

**Wellington Fire Protection District**  
Annual Financial Statements and Auditor's Report

**For the year ended December 31, 2022**




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## Independent Auditor's Report

To the Board of Directors  
Wellington Fire Protection District

### Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Wellington Fire Protection District, ("the 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 Wellington 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 Wellington 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 opinion.

### Responsibilities of Management for the Financial Statements

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

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 Wellington 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 opinion. 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 Wellington 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 Wellington Fire Protection District's ability to continue as a going concern for a reasonable period of time.

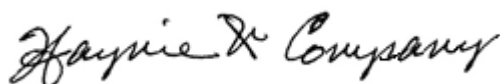
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

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

#### **Supplementary Information**

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



Littleton, Colorado  
July 27, 2023

## **Management's Discussion & Analysis**

# **Wellington Fire Protection District Management's Discussion and Analysis For Year Ended December 31, 2022**

This section of the Wellington Fire Protection District (the "District") annual financial report offers readers management's discussion and analysis of financial performance during the year ended December 31, 2022. We encourage readers to consider the information presented in conjunction with additional information furnished in the District's financial statements.

## **Background Information**

The District was created in 1950, by a number of citizens concerned about fire protection for their homes and businesses. The District is comprised of one fund, the General Fund.

On November 7, 1995, the taxpayers approved a ballot question, which eliminated the TABOR limits that were imposed on the District in 1992. The mill levy for 2021 was set at 15.070 mills for collection during 2022. In May 2022, the District amended the budget to account for a change in budget circumstances. This did not result in a change to the mill levy set forth.

## **Financial Highlights**

- The District's net position increased \$1,197,640 or 65.14 percent, from the prior year. This was due to tighter controls on expenditures resulting in an increase in cash, while pay down of debt and an increase in the state wide defined benefit pension plan.
- The District's cash increased from prior year by \$215,898.
- General revenues account for \$3,434,724, or 95.25 percent, of all revenues. The District had \$54,920 in program specific revenues in the form of operating and capital grants and contributions during 2022.
- The District had \$2,369,629 in expenses related to governmental activities, of which \$77,625 of these expenses were offset by charges for services and \$54,920 were offset by operating and capital grants and contributions. General revenues, property, and specific ownership taxes of \$3,397,932 and \$36,792 in other revenues provided for the governmental activities.
- The District has a \$350,000 short-term line of credit agreement with an outstanding balance of \$250,000 at December 31, 2022. As of March 2023, the short-term line of credit was paid off.

## **Overview of the Financial Statements**

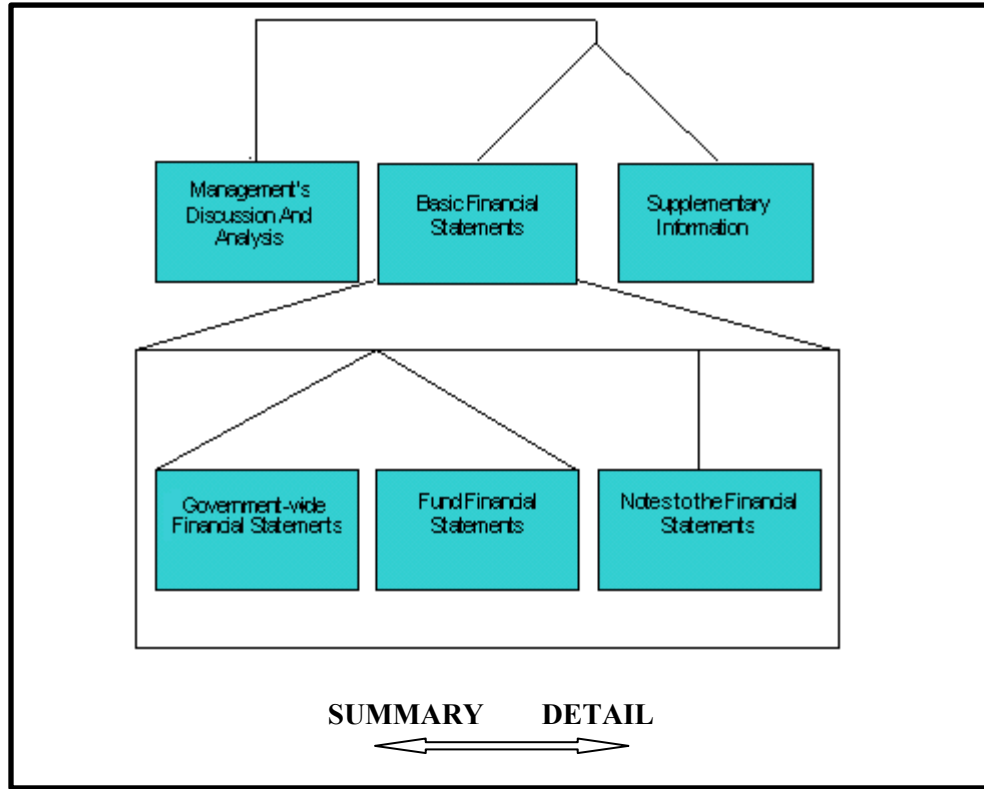
The District's annual financial report includes: (1) Government-wide Financial Statements, (2) Fund Financial Statements, (3) Notes to Basic Financial Statements and (4) Required Supplementary Information.

- The Government-wide financial statements on pages 1 and 2 provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how basic services such as fire protection were financed in the short-term as well as what remains for future spending.

The financial statement notes provide explanation of information in the financial statements. The financial statement notes are followed by supplemental information. Figure 1 details how various parts of the annual financial report are arranged and related. Figure 2 summarizes major features of the District's financial statements. The remainder of the overview section of the management's discussion and analysis highlights the structure and contents of the government-wide and fund financial statements.

**Wellington Fire Protection District  
Management's Discussion and Analysis  
For Year Ended December 31, 2022**

**Figure 1  
Organization of the Wellington Fire Protection  
District's Annual Financial Report**



**Figure 2  
Major Features of the Government-Wide and Fund Financial Statements**

	Government-Wide Financial Statements	Fund Financial Statements
Scope	Entire District (except fiduciary funds)	Activities of the District that are not proprietary or fiduciary
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the year; expenditures when goods or services have been received and the related liability is due and payable

# **Wellington Fire Protection District Management's Discussion and Analysis For Year Ended December 31, 2022**

## ***Government-Wide Financial Statements***

The government-wide financial statements provide readers a broad overview of the District finances in a manner similar to a private-sector business. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. These statements provide short-term and long-term information about the District's overall financial status.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them 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. To assess the District's overall health, you need to consider additional non-financial factors, such as the condition of buildings and equipment.

The statement of activities presents information showing how the government'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the District's basic services, such as fire protection.

The basic government-wide financial statements can be found on pages 1 and 2 of this report.

## ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District funds are divided into two categories: governmental funds and fiduciary funds.

*Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end, which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

The District maintains one governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, which is considered a major fund. The basic governmental fund financial statements can be found on pages 3 through 6 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 district-wide and fund financial statements. The notes to the financial statements can be found on pages 7 through 31 of this report.



**Wellington Fire Protection District  
Management's Discussion and Analysis  
For Year Ended December 31, 2022**

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information. Supplemental data is presented on pages 31 through 35 of this report.

***Net Position and Changes in Net Position***

- As of December 31, 2022, the District's net position increased 65.14 percent to \$3,036,075. This was due to tighter controls on expenditures resulting in an increase in cash, while pay down of debt and an increase in the state wide defined benefit pension plan. The District's cash increased from prior year. Figure 3 provides a summary of the District's net position at December 31, 2022 and 2021. Figure 4 provides a summary of the changes in net position.

**Figure 3  
Condensed Statement of Net Position**

Years Ended December 31,	2022	2021
<b>Assets</b>		
Current assets	\$ 645,942	\$ 430,044
Restricted assets	3,068,380	3,063,005
Net pension asset	1,455,898	565,608
Capital assets, net	3,152,377	3,317,731
<b>Total Assets</b>	<b>8,322,597</b>	<b>7,376,388</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources relating to pensions	844,801	1,048,031
<b>Total Deferred Outflows of Resources</b>	<b>844,801</b>	<b>1,048,031</b>
<b>Liabilities</b>		
Current liabilities	467,520	357,446
Non-current liabilities	947,000	1,393,728
<b>Total Liabilities</b>	<b>1,414,520</b>	<b>1,751,174</b>
<b>Deferred Inflows of Resources</b>		
Unearned revenue - property tax	3,276,195	3,420,731
Deferred inflows of resources relating to pensions	1,440,608	1,464,399
<b>Total Deferred Inflows of Resources</b>	<b>4,716,803</b>	<b>4,885,130</b>
<b>Net Position</b>		
Net investments in capital assets	2,943,853	3,032,208
Restricted	1,031,488	393,696
Unrestricted	(939,266)	(1,637,789)
<b>Total Net Position</b>	<b>\$ 3,036,075</b>	<b>\$ 1,788,115</b>

**Wellington Fire Protection District  
Management's Discussion and Analysis  
For Year Ended December 31, 2022**

**Figure 4  
Changes in Net Position from Operating Results**

Years Ended December 31,	2022	2021
<b>Revenues</b>		
Program Revenues		
Operating grants and contributions	\$ 54,920	\$ 213,352
General Revenues		
Property and specific ownership taxes	3,397,932	2,982,131
Charges for services	77,625	792,979
Other	36,792	34,557
<b>Total Revenues</b>	<b>3,567,269</b>	<b>4,023,019</b>
Expenses		
Administration	311,060	233,016
Operations	1,820,103	2,808,795
Fleet and facilities	159,639	135,912
Training, health and safety	52,860	65,665
Interest on long-term debt	25,967	23,217
<b>Total Expenses</b>	<b>2,369,629</b>	<b>3,266,605</b>
<b>Change in net position</b>	<b>\$ 1,197,640</b>	<b>\$ 756,414</b>

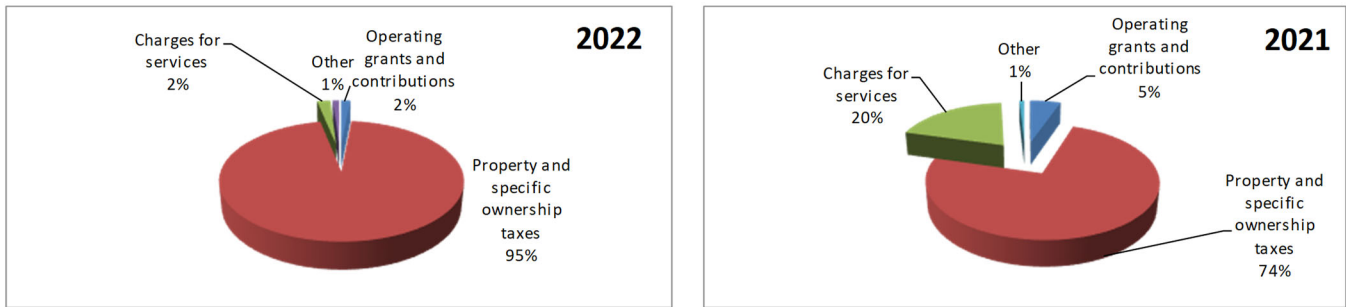
Property and specific ownership taxes account for 95.25 percent of the District's revenue (see Figure 5), and the remaining 4.75 percent consists of charges for services, operating grants and other revenues.

The District expenses predominantly relate to fire protection, which includes administration, firefighting equipment, and operations.

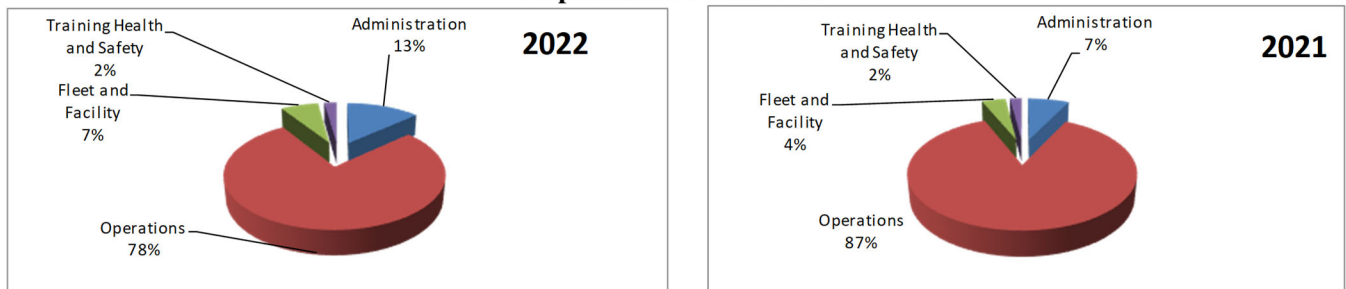
**Wellington Fire Protection District  
Management's Discussion and Analysis  
For Year Ended December 31, 2022**

Figures 5 and 6 display revenues by sources and expenses by program for the total District.

**Figure 5  
Sources of Revenues for Fiscal Year**



**Figure 6  
Expenses for Fiscal Year**



***Governmental Activities***

The increase in net position for governmental activities was \$1,197,640 during 2022. This was due to tighter controls on expenditures resulting in an increase in cash, while pay down of debt and an increase in the state wide defined benefit pension plan.. The District's cash increased from prior year.

***General Fund***

The General Fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the District. This fund provides for functional areas of the organization - administration, firefighting equipment, operations, and debt service. The primary funding source for the general fund are real property taxes. Other sources of income for the general fund include earnings on investments and miscellaneous sources. The primary project or program efforts for establishing needed funding during 2022 were normal operational costs of the District and capital outlay.

**Wellington Fire Protection District  
Management's Discussion and Analysis  
For Year Ended December 31, 2022**

***General Fund Budgetary Highlights***

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The District's amended budget for the General Fund anticipated that expenditures would exceed revenues by \$115,860 before transfers. The actual results for the year show a \$433,704 excess of expenditures over revenue in the General Fund for 2022.

It should be noted that the District's budget format is designed to establish and monitor divisional functions of the Fire District's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- Administration
- Fleet and Facilities
- Operations
- Training, Health and Safety

***Emergency Reserve***

The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2022, the District's TABOR reserve amounted to \$102,129.

**Capital Assets and Debt Administration**

***Capital Assets***

By the end of 2022, the District had invested \$3,152,377, net of accumulated depreciation, in a broad range of capital assets, including land, building, vehicles, and other equipment (See Figure 7). This amount represents a net decrease of \$231,430 or 7.0 percent from last year due to depreciation. Additional information on the District's capital assets can be found in Notes 1 and 4 to the financial statements. Total depreciation expense for the year was \$231,430, with no additions. A prior year adjustment related to a land purchases from fiscal year 2021 which caused the increase in land from prior year.

**Figure 7  
Capital Assets, net of depreciation**

	<b>2022</b>	<b>2021</b>	<b>% Change</b>
Land	795,566	795,566	0%
Buildings and Improvements	1,299,914	1,358,227	-4%
Fire Apparatus and Equipment	1,056,897	1,230,014	-14%
<b>Total</b>	<b>\$3,152,377</b>	<b>\$3,383,807</b>	<b>-7%</b>

**Wellington Fire Protection District  
Management's Discussion and Analysis  
For Year Ended December 31, 2022**

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

The continued uncertainty around the economy and the assessed value of properties creates uncertainty around long term revenues. In addition, the importance of balancing fluctuating expenses with fluctuating revenue.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Wellington Fire Protection District at PO Box 10/8130 3<sup>rd</sup> St, Wellington CO 80549.

## **Basic Financial Statements**

**Wellington Fire Protection District**  
**Statement of Net Position**  
**December 31, 2022**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 645,942
Property taxes receivable	3,048,275
Prepaid items	20,105
Total current assets	3,714,322
Long-Term assets:	
Capital assets, net of accumulated depreciation	3,152,377
Net pension asset - SWDB plan	1,455,898
Total long-term assets	4,608,275
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pension	844,801
Total deferred outflows of resources	844,801
Total assets and deferred outflows of resources	\$ 9,167,398
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 20,237
Accrued liabilities	48,260
Line of credit	250,000
Long-term liabilities due within one year	149,023
Total current liabilities	467,520
Noncurrent liabilities:	
Long-term liabilities due in more than one year	198,501
Net pension liability - Volunteer plan	689,253
Accrued compensated absences	59,246
Total noncurrent liabilities	947,000
<b>Deferred Inflows of Resources</b>	
Deferred property tax revenue	3,048,275
Deferred inflows - impact fees	227,920
Deferred inflows related to pension	1,440,608
Total deferred inflows of resources	4,716,803
<b>Net Position</b>	
Net investment in capital assets	2,943,853
Restricted for emergencies	102,129
Restricted - SWDB pension	929,359
Unrestricted	(939,266)
Total net position	3,036,075
Total liabilities, deferred inflows of resources, and net position	\$ 9,167,398

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

**Wellington Fire Protection District**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

<u>Functions/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities				
Administration	\$ 311,060	\$ -	\$ -	\$ (311,060)
Operations	1,820,103	77,625	54,920	(1,687,558)
Fleets and facilities	159,639	-	-	(159,639)
Training, health and safety	52,860	-	-	(52,860)
Interest on long-term debt	<u>25,967</u>	-	-	<u>(25,967)</u>
Total governmental activities	<u>\$ 2,369,629</u>	<u>\$ 77,625</u>	<u>\$ 54,920</u>	<u>\$ (2,237,084)</u>
<b>General revenues:</b>				
Property taxes				3,036,295
Specific ownership taxes				215,413
Impact fees				146,224
Other income				<u>36,792</u>
				<u>3,434,724</u>
<b>Change in net position</b>				1,197,640
<b>Net position - beginning of year - as restated</b>				<u>1,838,435</u>
<b>Net position - end of year</b>				<u>\$ 3,036,075</u>

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



**Wellington Fire Protection District**  
**Governmental Funds Balance Sheet**  
**December 31, 2022**

<b>Assets</b>	<b>General Fund</b>	<b>Impact Fees Fund</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Cash and cash equivalents	\$ 405,040	240,902	\$ 645,942
Property taxes receivable	3,048,275	-	3,048,275
Prepaid items	20,105	-	20,105
Due from other funds	<u>32,543</u>	<u>-</u>	<u>32,543</u>
<b>Total assets</b>	<u><u>\$ 3,505,963</u></u>	<u><u>\$ 240,902</u></u>	<u><u>\$ 3,746,865</u></u>
<b>Liabilities</b>			
Accounts payable	20,237	-	20,237
Accrued liabilities	45,907	-	45,907
Line of credit	250,000	-	250,000
Due to other funds	<u>-</u>	<u>32,543</u>	<u>32,543</u>
<b>Total liabilities</b>	<u>316,144</u>	<u>32,543</u>	<u>348,687</u>
<b>Deferred Inflows of Resources</b>			
Deferred property tax revenue	<u>3,048,275</u>	<u>-</u>	<u>3,048,275</u>
<b>Total deferred inflows of resources</b>	<u>3,048,275</u>	<u>-</u>	<u>3,048,275</u>
<b>Fund Balances</b>			
Nonspendable:			
Prepaid items	20,105	-	20,105
Restricted:			
Emergencies	102,129	-	102,129
Assigned			
Impact fees	-	208,359	208,359
Unassigned	<u>19,310</u>	<u>-</u>	<u>19,310</u>
<b>Total fund balances (deficit)</b>	<u>141,544</u>	<u>208,359</u>	<u>349,903</u>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u><u>\$ 3,505,963</u></u>	<u><u>\$ 240,902</u></u>	<u><u>\$ 3,746,865</u></u>

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

**Wellington Fire Protection District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**December 31, 2022**

**Fund Balance - Total Governmental Fund** \$ 349,903

Capital assets used in governmental activities are not current financial resources, and therefore, are not reported as assets in the governmental fund financial statements.

Cost of capital assets	6,703,121	
Less accumulated depreciation	<u>(3,550,744)</u>	3,152,377

Long-term liabilities, consisting of lease purchases, are not due from current financial resources, and therefore are not reported as liabilities in the governmental funds balance sheet.

Accrued compensated absences	\$ (59,246)	
Capital leases	(208,524)	
Other long term debt	(139,000)	
Accrued interest payable	<u>(2,353)</u>	(409,123)

Other deferred inflows of resources related to impact fee credits are not available to pay current expenditures and therefore are not reported as liabilities in the governmental funds balance sheet. (227,920)

Net pension asset and liability amounts and the related deferred inflows and deferred outflows of resources are not current financial resources or due and payable in the current period and therefore are not reported in the fund financial statements.

Net pension asset	1,455,898	
Net pension liability	(689,253)	
Deferred outflows of resources related to pension	844,801	
Deferred inflows of resources related to pension	<u>(1,440,608)</u>	<u>170,838</u>

**Net position of governmental activities** **\$ 3,036,075**

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

**Wellington Fire Protection District**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**December 31, 2022**

<b>Revenues</b>	<b>General Fund</b>	<b>Impact Fee Fund</b>	<b>Total</b>
Taxes	\$ 3,251,708	\$ -	\$ 3,251,708
Charges for services	77,625	-	77,625
Impact Fees	-	38,184	38,184
Contributions and grants	54,920	-	54,920
Other income	<u>36,792</u>	<u>-</u>	<u>36,792</u>
<b>Total Revenues</b>	<u>3,421,045</u>	<u>38,184</u>	<u>3,459,229</u>
<b>Expenditures</b>			
Current:			
Administration	311,060	-	311,060
Operations	2,516,806	-	2,516,806
Fleet and facilities	119,908	-	119,908
Training, health and safety	52,860	-	52,860
Debt service			-
Principal	76,999	69,500	146,499
Interest	25,568	-	25,568
Capital outlay - non capitalized	<u>-</u>	<u>39,731</u>	<u>39,731</u>
<b>Total Expenditures</b>	<u>3,103,201</u>	<u>109,231</u>	<u>3,212,432</u>
<b>Excess of revenues over (under) expenditures</b>	<u>317,844</u>	<u>(71,047)</u>	<u>246,797</u>
<b>Other Financing Sources of Funds</b>			
Line of credit repayments	(530,027)	-	(530,027)
Line of credit advances	525,000	-	525,000
Transfers In (Out)	<u>(279,406)</u>	<u>279,406</u>	<u>-</u>
<b>Total Other Financing Sources (Uses) of Funds</b>	<u>(284,433)</u>	<u>279,406</u>	<u>(5,027)</u>
<b>Net Change in fund balances</b>	<u>33,411</u>	<u>208,359</u>	<u>241,770</u>
<b>Fund balances:</b>			
<b>Beginning of the year</b>	<u>108,133</u>	<u>-</u>	<u>108,133</u>
<b>End of the year</b>	<u>\$ 141,544</u>	<u>\$ 208,359</u>	<u>\$ 349,903</u>

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

**Wellington Fire Protection District**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Change In Fund Balances of Governmental Activities**  
**To The Statement of Activities**  
**December 31, 2022**

<b>Net change in Fund Balances</b>	\$ 241,770
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report depreciation expense, the allocation of the cost of any depreciable asset over their estimated useful life of the asset. Therefore, this is the amount of capital outlay, net of depreciation expense, in the current period.</p>	
Depreciation expense	(231,430)
<p>The issuance of long-term debt (e.g. lease purchases and other debt) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal repayment of long term debt	146,499
<p>Reduction to deferred inflows of resources related to impact fee credits were not received in cash and therefore are not eligible to be reported as revenues within the funds</p>	
	108,040
<p>Changes in assets, liabilities, deferred outflows of resources, and deferred inflows of resources related to the District's defined benefit and volunteer retirement plans are recognized on the statement of activities and are not reflected as income on the statement of revenues, expenditures, and changes in fund balance.</p>	
	895,063
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental</p>	
Change in compensated absences	33,069
Change in liability - accrued interest on long-term debt	4,628
<b>Change in net position of governmental activities</b>	<b><u>\$ 1,197,640</u></b>

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

# Wellington Fire Protection District

## Notes to Financial Statements

### December 31, 2022

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#### 1. Definition of Reporting Entity

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The Wellington Fire Protection District (the "District") is organized under the provisions of Section 32-1-305 (6) of the Colorado Revised Statutes ("CRS"). It is a quasi-municipal corporation and a political subdivision of the State of Colorado with all powers thereof, which includes the powers to levy taxes against property within the District.

The financial statements of 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 government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### 2. Summary of Significant Accounting Policies

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In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: its Board of Directors is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- A. Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- B. Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointment by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the District. The District meets the criteria of an "other standalone government."

# **Wellington Fire Protection District**

## **Notes to Financial Statements (continued)**

### **December 31, 2022**

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## **2. Summary of Significant Accounting Policies (continued)**

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### **Basic Financial Statements**

The District's basic financial statements include the accounts and funds of all District operations. The accounting policies of the District conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

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

### **Basis of Accounting**

The modified accrual basis of accounting is used for all governmental fund types. The following are modifications of the accrual basis method:

- Expenditures, other than accrued interest on general long-term debt, are recognized at the same time the liabilities are incurred. Interest on long-term debt is recorded only when due.
- Revenue is recorded when received in cash except for revenue that is not received but is measurable and available and therefore susceptible to accrual.

### **Government-wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. Governmental activities are generally supported by taxes, charges for services and intergovernmental revenues. There are no business-type activities in the District for the year ended December 31, 2022.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to those 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 instead as general revenues.

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

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**2. Summary of Significant Accounting Policies (continued)**

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**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund balance, revenues and expenditures/expenses. The focus of governmental fund financial statements is on the major funds rather than the reporting funds by type. Funds are organized into three major categories: governmental, proprietary and fiduciary. The District has two governmental funds, the General Fund and the Impact Fee Fund, both of which are presented as major funds.

**Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are taken into account when they are earned, regardless of when they are collected; expenditures are reflected as soon as the liabilities are incurred, regardless of when they are paid. 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 accounted for using the current financial resources measurement focus and these funds use the modified accrual basis of accounting whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

The major source of revenue susceptible to accrual is property tax, wildland revenue, and impact fee revenue associated with the current fiscal period and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

# Wellington Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2022

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#### 2. Summary of Significant Accounting Policies (continued)

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In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, (“GASB No. 33”) the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying nonexchange transaction occurs, when an enforceable legal claim has arisen., when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

Governmental funds are used to account for all or most of the government’s general activities. The General Fund is the District’s primary operating fund. The following are the District's major governmental funds:

*General Fund* - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

*Impact Fee Fund* - The Impact Fee Fund is used to account for financial resources to be used for the acquisition of equipment, apparatus or the construction of stations and station additions

#### **Budgets and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the District staff submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted by the District Board of Directors to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution. The resolutions can be adjusted by the Board for unforeseen circumstances. Equal line item adjustments must be approved by the Board.
- Any budget revisions that alter the total expenditures of any fund must be approved by the District Board of Directors through passage of a resolution.
- The District legally adopts a budget for all funds on its basis of accounting.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Directors. All appropriations lapse at year end.



**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

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**2. Summary of Significant Accounting Policies (continued)**

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The District adopted a budget for each fund for the year ended December 31, 2022, which was subsequently amended.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months.

**Receivables**

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at December 31, 2022. Property taxes levied on December 31, 2022 are identified as property taxes receivable and deferred inflows of resources.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the applicable District activities in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which are as follows:

Building/Improvements	10-40 years
Fire apparatus and equipment	10-20 years
Land	N/A

**Accrued Absences**

The District reports compensated absences in accordance with the provisions of GASB standards. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. Upon termination of employment from the District, an employee will be compensated for up to 240 hours of unused vacation at their current pay rate.

# Wellington Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2022

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## 2. Summary of Significant Accounting Policies (continued)

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### **Accrued Liabilities and Long-Term Obligations**

All payables are reported in the government-wide financial statements. In general, payables that will be paid from governmental activities are reported in the government-wide financial statements, regardless of whether they will be liquidated with current resources. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable and available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources at the District primarily relate to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources at the District primarily relate to property taxes and pensions.

### **Net Position and Fund Balance**

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents the net position of the District, which are not restricted for any project or other purpose. A deficit will require future funding.

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

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**2. Summary of Significant Accounting Policies (continued)**

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Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

- *Nonspendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – amounts that are available for any purpose. A deficit will require future funding.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

# Wellington Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2022

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## 2. Summary of Significant Accounting Policies (continued)

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### **Revenue Recognition/Property Taxes**

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The county treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the District by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the District.

In the fund financial statements, property taxes are recognized in the year for which they are levied provided they become available and measurable. Property tax revenues are considered available when they become due or past due and are received by the District within 60 days of the end of the fiscal year.

### **Pensions**

The District contributes to the Statewide Defined Benefit Plan (“SWDB”). The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDB plan and additions to/deductions from the SWDB plan fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In addition, the District contributes to a defined benefit pension plan to provide retirement income for volunteer firefighters in recognition of their service to the District. This plan is an agent multiple-employer Public Employee Retirement System affiliated with the FPPA for the purpose of administering the plan and managing the funds of the plan for investment.

### **Estimates**

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

# Wellington Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2022

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### 3. Deposits and Investments (continued)

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#### **Custodial Credit Risks – Deposits**

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. As of December 31, 2022, the District had cash deposits with a bank balance of \$636,049 and a carrying balance of \$628,844.

#### **Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- certificates of deposit with an original maturity in excess of three months
- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities,
- bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- local government investment pools.

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

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**3. Deposits and Investments (continued)**

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**Interest Rate Risk**

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investments is the means of limiting exposure to fair value losses arising from increasing interest rates.

Cash and cash equivalents were classified in the Statement of Net Position at December 31, 2022 as follows:

Total cash and cash equivalents—Governmental Funds	<u>\$ 645,942</u>
Cash with county treasurer	\$ 17,098
Deposits with financial institutions	<u>628,844</u>
Total cash and cash equivalents	<u>\$ 645,942</u>

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**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**4. Capital Assets**

The following table presents capital assets activity of the District for the year ended December 31, 2022:

<b>Governmental activities:</b>	<b>Balance at December 31, 2021</b>	<b>Additions</b>	<b>Disposals/ Retirements</b>	<b>Balance at December 31, 2022</b>
Capital assets, not being depreciated:				
Land	\$ 795,566	\$ -	\$ -	\$ 795,566
Total Capital assets, not being depreciated	795,566	-	-	795,566
Capital assets, being depreciated:				
Buildings and Improvements	2,841,483	-	-	2,841,483
Fire apparatus and equipment	3,066,072	-	-	3,066,072
Total capital assets being depreciated	5,907,555	-	-	5,907,555
Less accumulated depreciation for:				
Buildings and Improvements	(1,483,256)	(58,313)	-	(1,541,569)
Fire apparatus and equipment	(1,836,058)	(173,117)	-	(2,009,175)
Total accumulated depreciation	(3,319,314)	(231,430)	-	(3,550,744)
Total Capital Assets, Depreciated, Net	2,588,241	(231,430)	-	2,356,811
Total Capital Assets, Net	\$ 3,383,807	\$ (231,430)	\$ -	\$ 3,152,377

Depreciation expense was charged to the operations program within the governmental activities.

**5. Short-Term Debt**

On December 15, 2022, the District renewed the revolving line of credit agreement with First National Bank of Omaha, which contains a maximum borrowing limit of \$350,000. Interest under this agreement accrued at US Prime + 1%, for a rate of 8.50% at December 31, 2022. The line of credit is secured by a Deed of Trust on two station buildings and an assignment of rents related to those stations. At December 31, 2022, the District had \$250,000 outstanding on this line of credit. Short-term activity for the District for the year-ended December 31, 2022 was as follows:

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**5. Short-Term Debt (continued)**

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022
Line of Credit	<u>\$ 255,027</u>	<u>525,000</u>	<u>530,027</u>	<u>\$ 250,000</u>

**6. Long-Term Liabilities**

The following is a summary of long-term obligations as of December 31, 2022:

<i>Other obligations</i>	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Amounts Due Within One Year
	<i>As restated</i>				
Capital leases	\$ 285,523	\$ -	\$ 76,999	\$ 208,524	\$ 79,523
Loan payable	208,500	-	69,500	139,000	69,500
Compensated absences	92,316	209,570	242,640	59,246	-
Net Pension Liability	873,465	-	184,212	689,253	
Total Long-Term Debt	<u>\$ 1,459,804</u>	<u>\$ 209,570</u>	<u>\$ 389,139</u>	<u>\$ 1,096,023</u>	<u>\$ 149,023</u>

***Lease Purchase Obligations***

On November 15, 2019 the District entered into a capital lease with a financial institution for the lease of a fire engine totaling \$175,000. The lease requires six annual payments of \$37,953, principal and interest at 3.44%. The lease matures on April 15, 2024.

On March 20, 2020 the District entered into a capital lease with a financial institution for the lease of equipment totaling \$107,300. The lease requires five annual payments of \$23,359, principal and interest at 2.89%. The lease matures on March 20, 2025.

On May 15, 2020 the District entered into a capital lease with a financial institution for the lease of equipment totaling \$113,445. The lease requires six annual payments of \$24,986, principal and interest at 3.15%. The lease matures on April 15, 2025.



**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

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**6. Long-Term Liabilities (continued)**

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The book value of assets acquired through lease purchases at December 31, 2022 is as follows:

Equipment	\$ 401,745
Less accumulated depreciation	<u>(103,853)</u>
Net Book Value	<u>\$ 297,892</u>

The following are events of default under the above lease agreements: (i) failure to make any lease payment (or any other payment) as it becomes due in accordance with the terms of the lease when funds have been appropriated sufficient for such purpose; (ii) failure to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured during a stated time period after written notice thereof by the lessor; (iii) the discovery by lessor that any statement, representation, or warranty made by the District in the lease or in writing delivered by lessee is false, misleading or erroneous in any material respect; (iv) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by the lessee, or a receiver or similar officer shall be appointed for lessee or any of its property, and such proceedings or appointments shall not be vacated, or fully stayed, within a certain time period after the institution or occurrence thereof; or (v) an attachment, levy or execution is threatened or levied upon or against the equipment.

In the event of default, the lessors may, at their option: (i) declare all amounts due under the lease; (ii) request the District to discontinue use of the equipment; (iii) sell or lease the equipment; (iv) request the return of the equipment to the lessor; or (v) exercise any other right available under law.

Following is a schedule of the future minimum lease payments under the District's capital lease obligations:

Year ended December 31,	
	2023 \$ 86,299
	2024 86,299
	2025 <u>48,345</u>
Total minimum lease payments	220,943
Less amount representing interest	<u>12,419</u>
Present value of future minimum lease payments	<u>\$ 208,524</u>

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

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**6. Long-Term Liabilities (continued)**

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*Loans payable*

In 2021, the District entered into an in-kind exchange transaction whereby it received a parcel of land valued at \$664,280 in exchange for credits for future residential impact fees. The owner of the contributed land has already paid \$278,000 toward residential impact fees. As partial consideration for the in-kind contribution, the District will make four annual installments of \$69,500, beginning on September 2021, with the final payment due on September 15, 2024 to offset the District residential impact fees already paid by the owner.

The remainder of the value of the in-kind contribution will be used to offset future residential impact fees for the planned development. District residential impact fees that would be incurred by the Owner for development shall be credited up to, but not to exceed, \$386,280. This is recorded as a Deferred Inflow of Resources on the Statement of Net Position.

The annual debt service requirements for the outstanding loan payable at December 31, 2022 is as follows:

Year ended December 31,	
2023	\$ 69,500
2024	<u>69,500</u>
	<u>\$ 139,000</u>

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**7. Risk Management**

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The District is exposed to various risks of loss related to various torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage.

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**8. Defined Benefit Pension Plans**

The District currently maintains two separate defined benefit pension plans. The plans cover paid participating firefighters hired prior to associating with Fire and Police Pension Association of Colorado including new hires, paid administrative personnel and all volunteer firefighters. The FPPA is responsible for the physical safekeeping and investing of such contributions as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the plan.

The following tables present combining information relating to the District’s Defined Benefit Pension Plans as of the year ended December 31, 2022:

	Volunteer Firefighters' Pension Plan	Statewide Defined Benefit Plan	Combined
<u>Deferred outflows of resources at December 31, 2022</u>			
Differences between expected and actual experience	\$ -	\$ 416,901	\$ 416,901
Changes of assumptions or other inputs	-	207,621	207,621
District contributions subsequent to the measurement date	105,876	114,403	220,279
Total Deferred outflows of resources at December 31, 2022	<u>\$ 105,876</u>	<u>\$ 738,925</u>	<u>\$ 844,801</u>

	Volunteer Firefighters' Pension Plan	Statewide Defined Benefit Plan	Combined
<u>Deferred inflows of resources at December 31, 2022</u>			
Differences between expected and actual experience	\$ -	\$ 33,956	\$ 33,956
Net difference between projected and actual earning on pension plan investments	175,144	974,369	1,149,513
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	257,139	257,139
Total Deferred inflows of resources at December 31, 2022	<u>\$ 175,144</u>	<u>\$ 1,265,464</u>	<u>\$ 1,440,608</u>

**Volunteer Firefighters’ Plan**

*Plan Description.* The District has established the Volunteer Firefighters’ Pension Plan (the “Plan”), an agent multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). As of December 31, 2022, the Plan has 16 retirees and beneficiaries, 10 inactive, nonretired members, and 3 active members. FPPA issues an annual, publicly available financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA’s website at [www.fppaco.org](http://www.fppaco.org).

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**8. Defined Benefit Pension Plans (continued)**

*Benefits Provided.* The plan provides for a monthly pension of \$1,000 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, a lump sum one-time only payment of \$2,000.

*Funding Policy.* The Plan receives contributions from the District in an amount not to exceed one-half mill of property tax revenue. As established by the legislature, the State of Colorado also contributes to the plan. The contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2121. The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

The District contributed \$105,876 to the Plan during the year ended December 31, 2022.

*Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2022, the District reported a net pension liability of \$689,253 for this Plan. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022.

For the year ended December 31, 2022, the District recognized pension income of \$458,546.

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual		
Earnings on pension plan investments	\$ -	\$ 175,144
District contributions subsequent to the measurement date	<u>105,876</u>	<u>-</u>
Total	<u>\$ 105,876</u>	<u>\$ 175,144</u>

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**8. Defined Benefit Pension Plans (continued)**

The \$105,876 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amortization
2023	\$ (41,547)
2024	(63,951)
2025	(43,467)
2026	(26,179)
	<u>\$ (175,144)</u>

***Actuarial assumptions***

The actuarially determined contributions as of the measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<b>Actuarially Determined Contributions</b>
Actuarial Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Amortization Period	20 years*
Investment Rate of Return	7.00%
Asset Valuation Method	5-Year smoothed fair value
Retirement Age	50% per year of eligibility until 100% at age 65
Includes Inflation at	2.50%
Mortality	<p><b>Pre-retirement:</b> 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.</p> <p><b>Post-retirement:</b> 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p> <p><b>Disabled:</b> 2006 central rates from the RP-2014</p>

# Wellington Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2022

	Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
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\*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)). Based on the assumption that the pension plan’s fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees, the resulting Single Discount Rate is 7.00%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.0%	2.32%
Fixed Income - Rates	10.0%	4.00%
Fixed Income - Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Long/Short	8.0%	6.87%
Global Equity	39.0%	8.23%
Private Markets	26.0%	10.63%
Total	100.0%	

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**8. Defined Benefit Pension Plans (continued)**

*Sensitivity.* The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate this is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Projected Net Pension Liability</u>
1% Decrease to 6.00%	\$ 1,001,796
Single Discount Rate	689,253
1% Increase to 8.00%	431,432

**Statewide Defined Benefit Plan**

*Plan Description.* The District contributes to the Fire and Police Pension Association (FPPA) to provide retirement benefits for paid employees and beneficiaries. Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA’s website at <http://www.fppaco.org>.

The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

Colorado Revised Statutes Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors.

*Benefits Provided.*

SWDBP provides retirement and disability, annual increases and death benefits to members or their beneficiaries. A member is eligible for normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member’s combined years of service and age equals at least 80, with a minimum age of 50 (rule of 80).

The annual normal retirement benefit is 2.0 percent of the average of the member’s highest three years’ base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income

# Wellington Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2022

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#### 8. Defined Benefit Pension Plans (continued)

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payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from zero percent to the higher of 3.0 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

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

*Contributions.* The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Through December 31, 2021, contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8.50 percent in 2021. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.5 percent of pensionable earnings in 2021. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

Contributions to the Plan from the District were \$114,403 for the year ended December 31, 2022.



**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

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**8. Defined Benefit Pension Plans (continued)**

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*Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2022, the District reported a net pension asset of \$1,455,898 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The proportion of the net pension asset was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions, actuarially determined.

At December 31, 2021, the District's proportion was 0.2686 percent, which was an increase of 0.00812 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the District recognized pension income of \$216,238. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 416,901	\$ 33,956
Changes of assumptions or other inputs	207,621	-
Net difference between projected and actual earning on pension plan investments	-	974,369
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	257,139
District contributions subsequent to the measurement date	114,403	-
	\$ 738,925	\$ 1,265,464

The \$114,403 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**8. Defined Benefit Pension Plans (continued)**

Year ended December 31,	Amortization
2023	(180,113)
2024	(280,900)
2025	(176,101)
2026	(75,756)
2027	47,641
Thereafter	24,287
	<u>\$ (640,942)</u>

*Actuarial assumptions.* The total pension liability and actuarially determined contributions as of the measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumptions and other inputs:

	<b>Total Pension Liability</b>	<b>Actuarial Determined Contributions</b>
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-Term Investment Rate of Return	7.0%	7.0%
Projected Salary Increases	4.25%-11.25%	4.25%-11.25%
Cost of Living Adjustments	0%	0%
Includes Inflation at	2.5%	2.5%

*Sensitivity.* The following presents the District's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate this is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<b>Projected Net Pension (Asset) Liability</b>
1% Decrease to 6% Single Discount Rate	\$ (200,777)
1% Increase to 8%	(1,455,898)
	<u>(2,495,696)</u>

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**8. Defined Benefit Pension Plans (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method, 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Private Markets	26.0%	10.63%
Fixed Income - Rates	10.0%	4.01%
Fixed Income - Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.00% (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

# Wellington Fire Protection District

## Notes to Financial Statements (continued)

### December 31, 2022

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#### 9. Voluntary Investment Program

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*Description.* Effective May 1, 2010 employees of the District who are members of the SWDB (see Note 9) may voluntarily contribute to the Voluntary Investment Program (“457 Plan”), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is optional, and contributions are separate from others made to FPPA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 457 Plan provisions to the State Legislature.

*Funding Policy.* The 457 Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$19,500 for calendar year 2021 and \$20,500 for the calendar years 2022). Catch-up contributions up to \$6,000 for calendar years 2021 and 2022 were allowed for participants who had attained age 50 before the close of the plan year, subject to the limitations of IRC §414(v). For the years ended December 31, 2022 and 2021 member pre-tax contributions were \$32,615 and \$39,291 respectively.

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#### 10. TABOR Compliance

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Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer’s Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenues. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District has restricted \$114,290 for this purpose.

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

In November 2007, the voting citizens of the District authorized the District to collect, retain, and expend the full revenues generated for the purpose of financing capital projects and purchasing capital assets and paying the expenses of operating, maintaining, and providing district services, notwithstanding any restrictions on fiscal year revenue collection and spending otherwise applicable, including but not limited to the restrictions contained in Article X, Section 20, of the Colorado Constitution and Section 29-1-301. This effectively removed all revenue and spending limitations provided by TABOR and Section 29-1-301 of the Colorado Revised Statutes.

**Wellington Fire Protection District**  
**Notes to Financial Statements (continued)**  
**December 31, 2022**

**11. Restatement**

The District has restated beginning Net Position in the Statement of Net Position. The purpose of the restatement is to correctly restate the beginning balance of the loan payable for the in-kind land exchange with repayment of impact fees to the developer as described in Note 6. In 2021, the agreement was amended twice and the final contractual terms were not initially captured. Additionally, impact fee credits were granted in conjunction with that transaction and revenue should have been recorded as building permits were issued in 2021. The restatement is summarized as follows:

Restatement in Statement of Net Position

	January 1, 2022		January 1, 2022
	As Originally Stated	Restatement	
Land	\$ 729,490	\$ 66,076	\$ 795,566
Loan Payable	142,424	66,076	208,500
Deferred inflows - impact fees	386,280	(50,320)	335,960
Net Position	\$ 1,788,115	\$ 50,320	\$ 1,838,435

Restatement in Statement of Activities

	January 1, 2022		January 1, 2022
	As Originally Stated	Restatement	
Impact fee Revenue	\$ 792,979	\$ 50,320	\$ 843,299
Change in Net Position	\$ 756,414	\$ 50,320	\$ 806,734

**12. Subsequent Events**

The District has evaluated subsequent events through July 27, 2023, the date which the financial statements were issued.

# **Wellington Fire Protection District**

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**Required Supplementary Information**

**Wellington Fire Protection District**  
**Statement of Revenues, Expenditures**  
**and Change in Fund Balance—Actual and Budget**  
**Governmental Fund Type—General Fund**  
**December 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Taxes	\$ 3,219,155	\$ 3,230,504	\$ 3,251,708	\$ 21,204
Charges for services	225,000	151,742	77,625	(74,117)
Contributions and grants	100,000	100,000	54,920	(45,080)
Other income	<u>65,940</u>	<u>65,940</u>	<u>36,792</u>	<u>(29,148)</u>
Total Revenues	<u>3,610,095</u>	<u>3,548,186</u>	<u>3,421,045</u>	<u>(127,141)</u>
<b>Expenditures:</b>				
Administration	255,683	284,797	311,060	(26,263)
Operations	3,091,512	2,730,587	2,516,806	213,781
Fleet and facilities	95,800	127,493	119,908	7,585
Training, health and safety	49,000	37,765	52,860	(15,095)
Capital outlay	39,500	41,035	-	41,035
Debt service	<u>76,999</u>	<u>442,369</u>	<u>102,567</u>	<u>339,802</u>
Total Expenditures	<u>3,608,494</u>	<u>3,664,046</u>	<u>3,103,201</u>	<u>560,845</u>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	<u>1,601</u>	<u>(115,860)</u>	<u>317,844</u>	<u>433,704</u>
<b>Other Financing Sources (Uses) of Funds</b>				
Line of credit repayments	-	-	(530,027)	(530,027)
Line of credit advances	-	386,493	525,000	138,507
Transfers In (Out)	<u>(270,633)</u>	<u>(270,633)</u>	<u>(279,406)</u>	<u>(8,773)</u>
Total Other financing sources and uses	<u>(270,633)</u>	<u>115,860</u>	<u>(284,433)</u>	<u>(400,293)</u>
<b>Net Change in fund balance</b>	(269,032)	-	33,411	33,411
<b>Fund Balance—Beginning of year</b>			<u>108,133</u>	<u>108,133</u>
<b>Fund Balance—End of Year</b>			<u>\$ 141,544</u>	<u>\$ 141,544</u>

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

**Wellington Fire Protection District**  
**Required Supplementary Information**  
**FPPA - Statewide Defined Benefit Plan**  
**Schedules of Proportionate Share of the Net Pension and Related Ratios**

**Statewide Defined Benefit Plan**

<u>Period Ended*</u>	<u>Proportion of the Net Pension Liability/(Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability/(Asset)</u>
12/31/2022	0.26865%	\$ (1,455,898)	\$ 2,117,285	-68.76%	116.20%
12/31/2021	0.26053%	(565,608)	2,092,588	-27.03%	106.70%
12/31/2020	0.23624%	(133,607)	1,314,861	-10.16%	101.90%
12/31/2019	0.22989%	290,640	1,397,813	20.79%	95.20%
12/31/2018	0.14833%	(213,399)	976,788	-21.85%	106.30%
12/31/2017	0.15901%	57,457	871,863	6.59%	98.21%
12/31/2016	0.09791%	(1,726)	504,613	-0.34%	100.10%
12/31/2015	0.05628%	(63,518)	253,101	-25.10%	140.60%
12/31/2014	0.01477%	(33,458)	64,167	-52.14%	139.00%

\* The amounts presented for each period ended were determined as of 12/31 of the prior year

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.



**Wellington Fire Protection District**  
**Required Supplementary Information**  
**Schedules of Employer Contributions**

**Statewide Defined Benefit Plan**

<b>Period Ended</b>	<b>Actuarially Required Contributions</b>	<b>Actual Employer Contributions</b>	<b>Contribution Excess/(Deficiency)</b>	<b>Actual Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
12/31/2022	\$ 110,544	\$ 110,544	\$ -	\$ 1,230,728	9.0%
12/31/2021	179,969	179,969	-	2,117,285	8.5%
12/31/2020	167,407	167,407	-	2,092,588	8%
12/31/2019	105,189	105,189	-	1,314,861	8%
12/31/2018	111,825	111,825	-	1,397,813	8%
12/31/2017	78,143	78,143	-	976,788	8%
12/31/2016	69,749	69,749	-	871,863	8%
12/31/2015	40,369	40,369	-	504,613	8%
12/31/2014	20,248	20,248	-	253,101	8%
12/31/2013	5,133	5,133	-	64,167	8%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

**Wellington Fire Protection District**  
**Required Supplementary Information**  
**Volunteer Pension Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Years**

Measurement period ended December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 5,380	\$ 20,690	\$ 16,864	\$ 33,411	\$ 29,352	\$ 51,962	\$ 51,962	\$ 58,849
Interest on the total pension liability	174,305	146,498	154,909	146,800	150,505	174,373	166,533	118,602
Benefit Changes	-	-	-	-	-	-	-	672,703
Difference between expected and actual experience	-	(38,671)	-	178,650	-	(180,744)	-	(121,201)
Changes of assumptions	-	(1,271,598)	360,850	(508,351)	220,867	1,239,696	-	-
Benefit Payments	(155,100)	(155,100)	(147,433)	(146,100)	(146,100)	(131,850)	(96,709)	(76,650)
<b>Net change in total pension liability</b>	<b>24,585</b>	<b>(1,298,181)</b>	<b>385,190</b>	<b>(295,590)</b>	<b>254,624</b>	<b>1,153,437</b>	<b>121,786</b>	<b>652,303</b>
<b>Total pension liability - Beginning</b>	<b>2,563,671</b>	<b>3,861,852</b>	<b>3,476,662</b>	<b>3,772,252</b>	<b>3,517,628</b>	<b>2,364,191</b>	<b>2,242,405</b>	<b>1,590,102</b>
<b>Total pension liability - Ending (a)</b>	<b>2,588,256</b>	<b>2,563,671</b>	<b>3,861,852</b>	<b>3,476,662</b>	<b>3,772,252</b>	<b>3,517,628</b>	<b>2,364,191</b>	<b>2,242,405</b>
<b>Plan fiduciary net position</b>								
Employer contributions	103,000	102,896	40,000	40,000	-	-	100,000	100,000
Net investment income	247,873	192,916	200,658	1,707	211,259	79,472	25,541	95,156
Benefit payments	(155,100)	(155,100)	(147,433)	(146,100)	(146,100)	(131,850)	(96,709)	(76,650)
Administrative expense	(8,058)	(5,644)	(9,242)	(6,869)	(8,791)	(2,657)	(4,759)	(2,427)
State of Colorado supplemental discretionary payment	21,082	10,541	-	-	-	10,541	10,541	10,541
<b>Net change in plan fiduciary net position</b>	<b>208,797</b>	<b>145,609</b>	<b>83,983</b>	<b>(111,262)</b>	<b>56,368</b>	<b>(44,494)</b>	<b>34,614</b>	<b>126,620</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,690,206</b>	<b>1,544,597</b>	<b>1,460,614</b>	<b>1,571,876</b>	<b>1,515,508</b>	<b>1,560,002</b>	<b>1,525,388</b>	<b>1,398,768</b>
<b>Plan fiduciary net position - end (b)</b>	<b>1,899,003</b>	<b>1,690,206</b>	<b>1,544,597</b>	<b>1,460,614</b>	<b>1,571,876</b>	<b>1,515,508</b>	<b>1,560,002</b>	<b>1,525,388</b>
<b>District's net pension liability - ending (a)-(b)</b>	<b>689,253</b>	<b>873,465</b>	<b>2,317,255</b>	<b>2,016,048</b>	<b>2,200,376</b>	<b>2,002,120</b>	<b>804,189</b>	<b>717,017</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>73.37%</b>	<b>65.93%</b>	<b>40.00%</b>	<b>42.01%</b>	<b>41.67%</b>	<b>43.08%</b>	<b>65.98%</b>	<b>68.02%</b>

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

**Wellington Fire Protection District**  
**Required Supplementary Information**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended**

**Volunteer Plan**

<u>Period Ended</u>	<u>Actuarially Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
		***			
12/31/2022	\$ 113,437	\$ 113,437	\$ -	N/A**	N/A**
12/31/2021	113,437	113,437	-	N/A**	N/A**
12/31/2020	93,272	40,000	(53,272)	N/A**	N/A**
12/31/2019	100,541	100,541	-	N/A**	N/A**
12/31/2018	110,541	110,541	-	N/A**	N/A**
12/31/2017	110,541	110,541	-	N/A**	N/A**
12/31/2016	37,077	-	(37,077)	N/A**	N/A**
12/31/2015	37,077	-	(37,077)	N/A**	N/A**
12/31/2014	93,272	40,000	(53,272)	N/A**	N/A**
12/31/2013	93,272	40,000	(53,272)	N/A**	N/A**

**Note:** This schedule is intended to show information for ten years. Additional years will be displayed as they become available. Actuarially determined contributions rates are calculated as of January 1 of odd years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019, determines the contribution amounts for

\*\* Ratio not applicable (N/A) since payroll is zero due to the plan covering volunteers.

\*\*\* Includes both employer contribution and State of Colorado Supplemental Discretionary Payment

# **Wellington Fire Protection District**

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## **Supplementary Information**

**Wellington Fire Protection District**  
**Statement of Revenues, Expenditures**  
**and Change in Fund Balance—Actual and Budget**  
**Governmental Fund Type—Impact Fees Fund**  
**December 31, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Impact Fees	161,050	161,050	38,184	(122,866)
Donation	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Total Revenues	<u>166,050</u>	<u>166,050</u>	<u>38,184</u>	<u>(127,866)</u>
<b>Expenditures:</b>				
Fees	7,712	7,712	-	7,712
Loan Principal	69,500	69,500	69,500	-
Capital outlay	<u>62,940</u>	<u>62,940</u>	<u>39,731</u>	<u>23,209</u>
Total Expenditures	<u>140,152</u>	<u>140,152</u>	<u>109,231</u>	<u>30,921</u>
<b>Excess Revenue Over (Under)</b>				
<b>Expenditures</b>	<u>25,898</u>	<u>25,898</u>	<u>(71,047)</u>	<u>(96,945)</u>
<b>Other Financing Sources of Funds</b>				
Transfers In (Out)	<u>270,633</u>	<u>270,633</u>	<u>279,406</u>	<u>8,773</u>
<b>Net Change in fund balance</b>	296,531	296,531	208,359	(88,172)
<b>Fund Balance—Beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance—End of Year</b>	<u>\$ 296,531</u>	<u>\$ 296,531</u>	<u>\$ 208,359</u>	<u>\$ (88,172)</u>