893
Debt Service	193,129	1,681,476	-	1,874,605	61,626
TOTAL EXPENDITURES	4,158,671	1,735,368	2,531,475	8,425,514	4,455,974
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	461,881	177,218	(2,482,814)	(1,843,715)	(719,544)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	125,875	-	32,123,048	32,248,923	400,000
Transfers (In)	249,453	-	-	249,453	-
Transfers (Out)	-	-	(249,453)	(249,453)	-
NET CHANGE IN FUND BALANCE - GAAP BASIS	837,209	177,218	29,390,781	30,405,208	(319,544)
FUND BALANCE, BEGINNING	2,242,433	-	-	2,242,433	2,561,977
FUND BALANCE, ENDING	$ 3,079,642	$ 177,218	$ 29,390,781	$ 32,647,641	$ 2,242,433

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

CRESTED BUTTE FIRE PROTECTION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022

Change in Fund Balance - Governmental Funds		$ 30,405,208
Capital assets used in governmental activities are expensed when purchasec in the funds and depreciated at the activity level		
Capitalized Asset Purchases	2,566,367	
Depreciation Expense	(249,922)	2,316,445
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Net change in Statewide Defined Benefit Plan	259,023	
Net change in Volunteer Pension Plan	130,682	389,705
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity leve		
Proceeds from debt issuances	(27,293,376)	
Premiums from debt issuances	(4,955,548)	
Principal payments on bonds payable	765,000	
Principal payments on notes payable	100,000	
Principal payments on capital leases	75,244	
Change in accrued interest payable	(103,984)	
Amortization of premiums and discounts	272,510	
Change in accrued compensated absences	(11,224)	(31,151,378)
Change in Net Position - Governmental Activities		$ 1,959,980

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Crested Butte Fire Protection District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of significant accounting policies is presented to assist the reader in evaluating the District's financial statements.

Reporting Entity

Crested Butte Fire Protection District is a political subdivision of the State of Colorado governed by a five member board of directors. As required by generally accepted accounting principles, these financial statements present the Crested Butte Fire Protection District (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

Nature of Operations

The District provides fire and rescue services for citizens in and around the communities of Crested Butte, including ambulance transportation and enforcement of fire safety codes.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements (Continued)

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental or fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements.
The District has no fiduciary funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grant revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The District reports the following major governmental funds:

General Fund
This fund accounts for the financial resources of the District which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental revenue and interest. Primary expenditures are for fire protection and general administration.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Capital Projects Fund
This fund accounts for the District's routine capital projects.

Debt Service Fund
This fund is used to account for the repayment of the District's general obligation indebtedness.

Budgets

Generally annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Encumbrances are not employed by the District.

Budgetary Practices

The District adheres to the following procedures in establishing budgets reflected in the financial statements:

- From September through November, the designated budget officer assembles the information for the budget related to the ensuing year.
- Public hearings are held to obtain taxpayer comment.
- Prior to December 31, the budget is adopted by formal resolution.
- Appropriations lapse at year end.
- The Board of Directors may amend the budget during the year.

Cash and Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investment pools. These are stated at cost, which is equal to fair value.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Governmental funds report deferred inflows of resources, as further described below in connection with receivables for revenues that are deferred for use during the next fiscal year. At the end of the current year, these receivables consisted of property taxes levied in 2022 and due in 2023.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

Capital Assets

Capital assets, which include land, buildings, vehicles and equipment, are reported in the governmental activities column of the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and a useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	35-40 years
Fire Equipment	5-20 years
Medical Equipment	5-20 years
Other Equipment	5-7 years

Compensated Absences

The District has the following policy for compensated vacation pay.

1st year of employment	½ day per month
2nd - 5th year of employment	1 day per month
After 5 years	1 ½ days per month

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, deferred outflows of financial resources and deferred inflows of financial resources, represent a usage or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until a future period. The government has two types of items, which arise under the full accrual and modified accrual basis of accounting. Deferred property taxes are reported as a deferred inflow for both the governmental activities presentation and governmental funds balance sheet.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

Deferred Outflows and Inflows of Resources (Continued)

The unavailable property taxes are deferred and will be recognized as an outflow or inflow of resources in the period that the amounts become recognizable as an expense or available, respectively. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. The other item, deferred charge on refunding, is reported in the governmental activities net position. The charge will be recognized proportionately as the outstanding principal is repaid.

Long-Term Obligation

Long-term debt is reported at face value, net of applicable discounts and deferred charge on refunding. Costs related to the issuance of debt are expensed when incurred. Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statements of net position.

Net Position/Fund Balances Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position/Fund Balances

In the government-wide financial statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1: <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

Net Position/Fund Balances (Continued)

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in other governmental funds are presented as unassigned.

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Accumulated Unused Leave/Compensated Absences

The District permits an employee to carry over unused personal leave to the next calendar year. The District will compensate an employee for any unused vacation and compensatory time at their current rate of pay upon termination or resignation. The District does not payout unused sick leave upon termination.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

The District's cash and investment balances as of the year ended December 31, 2022 are as follows:

Deposits	$	42,167
Investments		3,114,978
Restricted Cash and Investments		29,516,535
Total Cash and Investments	$	32,673,680

DEPOSITS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and December 31, 2022, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At December 31, 2022 the District's deposits are categorized as follows:

	Bank Balance	Carrying Balance
FDIC Insured	$ 250,000	$ 250,000
PDPA Collateralized	345,447	338,346
Total Bank Deposits	$ 595,447	$ 588,346

NOTE 2: <u>CASH AND INVESTMENTS</u> (Continued)

INVESTMENTS

<u>Credit Risk</u>

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the 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

During the year ended December 31, 2022, the District's invested funds in the Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAm by the Standard and Poor's Corporation.

<u>Concentration of Credit Risk</u>

The District places no limit on the amount that may be invested in any one issuer.

<u>Interest Rate Risk</u>

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

<u>Custodial Credit Risk – Investments</u>

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2022, the District did not have any investments requiring safekeeping.

NOTE 3: NOTE RECEIVABLE - RELATED PARTY

On January, 2020, the District sold a piece of land and entered into a $170,000 promissory note with a related party. The note is payable upon subsequent property sale and is a non-interest bearing loan.

NOTE 4: CAPITAL ASSETS

Changes in governmental activities capital assets for the year ended December 31, 2022 was as follows:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Governmental-Type Activities				
Capital Assets not being depreciated:				
Land	$ 552,380	$ 1,955,123	$ -	$ 2,507,503
Construction in Progress	249,454	331,211	-	580,665
Total Capital Assets not being depreciated	801,834	2,286,334	-	3,088,168
Capital Assets being depreciated:				
Buildings	3,523,171	-		3,523,171
Vehicles	4,363,107	147,202	-	4,510,309
Medical Equipment	253,367	-	-	253,367
Other Equipment	96,337	6,956	-	103,293
Lease Assets	-	125,875	-	125,875
Total Capital Assets being depreciated	8,235,982	280,033	-	8,516,015
Less: Accumlated Depreciation				
Buildings	(1,082,092)	(76,659)	-	(1,158,751)
Vehicles	(3,128,047)	(105,047)	-	(3,233,094)
Medical Equipment	(117,508)	(27,271)	-	(144,779)
Other Equipment	(37,320)	(9,035)	-	(46,355)
Lease Assets	-	(31,910)	-	(31,910)
Total Accumulated Depreciation	(4,364,967)	(249,922)	-	(4,614,889)
Net Capital Assets	$ 4,672,849	$ 2,316,445	$ -	$ 6,989,294

Depreciation has been allocated on the statement of activities as follows:

General Government	$ 111,577
Public Safety	138,345
Total Depreciation	$ 249,922

NOTE 5: LONG-TERM OBLIGATIONS

The following is a schedule of changes in debt for the year ended December 31, 2022:

	Balance 1/1/22	Advances	Repayments	Balance 12/31/22	Current Portion	Interest Expense	Accrued Interest
Capital Lease Payable	$ 666,181	$ -	$ 46,569	$ 619,612	$ 47,647	$ 14,833	$ 2,969
Building Lease - Condo	-	54,274	26,088	28,186	28,186	-	-
Building Lease - Office	-	71,602	2,587	69,015	8,629	-	-
2021 Note Payable	400,000	-	100,000	300,000	100,000	12,501	11,888
2022 Note Payable	-	1,852,500	-	1,852,500	231,563	4,427	4,427
G.O. Bonds Payable	-	25,315,000	765,000	24,550,000	625,000	1,004,367	87,892
Compensated Absences	72,665	11,224	-	83,889	-	-	-
Total Obligations	**$ 1,138,846**	**$ 27,304,600**	**$ 940,244**	**$ 27,503,202**	**$ 1,041,025**	**$ 1,036,128**	**$ 107,176**
G.O. Bond Premiums	$ -	$ 4,955,548	$ 272,510	$ 4,683,038			

During 2019, the District entered into a lease purchase agreement for the construction of employee housing. The lease was for $730,000 including $30,000 of issuance costs. In 2020, The District paid off the original lease and refinanced in the amount of $713,140. The lease is subject to annual appropriation. Payments of $30,813 are due semi-annually in March and September consisting of both principal and 2.30% interest through March 2034. In the event of default, all current and future lease payments may be declared due, the leased property can be repossessed, require the District to vacate the property, may sell their interest in the property, or lease the property in an effort to collect required rental payments. The District has capitalized assets with a remaining basis of $1,178,343 related to the lease.

Scheduled payments on lease are as follows:

Year	Principal	Interest	Payments
2023	47,647	13,979	61,626
2024	48,750	12,876	61,626
2025	49,877	11,749	61,626
2026	51,031	10,595	61,626
2027	52,211	9,415	61,626
2028-2032	279,742	28,388	308,130
2033-2034	90,354	2,086	92,440
Total	**$ 619,612**	**$ 89,088**	**$ 708,700**

During 2021, the District entered into a building lease agreement for rental housing. The lease was for $54,274. Payments of $2,300 are due monthly consisting of an estimated interest rate of 4.00% through November 2023. In the event of default, the lessor may end lessee's right of occupancy by giving notices required by Colorado Law and exercising legal rights, while not releasing tenant from liability of future rent. After such actions payments may still be received while not waiving or diminishing the lessor's right of eviction or any other contractual or statutory right. Rent acceleration is the right of the lessor in lieu of having rent for the entire term payable when the lease contract begins. The prevailing party shall be entitled to an award of attorney fees and other remedies. The District has capitalized assets with a remaining basis of $27,137 related to the lease.

Scheduled payments on lease are as follows:

Year	Principal	Interest	Payments
2023	$ 28,186	$ 614	$ 28,800

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

During 2022, the District entered into a building lease agreement for office space. The lease was for $71,602. Payments of $822 are due monthly consisting of an estimated interest rate of 4.00% through August 2027. In the event of default, the lessor may elect to give the lessee written notice of intention to terminate the lease on the date of notice or on any later date specified in the notice. Lessee's right to possession of the premises shall cease and this lease shall be terminated. In addition, lessor shall have all other rights available at law and in equity, including, without limitation, recovery of actual damages, costs and expenses including reasonable attorney's fees. The District has capitalized assets with a remaining basis of $66,828 related to the lease.

Scheduled payments on lease are as follows:

Year	Principal	Interest	Payments
2023	8,629	2,622	11,251
2024	13,171	2,019	15,190
2025	17,119	1,577	18,696
2026	17,816	880	18,696
2027	12,280	185	12,465
Total	**$ 69,015**	**$ 7,283**	**$ 76,298**

During 2021, the District entered into a land purchase agreement with a loan in the amount of $400,000. Payments of $100,000 are due annually in January consisting of both principal and 4.00% interest through March 2025. In the event of default, the entire amount outstanding and accrued interest thereon shall at once become due and payable at the option of the note holder. The indebtedness shall bear interest at the rate of 8.00% per annum from the date of default. Note holder shall be entitled to collect all reasonable cost and expense of collection and/or suit, including, but not limited to reasonable attorney's fees. The District has capitalized assets with a remaining basis of $552,380 related to the land purchase. The District has restricted equity to cover all future debt payments.

Scheduled payments on lease are as follows:

	Year	Principal	Interest	Payments
1/10/2023	2023	$ 100,000	$ 12,222	$ 112,222
1/10/2024	2024	200,000	8,148	208,148
	Total	**$ 300,000**	**$ 20,371**	**$ 320,371**

During 2022, the District entered into a land purchase agreement with a loan in the amount of $1,852,000. Payments ranging from $97,500 to $240,825 are due annually in January consisting of both principal and 4.00% interest through January 2031. In the event of default, the entire amount outstanding and accrued interest thereon shall at once become due and payable at the option of the note holder. The indebtedness shall bear interest at the rate of 8.00% per annum from the date of default. Note holder shall be entitled to collect all reasonable cost and expense of collection and/or suit, including, but not limited to reasonable attorney's fees. The District has capitalized assets with a remaining basis of $1,955,123 related to the land purchase. The District has restricted equity to cover all future debt payments.

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

Scheduled payments on lease are as follows:

Year	Principal	Interest	Payments
2023	$ 231,563	$ 5,481	$ 237,044
2024	-	-	-
2025	231,563	132,269	363,831
2026	231,563	55,575	287,138
2027	231,563	46,313	277,875
2028-2031	926,250	92,625	1,018,875
Total	**$ 1,852,500**	**$ 332,262**	**$ 2,184,762**

General Obligation Bonds Payable

In January 2022, the District issued $25,315,000 in general obligation bonds for the purpose of financing capital projects. Principal payments are due annually on December 1, through 2046. Interest payments are due semi-annually on June 1 and December 1, with interest accruing at rates ranging from 4.0% to 5.0%.

Scheduled bond payments are as follows:

Year	Principal	Interest	Payments
2023	625,000	1,054,700	1,679,700
2024	650,000	1,029,700	1,679,700
2025	675,000	1,003,700	1,678,700
2026	705,000	976,700	1,681,700
2027	730,000	948,500	1,678,500
2028-2032	4,115,000	4,280,300	8,395,300
2033-2037	5,005,000	3,388,700	8,393,700
2038-2042	6,090,000	2,304,300	8,394,300
2043-2046	5,955,000	762,750	6,717,750
Total	**$ 24,550,000**	**$ 10,766,000**	**$ 20,151,000**

NOTE 6: PENSION OBLIGATIONS

STATEWIDE DEFINED BENEFIT PLAN (FPPA)

Summary of Significant Accounting Policies

Pensions. The District participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, that can be obtained at htttp://www.FPPAco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1.

The amount of any increase is based on the Board's discretion and can range from Oto the higher ·of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

NOTE 5: <u>PENSION PLANS</u> (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

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

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

General Information about the Pension Plan (Continued)

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the District were $114,414 for the plan year ended December 31, 2021 and $141,140 for the fiscal year ended December 31, 2022. The current year contributions will be expensed in 2023 for FPPA purposes, December 31, 2022 employer contributions for reporting as of December 31, 2023, and are a timing difference at year end.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the District reported an asset of $906,147 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The District's proportion of the net pension liability was based on District's contributions to the SWDB for the calendar year 2021 relative to the total contributions of participating employers to the SWDB.

At December 31, 2022, the District's proportion was 0.16721%, which was an increase of 0.00402% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the District recognized pension expense of $117,883. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 208,672	$ (20,394)
Changes of assumptions or other inputs	$ 231,804	$ -
Net difference between projected and actual earnings on pension plan investments	$ 48,554	$ (666,247)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	$ 17,062	$ (146,469)
Contributions subsequent to the measurement date	$ 141,140	$ -
Total	**$ 647,232**	**$ (833,110)**

$141,140 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2023.

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal year Total
2023	$ (118,069)
2024	(166,623)
2025	(100,921)
2026	(34,644)
2027	48,233
2028-2031	45,006
Total	**$ (327,018)**

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of pension plan investment expenses, including price inflation *	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income - Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	**100.00%**	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

NOTE 5: PENSION PLANS (Continued)

STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the proportionate share of the net pension asset (liability) to changes in the discount rate. Regarding the sensitivity of the net pension li ability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension asset (liability)	$ 124,963	$ 906,147	$ 1,553,314

Subsequent Event

Statewide Retirement Plan. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administrative, operation and communication of benefits. The financial impact of the merger of plans is being determined.

Actuarial Experience Study. During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023.

Volunteer Firefighters Pension Plan

Plan Description

The Volunteer Firefighters Pension Plan is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member’s Benefit Fund, an agent multiple-employer defined benefit pension Plan administered by FPPA.

Description of Benefits

The Plan provides retirement benefits for Members and beneficiaries according to Plan provisions as enacted and governed by the Firefighters Pension Board. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the Plan. In 2021, the normal retirement benefit was $800 per month. A participant becomes fully vested after 20 years of active service and reaching age 50. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. FPPA issues independent annual reports that may be obtained by calling FPPA at (303) 770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

NOTE 6: <u>PENSION PLANS</u> (Continued)

<u>Volunteer Firefighters Pension Plan</u> (Continued)

Contributions

The District funds the Plan per provisions in the Plan document and Colorado statutes. The District shall contribute amounts required to fund the benefits provided by the Plan on a sound actuarial basis. The District contributes to the Volunteer Fire Department Pension Fund at a rate determined in the following manner: at least every three (3) years, the Volunteer Fire Department Pension Fund shall have an actuarial study prepared to determine the funds required. The required funds will be paid annually from general revenues of the District into the Volunteer Fire Department Pension Fund. The Volunteer Firefighter's Pension Plan receives contributions from the District in an amount not to exceed one half mill of property tax revenue.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As established by the legislature, the State of Colorado contributes up to ninety percent of the District's contribution. The contributions are not actuarially determined.

The Plan is administered by a Retirement Board composed of seven members, the District's five elected board members plus two members elected by the volunteers.

The financial statements of the volunteer Plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Administrative costs of the Plan are paid from the pension fund (CRS 31-30.5-204(3)). There are no investments in, loans to, or leases with parties related to the Plan.

At December 31, 2022, the District reported a net pension asset of $119,646. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

For the year ended December 31, 2022, the District recognized pension expense of $55,843. At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 6: PENSION PLANS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 5,769	$ -
Net difference between projected and actual earnings on pension plan investments	$ 52,194	$ (503,784)
Contributions subsequent to the measurement date	$ 75,000	
Total	**$ 132,963**	**$ (503,784)**

$75,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.
Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Fiscal Year Total
2023	(104,985)
2024	(162,950)
2025	(112,070)
2026	(65,816)
Total	**$ (445,821)**

Actuarial Assumptions

A January 1, 2021 actuarial valuation was used to determine the total pension liability as of the measurement date of December 31, 2021. Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019 determines the contribution amounts for 2020 and 2021. The actuarially determined contributions used the following actuarial assumption and other inputs:

NOTE 6: <u>PENSION PLANS</u> (Continued)

<u>Volunteer Firefighters Pension Plan</u> (Continued)

Actuarial Assumptions (Continued)

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary increase, including wage inflation	N/A
Long-term investment Rate of Return	7.00%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality
	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scales for all years
	Disabled: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scales for all years
* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants	

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2021 are summarized in the following table:

NOTE 6: <u>PENSION OBLIGATIONS</u> (Continued)

<u>Volunteer Firefighters Pension Plan</u> (Continued)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.00%
Absolute Return	10.00%	5.60%
Fixed Income - Credit	5.00%	5.25%
Cash	2.00%	2.32%
Total	**100.00%**	

Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension asset (liability)	$ (433,555)	$ 119,646	$ 576,232

NOTE 6: PENSION OBLIGATIONS (Continued)

Volunteer Firefighters Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Changes in net pension liability for the District's agent multiple-employer plan is listed below:

Total Pension Liability	2022
Service cost	$ 43,461
Interest	305,880
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments	(280,159)
Net changes in total pension liability	69,182
Total Pension Liability - beginning	4,486,060
Total Pension Liability - ending (a)	$ 4,555,242
Plan Fiduciary Net Position	
Contributions - employer	$ 75,000
Contributions - State of Colorado (discretionary)	81,000
Net investment Income	617,973
Benefit payments,including refunds of employee contributions	(280,159)
Administrative expense	(13,921)
Other	-
Net change in plan fiduciarty net position	479,893
Plan fiduciary net position - beginning	4,194,995
Plan fiduciary net position - ending(b)	$ 4,674,888
District's net pension liability - ending (a)-(b)	$ (119,646)

Membership

As of the December 31, 2020 measurement date, pension plan membership consisted of the following:

Retirees and Beneficiaries	34
Inactive, Nonretired Members	14
Active Members	24
Total	**72**

NOTE 7: FUND BALANCE RESERVATIONS/APPROPRIATIONS

Emergency Reserve

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado, all local governments, and special districts.

The District's financial activity for the year ended December 31, 2022 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 2022, revenue in excess of the District's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

At a November 4, 1997 election, the electors of the District authorized the District to collect, retain and expend the full amount of the revenues from all sources during 1997, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

The Article requires an emergency reserve be set aside for 2022 in the amount of 3% or more of its fiscal year spending. At December 31, 2022, the District has reserved the following for emergencies:

General Fund	$150,000

The District believes it is in compliance with the provisions of the TABOR Amendment.

Other Restricted Equity

The District has restricted equity related to collected impact fees and for future debt service on the loan described in Note 5. Restricted equity is comprised of the following:

TABOR Emergency	$150,000
Impact Fees	389,815
Total Restricted Equity	$539,815

Committed Fund Balance

Through the adoption of the 2022 fiscal year budget, the Board has committed the following resources:

Major Incident Reserve	$ 100,000
Down Payment Assistance	80,000
Subsequent Year's Appropriation	521,021
Operating Reserve	1,421,189
Total Committed Fund Balance	$2,122,210

NOTE 8: 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 firemen; and natural disasters. The District purchases commercial insurance for all risks of loss. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 9: COMMITMENTS AND CONTINGENCIES

In September of 2020, the District entered into a commitment for the design, development and construction administration of a new facilities in the amount of $1,013,516. As of December 31, 2022, $499,521 of this amount had been invoiced, leaving an additional $413,995 committed.

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Required Supplementary Information
Pension Schedules(Unaudited)

CRESTED BUTTE FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
FPPA Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	District's covered payroll	District's proportionate share of the net pension asset (liability) as a proportion of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
12/31/2022	0.1672062%	$ 906,147	$1,430,175	63.36%	116.16%
12/31/2021	0.1631845%	$ 354,274	$1,310,713	27.03%	106.72%
12/31/2020	0.1695413%	$ 95,886	$1,249,575	7.67%	101.90%
12/31/2019	0.1294212%	$ (35,044)	$1,211,113	-2.89%	95.23%
12/31/2018	0.1044421%	$ 143,194	$ 644,588	22.21%	106.34%
12/31/2017	0.1113608%	$ (40,239)	$ 569,925	-7.06%	98.21%
12/31/2016	0.0968831%	$ 1,708	$ 469,663	0.36%	100.10%
12/31/2015	0.0479253%	$ 54,087	$ 215,525	25.10%	106.83%
12/31/2014	0.0086331%	$ 7,720	$ 37,500	20.59%	105.83%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CRESTED BUTTE FIRE PROTECTION DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
FPPA Pension Plan
Last 10 Fiscal Years[1]

Fiscal Year	Contractually required contributions	Actual contributions	Contribution deficiency (excess)	District's covered payroll	as a percentage of covered payroll
12/31/2022	$ 114,414	$ 114,414	$ -	$ 1,430,175	8.00%
12/31/2021	$ 104,857	$ 104,857	$ -	$ 1,310,713	8.00%
12/31/2020	$ 99,966	$ 99,966	$ -	$ 1,249,575	8.00%
12/31/2019	$ 96,889	$ 96,889	$ -	$ 1,211,113	8.00%
12/31/2018	$ 51,567	$ 51,567	$ -	$ 644,588	8.00%
12/31/2017	$ 45,594	$ 45,594	$ -	$ 569,925	8.00%
12/31/2016	$ 37,573	$ 37,573	$ -	$ 469,663	8.00%
12/31/2015	$ 17,242	$ 17,242	$ -	$ 215,525	8.00%
12/31/2014	$ 3,000	$ 3,000	$ -	$ 37,500	8.00%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CRESTED BUTTE FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
Volunteer Pension Plan
Last 10 Fiscal Years[(1)]

	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total Pension Liability				
Service cost	$ 43,461	$ 33,703	$ 33,703	$ 36,071
Interest	305,880	246,437	242,936	245,035
Changes of benefit terms	-	628,163	-	-
Differences between expected and actual experience	-	199,043	-	(43,379)
Changes of assumptions	-	-	-	162,611
Benefit payments	(280,159)	(246,343)	(207,546)	(184,265)
Net changes in total pension liability	69,182	861,003	69,093	216,073
Total Pension Liability - beginning	4,486,060	3,625,057	3,555,964	3,339,891
Total Pension Liability - ending (a)	$ 4,555,242	$ 4,486,060	$ 3,625,057	$ 3,555,964
Plan Fiduciary Net Position				
Contributions - employer	$ 75,000	$ 75,000	$ 50,002	$ 193,563
Contributions - state	81,000	40,500	-	40,500
Net investment Income	617,973	495,306	494,869	1,588
Benefit payments, including refunds of employee contributions	(280,159)	(246,343)	(207,546)	(184,265)
Administrative expense	(13,921)	(11,066)	(16,647)	(13,551)
Other	-	-	-	-
Net change in plan fiduciary net position	479,893	353,397	320,678	37,835
Plan fiduciary net position - beginning	4,194,995	3,841,598	3,520,920	3,483,085
Plan fiduciary net position - ending(b)	$ 4,674,888	$ 4,194,995	$ 3,841,598	$ 3,520,920
District's net pension liability - ending (a)-(b)	$ (119,646)	$ 291,065	$ (216,541)	$ 35,044
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.63%	93.51%	105.97%	99.01%

Note: For 12/31/21 (12/31/20 measurement period), the District modified the long-term expected rate of return, mortality assumptions, and increased the monthly retirement benefit from $680 to $800.
All amounts are for the measurement period one year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

12/31/2018	12/31/2017	12/31/2016	12/31/2015
$ 36,071	$ 42,490	$ 42,490	$ 41,350
237,820	229,811	221,115	212,260
-	-	-	-
-	(57,047)	-	4,300
-	56,245	-	-
(171,360)	(152,092)	(143,402)	(137,491)
102,531	119,407	120,203	120,419
3,237,360	3,117,953	2,997,750	2,877,331
$ 3,339,891	$ 3,237,360	$ 3,117,953	$ 2,997,750
$ -	$ 142,731	$ 145,947	$ 144,958
40,500	40,500	40,500	40,500
454,658	158,553	51,695	178,088
(171,360)	(152,092)	(143,402)	(137,491)
(14,327)	(4,968)	(6,642)	(4,519)
-	-	-	-
309,471	184,724	88,098	221,536
3,173,614	2,988,890	2,900,792	2,679,256
$ 3,483,085	$ 3,173,614	$ 2,988,890	$ 2,900,792
$ (143,194)	$ 63,746	$ 129,063	$ 651,341
104.29%	98.03%	95.86%	96.77%

CRESTED BUTTE FIRE PROTECTION DISTRICT

SCHEDULE OF THE DISTRICT'S NET PENSION LIABILITY AND RELATED RATIOS
Volunteer Pension Plan
Last 10 Fiscal Years (1)

Fiscal Year Ended	Total Pension Liability	Plan's Fiduciary Net Position	Net Pension Liability	Plan's Fiduciary Net Position as Percent of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percent of Covered Payroll
12/31/2022	$ 4,555,242	$ 4,674,888	$ (119,646)	102.63%	$ -	N/A
12/31/2021	$ 4,486,060	$ 4,194,995	$ 291,065	93.51%	$ -	N/A
12/31/2020	$ 3,625,057	$ 3,841,598	$ (216,541)	105.97%	$ -	N/A
12/31/2019	$ 3,555,964	$ 3,520,920	$ 35,044	99.01%	$ -	N/A
12/31/2018	$ 3,339,891	$ 3,483,085	$ (143,194)	104.29%	$ -	N/A
12/31/2017	$ 3,237,360	$ 3,173,614	$ 63,746	98.03%	$ -	N/A
12/31/2016	$ 3,117,953	$ 2,988,890	$ 129,063	95.86%	$ -	N/A
12/31/2015	$ 2,997,750	$ 2,900,792	$ 96,958	96.77%	$ -	N/A
12/31/2014	$ 2,877,331	$ 2,679,256	$ 198,075	93.12%	$ -	N/A

Note: For 12/31/21 (12/31/20 measurement period), the District modified the long-term expected rate of return, mortality assumptions, and increased the monthly retirement benefit from $680 to $800.
All amounts are for the measurement period one year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

CRESTED BUTTE FIRE PROTECTION DISTRICT

SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS
Volunteer Pension Plan
Last 10 Fiscal Years(1)

Fiscal Year Ended	Actuarially determined contributions	Actual contributions	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
12/31/2022	$ 100,983	$ 156,000	$ (55,017)	$ -	N/A
12/31/2021	$ 100,983	$ 115,500	$ (14,517)	$ -	N/A
12/31/2020	$ 19,697	$ 50,002	$ (30,305)	$ -	N/A
12/31/2019	$ 19,697	$ 234,063	$ (214,366)	$ -	N/A
12/31/2018	$ 43,012	$ 40,500	$ 2,512	$ -	N/A
12/31/2017	$ 70,224	$ 183,231	$ (113,007)	$ -	N/A
12/31/2016	$ 70,224	$ 186,447	$ (116,223)	$ -	N/A
12/31/2015	$ 70,224	$ 185,458	$ (115,234)	$ -	N/A

Note: See Note 4 of the Basic Financial Statements for significant methods and assumptions used in calculating the actuarially determined calculations.
For 12/31/21 (12/31/20 measurement period), the District modified the long-term expected rate of return, mortality assumptions, and increased the monthly retirement benefit from $680 to $800.
All amounts are for the measurement period one year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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Required Supplementary Information

CRESTED BUTTE FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			2021
	Original & Final Budget	Actual	Variance With Final Budget	Actual
REVENUES				
Taxes				
Property Taxes	$ 3,275,578	$ 3,261,678	$ (13,900)	$ 2,886,304
Specific Ownership Taxes	130,000	211,653	81,653	205,671
Total Tax Revenue	3,405,578	3,473,331	67,753	3,091,975
Intergovernmental Revenues				
State Grants	-	-	-	37,374
Other Intergovernmental	25,000	41,840	16,840	28,612
Total Intergovernmental Revenue	25,000	41,840	16,840	65,986
Charges for Services				
Rents	69,500	73,006	3,506	59,574
Other Charges for Services	333,280	969,788	636,508	498,543
Total Charges for Services	402,780	1,042,794	640,014	558,117
Investment Earnings	15,000	61,567	46,567	7,837
Other Revenues				
Donations	-	1,000	1,000	8,400
Sale of Capital Assets	3,000	-	(3,000)	4,100
Other Miscellaneous Revenue	-	20	20	15
Total Other Revenue	3,000	1,020	(1,980)	12,515
TOTAL REVENUES	3,851,358	4,620,552	769,194	3,736,430

See accompanying Independent Auditors' Report.

(Continued)

CRESTED BUTTE FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
General Fund
FOR THE YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022			
	Original & Final Budget	**Actual**	**Variance With Final Budget**	**2021 Actual**
(Continued)				
EXPENDITURES				
Administration				
Personnel Services	774,166	731,403	42,763	572,303
Insurance	30,000	33,309	(3,309)	27,464
Professional Fees	77,800	80,675	(2,875)	119,515
Repairs and Maintenance	43,500	24,795	18,705	36,487
Supplies and Office	105,820	74,686	31,134	80,532
Telephone and Utilities	56,500	57,395	(895)	44,040
Travel and Training	61,500	46,364	15,136	33,317
Volunteer Pension Contribution	75,000	75,000	-	75,000
Other Expenses	127,700	125,331	2,369	120,628
Total General Government	1,351,986	1,248,958	103,028	1,109,286
Operations				
Personnel Services	2,045,667	2,035,955	9,712	1,678,739
Fuel and Automotive	40,000	43,840	(3,840)	31,959
Professional Fees	79,001	71,501	7,500	79,477
Repairs and Maintenance	46,000	47,626	(1,626)	48,291
Supplies	144,500	145,369	(869)	122,543
Telephone and Utilities	12,600	12,952	(352)	10,611
Travel and Training	101,800	68,033	33,767	71,354
Other Expenses	11,600	10,774	826	4,195
Total Public Safety	2,481,168	2,436,050	45,118	2,047,169
Capital Outlay			-	
Public Safety Capital Outlay	145,000	154,659	(9,659)	837,893
Debt Service				
Principal	61,626	190,915	(129,289)	61,626
Interest	-	2,214	(2,214)	-
Total Debt Service	61,626	193,129	(131,503)	61,626
TOTAL EXPENDITURES	6,379,574	4,032,796	2,346,778	4,055,974
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDI	(2,528,216)	587,756	3,115,972	(319,544)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	249,453	(249,453)	-
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (2,528,216)	837,209	$ 2,866,519	(319,544)
Budget to GAAP Basis Reconciliation				
Debt Proceeds		125,875		400,000
Capital Outlay		(125,875)		(400,000)
NET CHANGE IN FUND BALANCE - GAAP BASIS		837,209		(319,544)
FUND BALANCE, BEGINNING		2,242,433		2,561,977
FUND BALANCE, ENDING		$ 3,079,642		$ 2,242,433

See accompanying Independent Auditors' Report.

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Other Supplementary Information

CRESTED BUTTE FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
Capital Reserve Project Fund
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022		
	Original & Final Budget	**Actual**	**Variance With Final Budget**
REVENUES			
Investment Earnings	$ -	$ 48,661	$ 48,661
EXPENDITURES			
Professional Fees	-	244,890	(244,890)
Other Expenses	-	251	(251)
Total General Government	-	245,141	(245,141)
Capital Outlay			
Public Safety Capital Outlay	8,900,000	2,286,334	6,613,666
TOTAL EXPENDITURES	8,900,000	2,531,475	6,368,525
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(8,900,000)	(2,482,814)	6,417,186
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	(9,000,000)	32,123,048	(41,123,048)
Transfers (Out)	-	(249,453)	249,453
TOTAL OTHER FINANCING SOURCES (USES)	(9,000,000)	31,873,595	(40,873,595)
NET CHANGE IN FUND BALANCE - BUDGET BASIS	$ (17,900,000)	29,390,781	$ (34,456,409)
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		$ 29,390,781	

See accompanying Independent Auditors' Report.

CRESTED BUTTE FIRE PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE
Bond Redemption Fund
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022		
	Original & Final Budget	**Actual**	**Variance With Final Budget**
REVENUES			
Property Taxes	$ 1,796,667	$ 1,789,629	$ (7,038)
Specific Ownership Taxes	-	108,820	108,820
Total Tax Revenue	1,796,667	1,898,449	101,782
Investment Earnings	4,190	14,137	9,947
TOTAL REVENUES	1,800,857	1,912,586	111,729
EXPENDITURES			
Other Expenses	-	53,892	(53,892)
Capital Outlay			
Principal	765,000	765,000	-
Interest	846,667	916,476	(69,809)
TOTAL EXPENDITURES	1,611,667	1,735,368	(123,701)
NET CHANGE IN FUND BALANCE - BU	$ 189,190	177,218	$ (11,972)
FUND BALANCE, BEGINNING		-	
FUND BALANCE, ENDING		$ 177,218	

See accompanying Independent Auditors' Report.