

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

**AUDITED FINANCIAL STATEMENTS**

**WESTCLIFFE, COLORADO**

December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

September 13, 2023

Board of Directors  
Wet Mountain Fire Protection District  
Westcliffe, Colorado

### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Wet Mountain Fire Protection District as of December 31, 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 Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wet Mountain Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Wet Mountain Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

*Aamen, Ross & DeNardo, Inc.*

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

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2022

As management of the Wet Mountain Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022. This discussion and analysis are designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

**Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,580,692 (net position). Of this amount \$442,477 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$338,271.
- As of the close of the current fiscal year, the District's governmental fund reported ending fund balance of \$456,494, an increase of \$63,414 in comparison with the prior year. This increase is caused by revenues exceeding expenditures in the general fund.
- At the end of the current fiscal year, unassigned fund balance of the general fund is \$431,217 or 54% of total general fund expenditures.
- Total revenues increased by \$84,736 from the previous year. The increase is mostly attributed to an increase in grant revenues, donations, and property tax revenues. During the November 6, 2018 general election voters approved an increase to the mill levy of 2 mills. The District can use the additional funds for general operations. Expenditures decreased by \$67,077, mainly due to capital outlay decreasing by \$193,361.

**Overview of the Financial Statements**

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

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

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

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

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

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

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2022

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

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

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

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

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

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

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 - 20 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the District, assets exceeded liabilities by \$2,580,692 at the close of fiscal year 2022. Increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the District is improving or deteriorating over time.

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2022

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

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

The following table reflects the condensed Statement of Net Position at December 31, 2022:

	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Current and other assets	\$ 2,212,289	\$ 1,812,378
Capital assets	1,370,644	1,363,304
Total Assets	<u>3,582,933</u>	<u>3,175,682</u>
 Deferred Outflow of Resources: Firemen's pension plan	 <u>89,641</u>	 <u>135,163</u>
<b>Liabilities:</b>		
Current and other liabilities	13,665	10,330
Current maturities of long-term debt	56,191	56,139
Long-term liabilities outstanding	90,654	146,845
Total Liabilities	<u>160,510</u>	<u>213,314</u>
 Deferred Inflow of Resources: Firemen's pension plan	 292,665	 222,398
Deferred Inflow of Resources: Unavailable revenue – property tax	638,707	632,712
Total Deferred Inflows	<u>931,372</u>	<u>855,110</u>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	1,223,799	1,160,320
Restricted	914,416	707,427
Unrestricted	442,477	374,674
Total Net Position	<u>\$ 2,580,692</u>	<u>\$ 2,242,421</u>

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

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains the requirements of setting an emergency reserve. This reserve cannot be accessed except for an unexpected disaster. This reserve amounts to \$25,000 as of December 31, 2022.

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

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2022

The following table reflects the condensed Statement of Activities for the year ended December 31, 2022:

**Government Wide Financial Analysis (Continued)**

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 400	\$ 1,061
Grants and contributions	64,119	32,922
General revenues:		
Property taxes	696,566	629,887
Specific ownership taxes	91,300	98,985
Unrestricted investment earnings	1,019	1,245
Gain (loss) on sale of assets	(750)	(3,500)
Other	3,094	5,162
Pension plan income	204,989	-
Total Revenues	<u>1,060,737</u>	<u>765,762</u>
Expenses:		
Public safety	552,960	480,645
General government	165,665	165,379
Debt service-interest	3,841	1,502
Pension plan expenses	-	63,168
Total Expenses	<u>722,466</u>	<u>710,694</u>
Change in net position	338,271	55,068
Net position – beginning	2,242,421	2,187,353
Net position – ending	<u>\$ 2,580,692</u>	<u>\$ 2,242,421</u>

**Budgetary Highlights**

There were no amendments to the original budgets during 2022.

**Capital Asset and Debt Administration**

*Capital assets.* The District's investment in capital assets as of December 31, 2022 amounts to \$1,370,644 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, vehicles, equipment, and improvements. The increase in the District's investment in capital assets for the current fiscal year was due to current year additions of equipment and real property for \$162,639 less the decrease due to current year net asset disposals of \$61,597; depreciation of equipment and real property of \$154,549; and the remaining balance of a lease of \$146,845.

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

Substations	\$ 1,150,660
Equipment and furniture	3,003,484
Less: Accumulated depreciation	(2,783,500)
	<u>\$ 1,370,644</u>

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

**Management's Discussion and Analysis**  
Wet Mountain Fire Protection District  
December 31, 2022

*Long-term debt.* During 2021, the District commenced a lease for a rescue vehicle. The lease of the District was not a general obligation of the District and was paid solely from the District's revenues as appropriated in the annual budget.

Additional information on the District's long-term debt can be found in Note 6 on page 15 of this report.

**Final Comments**

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

**Request for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

<b>Assets</b>		
Cash and equivalents	\$	399,151
Certificates of deposit		63,324
Taxes receivable		638,950
Other receivables		5,682
Inventory		277
Prepaid expenses		12,465
Net pension asset - firemen's pension plan		1,092,440
Capital assets - net of accumulated depreciation		<u>1,370,644</u>
	<b>Total Assets</b>	<u><u>3,582,933</u></u>
<b>Deferred Outflows of Resources</b>		
Related to firemen's pension plan		<u>89,641</u>
<b>Liabilities</b>		
Accounts payable		7,059
Accrued interest		1,482
Accrued expenses		5,124
Long-term liabilities:		
Due within on year		56,191
Due in more than one year		<u>90,654</u>
	<b>Total Liabilities</b>	<u><u>160,510</u></u>
<b>Deferred Inflow of Resources</b>		
Related to firemen's pension plan		292,665
Unavailable revenue - property tax		<u>638,707</u>
	<b>Total Deferred Inflow of Resources</b>	<u><u>931,372</u></u>
<b>Net Position</b>		
Invested in capital assets, net of related debt		1,223,799
Restricted for:		
Emergency		25,000
Firemen's pension fund		889,416
Unrestricted		<u>442,477</u>
	<b>Total Net Position</b>	<u><u>\$ 2,580,692</u></u>

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

**STATEMENT OF ACTIVITIES**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
For the Year Ended December 31, 2022

<b>Expenses</b>		
Public safety	\$	552,960
General government		165,665
Debt service-interest		<u>3,841</u>
	<b>Total Program Expenses</b>	<u>722,466</u>
<b>Program Revenue:</b>		
Charges for services		400
Grants and contributions		<u>64,119</u>
	<b>Total Program Revenues</b>	<u>64,519</u>
	<b>Net Program (Expense) Revenue</b>	<u>(657,947)</u>
<b>General Revenues</b>		
Property taxes		696,566
Specific ownership taxes		91,300
Interest		1,019
Gain (loss) on sale of assets		(750)
Other revenues		3,094
Pension plan revenue		<u>204,989</u>
	<b>Total General Revenues</b>	<u>996,218</u>
	<b>Change in Net Position</b>	338,271
<b>Net position at beginning of year</b>		<u>2,242,421</u>
<b>Net position at end of year</b>	<b>\$</b>	<u>2,580,692</u>

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

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 399,151
Certificates of deposit	63,324
Taxes receivable	638,950
Other receivables	5,682
Inventory	277
<b>Total Assets</b>	<b>1,107,384</b>
<b>Liabilities</b>	
Accounts payable	7,059
Accrued expenses	5,124
<b>Total Liabilities</b>	<b>12,183</b>
<b>Deferred Inflow of Resources</b>	
Property tax	638,707
<b>Fund Balances</b>	
Nonspendable	277
Restricted - emergency	25,000
Unassigned	431,217
<b>Total Fund Balances</b>	<b>\$ 456,494</b>

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

**RECONCILIATION OF GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
WET MOUNTAIN FIRE PROTECTION DISTRICT  
December 31, 2022

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<b>Total Fund Balances - Total Government Funds</b>	\$	456,494
<p>Amounts reported for governmental activities in the Statement of Net Position were different because:</p>		
Net pension assets used in governmental activities were not current financial resources, therefore, they were not reported in the Governmental Funds Balance Sheet.		889,416
Capital assets used in governmental activities were not current financial resources, therefore, they were not reported in the Governmental Funds Balance Sheet.		1,370,644
Interest payable on leases did not require current financial resources, therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.		(1,482)
Long term debt liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.		(146,845)
Some expenditures reported in the governmental funds require the use of current financial resources because items are prepaid using the payments method and, therefore, are not reported as expenses in the Statement of Activities.		<u>12,465</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>2,580,692</u></b>

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

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

WET MOUNTAIN FIRE PROTECTION DISTRICT

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>General Fund</u>
<b>Revenues</b>	
Property taxes	\$ 696,566
Specific ownership tax	91,300
Interest	1,019
Grants and contributions	64,119
Charges for services	400
Gain on sale of assets	-
Miscellaneous	<u>3,094</u>
<b>Total Revenues</b>	<u>856,498</u>
<b>Expenditures</b>	
Current:	
General government	157,858
Public safety	412,587
Capital outlay	162,639
Debt Service:	
Principal retirement	56,139
Interest	<u>3,861</u>
<b>Total Expenditures</b>	<u>793,084</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	63,414
<b>Other Financing Sources (Uses)</b>	
Proceeds from leases	<u>-</u>
<b>Net Change in Fund Balance</b>	63,414
<b>Fund balance - beginning</b>	<u>393,080</u>
<b>Fund balance - ending</b>	<u>\$ 456,494</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

WET MOUNTAIN FIRE PROTECTION DISTRICT

December 31, 2022

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Net Change in Fund Balances - Total Governmental Funds	\$ 63,414
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$162,639) exceeded depreciation expense (\$154,549).	8,090
Basis of assets that have been sold reduces financial resources in the statement of activities. The basis is not recognized in the governmental funds.	(750)
Deferred income/expense related to the pension plan is not recognized in the governmental funds because it does not require the use of current financial resources.	204,989
Principal retirements - retirements of principal outstanding on the District's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these reductions against the long-term liabilities.	56,139
Interest payable on outstanding leases is not recorded on the fund financial statements because it is not a current use of cash. Interest is accrued on the government-wide financial statements, and the change in the liability is recognized.	20
Expenditures for services which benefit a future period are reported as prepaid expenses and included in current assets in the government-wide statements of net position. In the governmental fund financial statements they are treated as expenditures when paid. This is the amount by which prepaid expenditures increased (decreased) from the prior year.	<u>6,939</u>
<b>Change in Net Position - Governmental Activities</b>	<b><u>\$ 338,841</u></b>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies**

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

**Financial Reporting Entity**

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

**Government-Wide and Fund Financial Statements**

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from activities of the fiscal year.

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Reconciliation of Government-Wide and Fund Financial Statements**

The governmental funds balance sheet includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the governmental fund statements during the consolidation of governmental activities.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
WET MOUNTAIN FIRE PROTECTION DISTRICT  
December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Governmental fund financial statements are 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property and specific ownership taxes are reported as receivables and unearned revenue when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements are met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and lease debt service which is recognized when due.

**General Fund**

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

**Cash and Investments**

Cash on hand, cash in the bank and all highly liquid investments with a maturity of three months or less when purchased or subject to withdrawal, are considered to be cash and cash equivalents.

The District's policy is to state investments at their fair value and categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

All investment income, including changes in the fair value of investments are reported as investment income in the District's financial statements. Cash and investments are subject to Colorado State statutes as described in Note 3.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Inventory**

Inventory for the General Fund is valued at cost using the first-in, first-out method of determining inventories on hand. A physical count was made at December 31, 2022, and inventory was adjusted to reflect an accurate balance as determined by the physical count. Expendable supplies are charged directly to expenditures when purchased. Reported inventory in the General Fund is considered nonspendable fund balance reserve, which indicates the assets are unavailable for appropriation even though they are a component of total reported assets.

**Receivables**

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

**Interest Receivable**

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

**Capital Assets**

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

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

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

**Property Taxes**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, the statement of net position and/or balance sheets will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets by the District that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net assets by the District that is applicable to future reporting periods. Both deferred inflow and deferred outflows are reported in the statement of net position but are not reported as revenue or expenditures until the period(s) to which they relate.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources (Continued)**

The District reports deferred outflows for amounts related to the pension plan. The pension plan amounts consist of several components and are more fully described in Note 9.

Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

The District reports deferred inflows for the amounts related to pensions plan. The pension plan amounts consist of several components and are more fully described in Note 9.

**Use of Estimates**

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

**Budgets and Budgetary Data**

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
 December 31, 2022

**Note 2 - Stewardship, Compliance and Accountability**

**Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The District carries commercial insurance for such risks, including workers' compensation and accident insurance. Settled claims resulting from these risks did not exceed commercial coverage during 2022.

**Risks and Uncertainties**

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

**Note 3 - Cash Deposits and Investments**

**Deposits**

Colorado State statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits which must be Colorado institutions and must maintain federal insurance (FDIC or FSLIC) on deposits held.

Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value at least equal to the total uninsured deposits held by that institution. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pool. At December 31, 2022, the District had deposits over \$250,000 in the amount of \$227,023. These deposits are required to be collateralized under State Statutes.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy for custodial risk parallels Colorado statutes.

A summary of cash and deposits held at year end follows:

<u>Deposits</u>	<u>Cash and Deposits</u>	<u>Carrying Amount</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
Cash		\$ 399,126	\$ 399,126	\$ -
Petty cash		25	25	-
<u>Investments</u>				
Certificates of deposit		63,324	63,324	-
<b>Total Deposits</b>		<u>\$ 462,475</u>	<u>\$ 462,475</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
 December 31, 2022

**Note 3 - Cash Deposits and Investments (Continued)**

**Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The law outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government and agency securities, certain bonds of political subdivisions, banker's acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

The District categorizes its fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

- Certificates of deposit are valued using a matrix pricing model (Level 2 inputs).

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

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

**Note 4 - Accounts and Other Receivables**

Accounts and other receivables consist primarily of taxes which are due but will not be collected until 2023. As of December 31, 2022 these receivables are considered both measurable and available.

**Note 5 - Change in Capital Assets**

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

	<b>Balances</b>			<b>Balances</b>
	<b>January 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>December 31</b>
Substations	\$ 1,120,424	\$ 30,986	\$ 750	\$ 1,150,660
Equipment	2,932,678	131,653	60,847	3,003,484
<b>TOTALS</b>	<u>4,053,102</u>	<u>\$ 162,639</u>	<u>\$ 61,597</u>	4,154,144
Less: Depreciation	(2,689,798)			(2,783,500)
<b>Net Capital Assets</b>	<u>\$ 1,363,304</u>			<u>\$ 1,370,644</u>

Depreciation expense for the year ended December 31, 2022 was \$154,549. Accumulated depreciation for the year ended December 31, 2022 was \$2,783,500.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

**Note 6 - Leases**

The following is a summary of the District's financed lease transactions for the year ended December 31, 2022:

	<b>Debt Outstanding January 1</b>	<b>Additions of New Debt</b>	<b>Retirements and Repayments</b>	<b>Debt Outstanding December 31</b>	<b>Due Within One Year</b>
Lease obligations	\$ 202,984	\$ -	\$ 56,139	\$ 146,845	\$ 56,191

Leases outstanding as of December 31, 2022, consisted of the following:

Lease with Community Leasing Partners:

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

\$ 146,845

The asset acquired through lease has a total cost of \$262,984 less accumulated depreciation of \$31,047. This asset is used in governmental activities.

Future minimum lease payments for all leases are as follows:

	2023		\$ 60,000
	2024		60,000
	2025		33,862
		Less: interest	7,017
		<b>Present Value of Minimum Lease Payments</b>	<u>\$ 146,845</u>

The annual requirements to retire all leases as of December 31, 2022 are as follows:

	Principal	Interest	Total
2023	\$ 56,191	\$ 3,809	\$ 60,000
2024	57,648	2,352	60,000
2025	33,006	856	33,862
Totals	<u>\$ 146,845</u>	<u>\$ 7,017</u>	<u>\$ 153,862</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

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**Note 7 - Net Position**

**Government-wide Net Position**

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

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

**Governmental Fund Balances**

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

- Non-spendable fund balance - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- Restricted fund balance - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation. The portion of net position restricted for emergency is the TABOR reserve requirement which is 3% of the fiscal year’s spending excluding bonded debt service.
- Committed fund balance - The portion of fund balance constrained for specific purposes, according to limitations imposed by the District’s highest level of decision making authority, the Board of Directors, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors.
- Assigned fund balance - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balance in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.
- Unassigned fund balance - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
WET MOUNTAIN FIRE PROTECTION DISTRICT  
December 31, 2022

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**Note 8 - Commitments and Contingencies**

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

In November, 1992 Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR imposes tax raising, revenue, spending and debt limitations on local government entities within the State of Colorado. These limitations became effective for the first fiscal year beginning after December 31, 1992. On May 5, 1998, the District passed a referendum regarding the revenue and spending limits imposed by Article X, section 20 of the Colorado constitution. The referendum allows the District, without increasing or adding any taxes of any kind, to collect, retain and expend all revenues and other funds collected during 1998 and thereafter. The amendment is complex and subject to judicial interpretation. The District has made certain interpretations of the amendment's language in order to determine its compliance. The District believes it is in compliance with the tax raising, revenue, spending, debt and other limitations.

In addition to the tax raising, revenue, spending and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies establish an "emergency reserve". To be used for declared emergencies only, each entity must reserve 3% or more of its fiscal year spending excluding bonded debt service. For the year ended December 31, 2022, the District's reserve requirement was approximately \$25,000 which represents 3% of fiscal year spending.

**Federal and State Grants**

Federal and State grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes these adjustments, if any, will not materially affect the District's results of operations or financial position.

**Note 9 - Firemen's Pension Plan**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

**Plan Description**

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

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

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**Note 9 - Firemen's Pension Plan**

**Plan Description (Continued)**

All active members of the District are eligible to participate. Membership in the plan, per the latest actuarial study dated January 1, 2023, is 21 active members, 27 retired members, 2 beneficiary member, and 6 terminated vested members.

**Benefits Provided**

Retirement and death benefits are paid in accordance with the plan provisions. Full retirement is when the retiree has 20 years of qualified service and is at least 50 years of age. Death benefits are a one time lump sum payment. The current maximum monthly benefit is \$500.

**Funding Policy**

The plan covers only volunteer firefighters. As such, plan members are not required nor allowed to contribute to the plan, and District contributions have no relationship to any payroll the District may have. The District is required to contribute an amount equal to one-half mill levied on total assessed valuation each year. The State is required to contribute 90% of District appropriations up to a maximum of the one-half mill levied on total assessed valuation. The contribution requirements of the District are established by the District under provisions of applicable State statutes. The State's matching contributions are established and may be amended by the State legislature. During the year ended December 31, 2022 the District contributed \$53,780 and the State contributed \$24,110.

**Funded Status and Funding Progress**

As of January 1, 2023, the most recent actuarial valuation date, the Plan was 137% funded. The actuarial liability for accrued benefits was \$1,876,092, and the actuarial value of the assets was \$2,571,362, resulting in an excess of \$695,270. Since the plan covers volunteer firefighters only there is no covered payroll.

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

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

At December 31, 2022, the District reported an asset of \$1,092,440 for its proportionate share of the net pension liability / asset. The net pension asset was measured as of December 31, 2021, and the total pension liability / asset used to calculate the net pension liability / asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability / asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the contributions of the District and all participants, actuarially determined. At December 31, 2021, the District's portion was 165.09%.

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
 December 31, 2022

**Note 9 - Firemen's Pension Plan (Continued)**

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

As a result of its requirement to contribute to FPPA, the District recognized income of \$204,989 for the year ended December 31, 2022. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to FPPA:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	30,202	292,665
District contributions subsequent to the measurement date	59,439	-
<b>Total</b>	<b><u>\$ 89,641</u></b>	<b><u>\$ 292,665</u></b>

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

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

Year ending December 31:		
2023	\$	(5,077)
2024		(94,716)
2025		(65,022)
2026		(38,209)
2027		-
<b>Total</b>	<b><u>\$</u></b>	<b><u>(203,024)</u></b>

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

**Note 9 - Firemen's Pension Plan (Continued)**

**Actuarial Methods and Assumptions**

In the January 1, 2023 actuarial valuation, the actuarial assumptions included:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	20 years
Asset valuation method	5-Year smoothed fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50 years of age with 20 years of service 50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: Pub-2010 Public Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier. Post-retirement: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the ultimate values of the MP-2020 projection scale.

All tables projected with MP-2017 Projection Scales

The long-term expected rate of return on the 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.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<b>1% Decrease</b>	<b>Current Single Discount Rate</b>	<b>1% Increase</b>
	<b>6.0%</b>	<b>Assumption 7.0%</b>	<b>8.0%</b>
District's proportionate share of the net Pension liability	\$ (913,034)	\$ (1,092,440)	\$ (1,242,154)

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**BUDGET TO ACTUAL - GENERAL FUND**

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

For the Year Ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
General property taxes	\$ 691,933	\$ 691,933	\$ 696,566	\$ 4,633
Specific ownership taxes	80,000	80,000	91,300	11,300
Interest income	1,150	1,150	1,019	(131)
Charges for services	3,000	3,000	400	(2,600)
Donations and other grants	277,000	277,000	64,119	(212,881)
Gain on sale of assets	4,000	4,000	-	(4,000)
Other revenues	<u>1,500</u>	<u>1,500</u>	<u>3,094</u>	<u>1,594</u>
<b>Total Revenues</b>	<u>1,058,583</u>	<u>1,058,583</u>	<u>856,498</u>	<u>(202,085)</u>
<b>Expenditures</b>				
General government	479,381	479,381	157,858	321,523
Public safety	204,200	204,200	412,587	(208,387)
Capital outlay	631,714	631,714	162,639	469,075
Debt service				
Principal retirement	60,000	60,000	56,139	3,861
Interest	<u>-</u>	<u>-</u>	<u>3,861</u>	<u>(3,861)</u>
<b>Total Expenditures</b>	<u>1,375,295</u>	<u>1,375,295</u>	<u>793,084</u>	<u>582,211</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(316,712)	(316,712)	63,414	380,126
<b>Other Finance Sources (Uses)</b>				
Proceeds from leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(316,712)	(316,712)	63,414	380,126
<b>Fund Balance - Beginning</b>	<u>316,712</u>	<u>316,712</u>	<u>393,080</u>	<u>76,368</u>
<b>Fund Balance - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,494</u>	<u>\$ 456,494</u>

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

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY / (ASSET) AND RELATED RATIOS**

**WET MOUNTAIN FIRE PROTECTION DISTRICT**

For the year ended December 31, 2022

<u>Measurement Period Ending December 31,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>							
Service cost	\$ 16,855	\$ 7,134	\$ 7,134	\$ 8,778	\$ 8,778	\$ 11,156	\$ 11,156
Interest on the total pension liability	113,734	98,610	99,976	105,615	105,730	87,650	87,503
Benefit changes	-	185,296	-	-	-	175,246	-
Difference between expected and actual experience of the total pension liability	-	55,945	-	(36,005)	-	42,109	-
Changes of assumptions	-	-	-	59,655	-	36,151	-
Benefit payments	(134,964)	(136,423)	(117,144)	(117,144)	(114,984)	(105,338)	(88,374)
Net change in total pension liability	(4,375)	210,562	(10,034)	20,899	(476)	246,974	10,285
Total pension liability - beginning	1,682,831	1,472,269	1,482,303	1,461,404	1,461,880	1,214,906	1,204,621
Total pension liability - ending	<u>\$ 1,678,456</u>	<u>\$ 1,682,831</u>	<u>\$ 1,472,269</u>	<u>\$ 1,482,303</u>	<u>\$ 1,461,404</u>	<u>\$ 1,461,880</u>	<u>\$ 1,214,906</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 53,780	\$ 52,500	\$ 48,500	\$ 77,599	\$ 48,970	\$ 78,442	\$ 77,802
Net investment income	361,318	288,140	286,822	1,047	266,156	94,154	29,871
Benefit payments	(134,964)	(136,423)	(117,144)	(117,144)	(114,984)	(105,338)	(88,374)
Pension plan administrative expense	(11,951)	(8,735)	(10,918)	(9,465)	(8,994)	(3,050)	(4,896)
State of Colorado supplemental discretionary payment	48,220	24,110	24,110	-	24,110	24,110	24,110
Net change in plan fiduciary net position	316,403	219,592	231,370	(47,963)	215,258	88,318	38,513
Plan fiduciary net position - beginning market value	2,454,493	2,234,901	2,003,531	2,051,494	1,836,236	1,747,918	1,709,405
Plan fiduciary net position - ending market value	<u>\$ 2,770,896</u>	<u>\$ 2,454,493</u>	<u>\$ 2,234,901</u>	<u>\$ 2,003,531</u>	<u>\$ 2,051,494</u>	<u>\$ 1,836,236</u>	<u>\$ 1,747,918</u>
<b>Net Pension Liability / (Asset)</b>	<u>\$ (1,092,440)</u>	<u>\$ (771,662)</u>	<u>\$ (762,632)</u>	<u>\$ (521,228)</u>	<u>\$ (590,090)</u>	<u>\$ (374,356)</u>	<u>\$ (533,012)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	165.09%	145.85%	151.80%	135.16%	140.38%	125.61%	143.87%
<b>Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net Pension Liability / (Asset) as a Percentage of Covered Payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule will report ten years of data when available

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

**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**FIREMEN'S PENSION PLAN**  
**WET MOUNTAIN FIRE PROTECTION DISTRICT**  
December 31, 2022

<b>Fiscal Year Ending December 31,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2012	\$ -	\$ 117,418	\$ (117,418)	N/A	N/A
2013	\$ -	\$ 101,259	\$ (101,259)	N/A	N/A
2014	\$ -	\$ 101,628	\$ (101,628)	N/A	N/A
2015	\$ -	\$ 101,912	\$ (101,912)	N/A	N/A
2016	\$ -	\$ 102,552	\$ (102,552)	N/A	N/A
2017	\$ -	\$ 73,080	\$ (73,080)	N/A	N/A
2018	\$ -	\$ 77,599	\$ (77,599)	N/A	N/A
2019	\$ -	\$ 48,500	\$ (48,500)	N/A	N/A
2020	\$ -	\$ 52,500	\$ (52,500)	N/A	N/A
2021	\$ -	\$ 53,780	\$ (53,780)	N/A	N/A
2022	\$ -	\$ 59,439	\$ (59,439)	N/A	N/A

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