

**GUNNISON COUNTY FIRE PROTECTION DISTRICT**

Financial Statements and  
Report of Independent Auditors  
For the Year Ended December 31, 2023

**GUNNISON COUNTY FIRE PROTECTION DISTRICT**

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December 31, 2023

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*INDEPENDENT AUDITOR'S REPORT*

To the Board of Directors  
Gunnison County Fire Protection District  
Gunnison, Colorado

**Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Gunnison County Fire Protection District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America

**Basis for Opinions**

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

Certified Public Accountants

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 Gunnison County 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 Gunnison County 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 budgetary comparison information on pages 3 through 6 and 17 through 18 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.

*Blair and Associates, P.C.*

Cedaredge, Colorado  
June 14, 2024

# GUNNISON COUNTY FIRE PROTECTION DISTRICT

## Management's Discussion and Analysis For the Year Ended December 31, 2023

As management of the Gunnison County 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, 2023. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

### Financial Highlights

- In the government-wide financial statements, the District's assets exceeded its liabilities by \$6,215,669 at the end of the year, an increase of 356,561 from the prior year.
- The General Fund reported an ending fund balance of \$1,393,121, an increase of \$367,538 from the prior year. The ending fund balance includes the required 3% state mandated emergency reserve.
- The Capital Expenditures Fund reported an ending fund balance of \$2,638,215, an increase of \$91,592 from the previous year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

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

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

In the government-wide financial statements, the District's activities are shown in one category, *governmental activities*. The District's activities are principally supported by property taxes. The government-wide financial statements can be found on pages 7 through 8.

### Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District has a general fund and a capital projects 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 inflows 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-continued

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 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's balance sheets and the statements of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The District has two governmental funds: the General Fund and the Capital Expenditures Fund. The District's governmental fund financial statements can be found on pages 9 through 10.

Annual appropriated budgets are adopted for the General Fund and the Capital Expenditures Fund. Budgetary comparison statements on pages 17 through 19 have been provided for the funds to demonstrate compliance with the budget.

## Notes to Basic 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 basic financial statements can be found on pages 11 through 16.

## Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the government's financial position. In this case, the District's Government-wide assets exceeded its liabilities by \$6,215,669 as of December 31, 2023, however the scheduled replacement of capital assets is not fully funded at this time.

The following summarizes the District's governmental net position as of December 31, 2023, and 2022.

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current and other assets	\$ 5,217,985	\$ 4,688,254
Capital assets	2,196,159	2,297,724
Total Assets	<u>7,414,144</u>	<u>6,985,978</u>
<b>Liabilities</b>		
Current liabilities	114,582	321,803
Total Liabilities	<u>114,582</u>	<u>321,803</u>
<b>Deferred Inflows</b>		
Property taxes receivable	<u>1,083,893</u>	<u>805,067</u>
<b>Net Position</b>		
Invested in capital assets	2,196,159	2,297,724
Restricted for emergencies	39,280	21,756
Unrestricted	3,980,230	3,539,628
Net Position	<u>\$ 6,215,669</u>	<u>\$ 5,859,108</u>

The amount restricted for emergencies of \$39,280 represents an emergency reserve required by an amendment to the State constitution.

The District's governmental activities increased the District's net position by \$356,561 in 2023.

## Government-Wide Financial analysis-continued

The following summarizes the changes in the District's governmental position for the year ended December 31, 2023, and 2022.

	<u>2023</u>	<u>2022</u>
REVENUES:		
Program revenues:		
Operating grants & contributions	\$327,210	\$377,521
Fees and other income	6,371	10,639
General revenues:		
Taxes	884,015	895,907
Earnings on deposits	<u>91,770</u>	<u>26,234</u>
Total Revenues	<u>1,309,366</u>	<u>1,310,300</u>
Expenses:		
Administration	91,9578	86,024
Firefighting	149,445	163,931
Fire prevention	2,978	7
Training	24,755	36,470
Communications	14,521	21,0832
Small equipment	19,323	-
Equipment repairs	176,088	170,499
Station	36,363	47,834
Pension contribution	75,732	75,732
Depreciation	152,737	126,454
National dispatch system	<u>208,905</u>	<u>177,481</u>
Total Expenses	<u>952,805</u>	<u>905,513</u>
Change in Net Position	356,561	404,787
Beginning Net Position, Jan 1,	<u>5,859,108</u>	<u>5,454,321</u>
Ending Net Position, December 31,	<u>\$6,215,669</u>	<u>\$5,859,108</u>

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District maintains two governmental funds, the General Fund, which is the District's operating fund and the Capital Expenditures Fund which accumulates and provides for future capital needs. The General Fund had a fund balance of \$1,393,121 as of December 31, 2023, an increase of \$367,538. The unreserved portion of the fund balance is \$1,326,792 and is available for spending.

### General Fund Budgetary Highlights

The District operated within its original budgets for 2023. Fire apparatus continues to be delayed. Amounts budgeted for 2022 were reallocated in 2023, and if not completed in 2023, will be allocated in 2024. Information on the Districts revenues and expenditures compared to the original budget is presented as required supplementary information.

### Capital Assets

The District's investment in capital assets amounts to \$4,387,454, less \$2,191,296 of accumulated depreciation, as of December 31, 2023. This investment consists of land, buildings and improvements, vehicles, and equipment. The additions in 2023 included improvements to land, a trailer, and additional fire vehicle.

### **Economic Factors and Next Year's Budget**

Through June 2024 the District has been within its budget and it is expected the year will be within budget.

For 2024, no changes are expected in the level of funding needed above those budgeted.

### **Request for Information**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to Gunnison County Fire Protection District, PO Box 1515 Gunnison, Colorado 81230, Attention: Chairman.

GUNNISON COUNTY FIRE PROTECTION DISTRICT  
Statement of Governmental Net Position  
December 31, 2023

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**ASSETS**

Cash and cash equivalents		\$	3,327,656
Certificates of deposits			679,418
Receivables:			
Property taxes			1,083,893
Due from other governments			99,969
Prepaid expenses			27,049
Capital assets:			
Land	\$		648,647
Land Improvements			251,531
Buildings and improvements			488,894
Vehicles			2,718,760
Equipment			279,623
Less accumulated depreciation			<u>(2,191,296)</u>
Net Capital Assets			<u>2,196,159</u>
<b>Total Assets</b>			<u><u>7,414,144</u></u>

**LIABILITIES**

Accounts payable			17,461
Accrued expenses			97,121
			<u>114,582</u>

**DEFERRED INFLOWS**

Property taxes receivable			<u>1,083,893</u>
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**NET POSITION**

Invested in capital assets			2,196,159
Restricted for emergencies			39,280
Unrestricted			<u>3,980,230</u>
<b>Total Net Position</b>			<u><u>\$ 6,215,669</u></u>

The accompanying notes are an integral part of this statement.

GUNNISON COUNTY FIRE PROTECTION DISTRICT  
Statement of Governmental Activities  
For the Year Ended December 31, 2023

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**EXPENSES**

Administration	\$	91,958
Firefighting		149,445
Prevention		2,978
Training		24,755
Communications		14,521
Small equipment		19,323
Equipment repairs		176,088
Station		36,363
Pension contribution		75,732
National dispatch system		208,905
Depreciation		152,737
		952,805
<b>Total Expenses</b>		<b>952,805</b>

**PROGRAM REVENUES**

Operating grants and contributions		327,210
Fees and charges		6,371
		333,581
<b>Total Program Revenues</b>		<b>333,581</b>
<b>Net Expenses</b>		<b>(619,224)</b>

**GENERAL REVENUES**

Property taxes		836,866
Specific ownership		44,776
Delinquent Tax Interest		2,373
Earnings on deposits		91,770
		975,785
<b>Total General Revenues</b>		<b>975,785</b>

**Change in Net Position** 356,561

Net Position - January 1 5,859,108

Net Position - December 31 \$ 6,215,669

The accompanying notes are an integral part of this statement.

GUNNISON COUNTY FIRE PROTECTION DISTRICT  
Balance Sheet - Government Funds  
December 31, 2023

	<u>General Fund</u>	<u>Capital Expenditures Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	1,967,743	1,359,913	3,327,656
Certificates of deposits	-	679,418	679,418
Receivables:			
Property taxes	794,801	289,092	1,083,893
Due from other governments	99,583	386	99,969
Due from other fund	-	598,498	598,498
Prepaid expenses	27,049	-	27,049
<b>Total Assets Balances</b>	<u>\$ 2,889,176</u>	<u>\$ 2,927,307</u>	<u>\$ 5,816,483</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	17,461	\$ -	\$ 17,461
Due to other fund	598,498	-	598,498
Accrued expenses	85,295	-	85,295
<b>Total Liabilities</b>	<u>701,254</u>	<u>-</u>	<u>701,254</u>
Deferred Inflows			
Property taxes receivable	794,801	289,092	1,083,893
Fund Balance:			
Restricted for emergencies	39,280	-	39,280
Committed	-	2,638,215	2,638,215
Nonspendable - prepaid	27,049	-	27,049
Unassigned	1,326,792	-	1,326,792
<b>Total Fund Balances</b>	<u>1,393,121</u>	<u>2,638,215</u>	<u>4,031,336</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 2,889,176</u>	<u>\$ 2,927,307</u>	<u>\$ 5,816,483</u>
Reconciliation of governmental fund Balances Sheet to the Statement of Net Position:			
Fund balances			\$ 4,031,336
Amounts reported for governmental activities are not financial resources and therefore, are not reported as assets in the governmental funds.			
Compensated absences			(11,826)
Cost of capital assets		4,387,455	
Less accumulated depreciation		<u>(2,191,296)</u>	<u>2,196,159</u>
<b>Total Net position - Governmental Funds</b>			<u>\$ 6,215,669</u>

The accompanying notes are an integral part of this statement.

GUNNISON COUNTY FIRE PROTECTION DISTRICT  
Statement of Revenue, Expenditures and Change in Fund Balance - Governmental Funds  
For the Year Ended December 31, 2023

	<b>General Fund</b>	<b>Capital Expenditures Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	\$ 794,540	\$ 89,475	\$ 884,015
Operating grants and contributions	327,210	-	327,210
Earnings on deposits and investments	19,157	72,613	91,770
Miscellaneous income	6,371	-	6,371
<b>Total Revenues</b>	<b>1,147,278</b>	<b>162,088</b>	<b>1,309,366</b>
<b>EXPENDITURES</b>			
Administration	91,958	-	91,958
Firefighting	149,445	-	149,445
Prevention	2,978	-	2,978
Training	24,755	-	24,755
Communications	14,521	-	14,521
Small equipment	-	19,323	19,323
Equipment repairs	175,083	-	175,083
Station	36,363	-	36,363
Pension contribution	75,732	-	75,732
National dispatch system	208,905	-	208,905
Capital outlays	-	51,173	51,173
<b>Total Expenditures</b>	<b>779,740</b>	<b>70,496</b>	<b>850,236</b>
Excess of Revenue over Expenditures	367,538	91,592	459,130
Fund Balance - January 1	1,014,761	2,546,623	3,561,384
Prioir period adjustment	10,822	0	10,822
Fund Balance - December 31	<u>\$ 1,393,121</u>	<u>\$ 2,638,215</u>	<u>\$ 4,020,514</u>
Reconciliation of the Governmental Fund Statement of Revenue, Expenditures and Change in Fund Balance to the Statement of Activities:			
Net Change in Fund Balances			\$ 459,130
Amounts reported for governmental activities in the statement of activities are different because:			
Change in compensated absences			(1,005)
Capital outlays are reported as expenditures in the fund; however, in the statement of activities, the cost is allocated over the estimated useful lives of the assets as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current period:			
Capital outlay		\$ 51,173	
Loss on Disposal of Capital Assets		-	
Depreciation		(152,737)	(101,564)
<b>Change in Net Position of Governmental Activities</b>			<u>\$ 356,561</u>

The accompanying notes are an integral part of this statement.

# GUNNISON COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

December 31, 2023

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## **Note 1 – Summary of Significant Accounting Policies**

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

The more significant of the District's accounting policies are described below:

### A. Reporting Entity

The financial statements present the District, a political subdivision of the State of Colorado, established in 1975 for the purpose of furnishing fire protection services to portions of Gunnison and Saguache Counties. The District is governed by an elected five-person board.

The basic financial statements include only the District, as there are no component units required to be included in accordance with GASB standards.

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Governmental Net Position and the Statement of Governmental Activities) report information on all the non-fiduciary activities of the District. *Governmental activities* are supported by taxes, and charges for services. The District has no *business-type activities*, which rely to a significant extent on user charges for support.

The statement of governmental 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 the specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

### C. Fund Financial Statements

The accounts of the District are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities and deferred inflows of resources. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period. The District has two governmental funds, the *General Fund*, which is the general operating fund of the District and the Capital Improvement Fund, a capital projects fund to account for capital expenditures.

### D. 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 comparable items are recognized as revenues as soon as eligibility requirements imposed by the provider have been met.

GUNNISON COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

December 31, 2023

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

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation-continued

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both determined and “available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter, to be used to pay liabilities of the current period. For this purpose, the District considers revenues available within 60 days of the end of the current fiscal period. Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred.

As a rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. When the District has the option to use either restricted or unrestricted net position to finance a program it is the District’s policy to first apply restricted resources.

F. Capital Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental type fund.

All capital assets are valued at historical cost or estimated historical costs if actual historical cost is not available. The assets have a useful life of 7 to 40 years and are depreciated on the straight-line method. It is the District’s policy to capitalize individual items costing \$5,000 or more and having a life of over one year.

G. Net Position

Net Position represents the difference between assets and liabilities and deferred inflows of resources. Net Position invested in capital assets net of related debt consists of capital assets net of accumulated depreciation and related debt. Net Position are reported as restricted when there are constraints placed on their use either by law through constitutional provisions or enabling legislation or through restrictions externally imposed by creditors, grantors, laws, or regulations of other governments.

H. Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

I. Disaggregation of Receivables and Payables

Significant components of receivables and payables are disaggregated in the financial statements. All receivables are expected to be collected within one year. All material payables are expected to be paid within one year except for the amounts for the accrual of compensated absences and capital leases.

J. Compensated Absences

The District’s compensated absences on December 31, 2023, was \$11,826.

GUNNISON COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

December 31, 2023

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

K. Budgets and Budgetary Accounting

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The budget is prepared on the same basis as that of the fund financial statements.

The details of the budget calendar are outlined below:

- October 15 – Deadline for Budget Officer to submit proposed budget to the government board. Governing body must publish "Notice of Budget" upon receiving proposed budget.
- December 15 – Deadline for certification of mill to the Board of County Commissioners.
- December 22 – Deadline for Board of County Commissioners to levy taxes and to certify the levies to the Assessor.
- December 31– Statutory deadline for local governing body to adopt budget. A certified copy of the adopted budget must be sent to the Division of Local Government within 30 days of adoption.
- On or before  
December 31– The District shall enact an ordinance appropriating the budget for the ensuing year.

L. Property Taxes - Receivable

Annual property taxes are levied on December 22 of each year and attached as an enforceable lien as of January 1. They are payable in full April 30, or in two equal installments due February 28 and June 30. The county bills and collects property taxes for the district. Property taxes collected by the county are remitted to the district in the subsequent month. Property taxes are reported as receivable and deferred revenue when levied and as revenue when collected in the following year.

M. Fund Balance

The District has approved the following fund balance policies:

Committed fund balances are approved by the District's Board via a board resolution. The District does not use the assigned fund balance designation as only the board is authorized to do so. The committed fund is earmarked for future capital asset purchases. All committed fund balances are held by the Capital Improvement Fund.

When the District has the option to use either restricted or unassigned fund balance to finance a program it is the District's policy to first apply restricted resources. It is also the District's policy to use committed fund balance first when it has the option to use committed or unassigned fund balance.

N. Subsequent Events

Management has evaluated subsequent events through the date of the audit report.

GUNNISON COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

December 31, 2023

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**Note 2 – Reconciliation of Government-Wide and Fund Financial Statements**

The governmental funds balance sheet includes reconciliation between fund balances of the governmental funds and net position of governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and change in fund balances includes reconciliation between the net change in fund balances of the governmental funds and the 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 resource measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

**Note 3 - Tax, Spending, and Debt Limitation**

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations that apply to the State of Colorado and all local governments.

On November 3, 1998, the electors of the District approved the retention and spending of the District's non-tax revenues for the year beginning January 1, 1998, and subsequent years, without regard to the limitation imposed by the Amendment.

On November 6, 2001, voters approved a mill levy increase from 1.765 mills to 4.5 mills for revenues received in the year 2002 and thereafter. The increase is a voter approved revenue change and property tax revenue change under Article X, Section 20 of the Colorado constitution and to exceed the 5.35% property tax revenue growth limitation contained in C.R.S. 29-1-301.

The Amendment requires that an emergency reserve be maintained at 3% of fiscal year spending. A portion of the General fund's fund balance is classified as restricted for emergencies as required by the Amendment. The District believes it is following this amendment.

The Amendment is complex and subject to judicial interpretation. The District believes it is following the requirements of the Amendment.

**Note 4 – Deposits and Investments**

**A. Deposits**

The District complies with GASB requirements related to investment credit risk, including custodial credit risk and concentrations of credit risk, interest rate risk, and foreign currency risk, as well as deposit custodial credit risk and foreign currency risk.

The Colorado Public Deposit Protection Act (POPA) governs the District's cash deposits. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all its local government depositors as a group, with a market value at least equal to 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

GUNNISON COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

December 31, 2023

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**Note 4 – Deposits and Investments-continued**

**A. Deposits-continued**

On December 31, 2023, the District had \$1,200,737 of deposits in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST' S two funds are rated AAA by Standard and Poor's, Fitch's, and Moody's rating services. The Capital Improvement Fund owns \$1,200,536 and the General Fund owns \$201.

On December 31, 2023, the District's bank balances amounted to \$2,126,920. Of this amount, \$500,000 was covered by federal depository insurance and \$1,626,920 is collateralized with securities held in single financial institution collateral pools as provided by statute. Collateral for uninsured deposits is held by banks in the name of several government accounts of which the District is a part. The Capital Improvement Fund owns \$159,377 and the General Fund owns \$1,967,542.

The above cash is classified in the Statement of Governmental Net Position as follows:

Bank Accounts	\$ 2,126,920
COLOTRUST	<u>1,200,737</u>
	<u>\$ 3,327,657</u>

**B. Investments**

The District invests in certificates of deposit with maturity dates ranging from. August 2025 to June 2027, and interest rate from .85% to 3.20%. The invested balance on December 31, 2023, is \$679,418

**Note 2 - Change in Capital Asset**

Capital assets activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions Trade-ins	Deletions Transfer-out	Balance 12/31/2023
Land improvements	\$ 231,942	\$ 19,589	\$ -	\$ 251,531
Building & improvements	478,444	-	-	478,444
Vehicles	2,705,236	13,525	-	2,718,761
Equipment	267,015	12,609	-	279,624
Total	<u>3,682,637</u>	<u>45,723</u>	<u>-</u>	<u>3,728,360</u>
Less accumulated depreciation	<u>(2,038,559)</u>	<u>(152,737)</u>	<u>-</u>	<u>(2,191,296)</u>
Net depreciable assets	1,644,078	(107,014)	-	1,537,064
Construction-in-process	5,000	5,450	-	10,450
Land	<u>648,646</u>	<u>-</u>	<u>-</u>	<u>648,646</u>
Net Fixed Assets	<u>\$ 2,297,724</u>	<u>\$ (101,564)</u>	<u>\$ -</u>	<u>\$2,196,160</u>

GUNNISON COUNTY FIRE PROTECTION DISTRICT

Notes to Basic Financial Statements

December 31, 2023

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**Note 2 - Change in Capital Asset-continued**

In 2023, the Districts depreciation was \$152,737.

**Note 3 – Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded commercial coverage in any of the past three years.

**Note 4 - Retirement Benefits**

The District contributes to the City of Gunnison's Volunteer Firefighters Pension Plan. The State of Colorado annually contributes an amount equal to 90% of the combined City and District contribution amounts for the prior year.

The Plan is presented in the City's financial statements. The financial statements and required supplemental information for the Plan can be obtained by contacting the City of Gunnison Finance Department.

The Plan provides normal retirement benefits, disability retirement and survivor benefits. Firefighters who have attained both 50 years of age and completed 20 years of active service in any fire department in the State of Colorado are eligible for a monthly pension of \$350. Upon death, the surviving spouse receives a monthly pension equal to 50% of the benefit previously received, payable until death or remarriage.

The District's contribution for 2023 was \$40,510. The State's contribution to the pension fund for 2023 was \$35,222.

REQUIRED SUPPLEMENTAL INFORMATION

GUNNISON COUNTY FIRE PROTECTION DISTRICT  
Statement of Revenue, Expenditures and Change in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes:			
General property taxes	\$ 749,760	\$ 747,391	\$ (2,369)
Specific ownership taxes	37,000	44,776	7,776
Interest and delinquent taxes	1,500	2,373	873
<b>Total Taxes</b>	<u>788,260</u>	<u>794,540</u>	<u>6,280</u>
Intergovernmental and grants	20,000	35,222	15,222
Miscellaneous:			
Other revenue	-	7,714	7,714
National Dispatch system	300,000	290,646	(9,354)
Earnings on deposits	750	19,157	18,407
<b>Total Revenues</b>	<u>1,109,010</u>	<u>1,147,279</u>	<u>38,269</u>
<b>Expenditures</b>			
<b>Administration:</b>			
Employee benefits	5,086	5,320	(234)
Insurance	40,000	27,938	12,062
Election costs	30,000	-	30,000
County Treasurer's fees	28,000	24,838	3,162
Accounting services	20,000	16,534	3,466
Audit services	5,500	5,800	(300)
Secretarial services	6,600	6,600	-
Administration supplies	7,000	4,579	2,421
Life insurance	875	348	527
<b>Total Administration</b>	<u>143,061</u>	<u>91,957</u>	<u>51,104</u>
<b>Firefighting:</b>			
Volunteer reimbursement	70,000	40,950	29,050
Protective clothing	22,000	22,641	(641)
Officers' pay	14,820	13,395	1,425
Fire fighting supplies	38,876	11,055	27,821
Payroll taxes and workers comp	48,000	44,743	3,257
Fuel	14,000	16,661	(2,661)
<b>Total Firefighting</b>	<u>207,696</u>	<u>149,445</u>	<u>58,251</u>
<b>Fire prevention</b>	<u>3,000</u>	<u>2,978</u>	<u>22</u>
<b>Training</b>	<u>39,425</u>	<u>24,755</u>	<u>14,670</u>
<b>Communications:</b>			
Other communication expense	21,500	749	20,751
Dispatch fees	12,500	13,772	26,272
<b>Total Communications</b>	<u>34,000</u>	<u>14,521</u>	<u>47,023</u>
<b>Equipment repairs</b>	-	5,550	(5,550)
<b>Technician</b>	169,533	169,534	(1)
<b>Total Equipment Repairs</b>	<u>169,533</u>	<u>175,084</u>	<u>(5,551)</u>
<b>Balance Forward</b>	<u>596,715</u>	<u>458,740</u>	<u>165,519</u>

GUNNISON COUNTY FIRE PROTECTION DISTRICT  
Statement of Revenue, Expenditures and Change in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended December 31, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
<b>Balance brought forward</b>	\$ 596,715	\$ 458,740	\$ 165,519
<b>Station:</b>			
Volunteer fire departments	45,000	23,412	21,588
Station and grounds	31,000	12,952	18,048
Total Station	76,000	36,364	39,636
Pension contribution	81,020	75,732	5,288
Contingency	15,000	-	15,000
National Dispatch System	339,700	208,905	130,795
<b>Total Expenditures</b>	1,108,435	779,741	356,238
<b>Excess of Revenue over Expenditures</b>	575	367,538	366,963
<b>Fund Balances - January 1</b>	-	1,014,761	1,014,761
Prior period adjustment	-	10,822	10,822
<b>Fund Balance - December 31</b>	\$ 575	\$ 1,393,121	\$ 1,392,546

SUPPLEMENTARY INFORMATION

GUNNISON COUNTY FIRE PROTECTION DISTRICT  
Statement of Revenue, Expenditures and Change in Fund Balance - Budget and Actual  
Capital Expenditures Fund  
For the Year Ended December 31, 2023

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	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Taxes			
General property taxes	\$ 83,307	\$ 89,475	\$ 6,168
Total Taxes	<u>83,307</u>	<u>89,475</u>	<u>6,168</u>
Miscellaneous:			
Misc. Revenue	-	-	-
Earnings on deposits	<u>-</u>	<u>72,613</u>	<u>72,613</u>
<b>Total Revenues</b>	<u>83,307</u>	<u>162,088</u>	<u>78,781</u>
<b>Expenditures</b>			
Small equipment	-	19,323	(19,323)
Capital outlays	<u>1,551,000</u>	<u>51,173</u>	<u>1,499,827</u>
<b>Total Expenditures</b>	<u>1,551,000</u>	<u>70,496</u>	<u>1,480,504</u>
<b>Excess of Revenue over Expenditures</b>	(1,467,693)	91,592	1,559,285
Fund Balance - January 1	<u>2,572,032</u>	<u>2,546,623</u>	<u>(25,409)</u>
Fund Balance - December 31	<u><u>\$ 1,104,339</u></u>	<u><u>\$ 2,638,215</u></u>	<u><u>\$ 1,533,876</u></u>