

Annual Financial Report

**Southeast Weld Fire Protection District**  
Keenesburg, Colorado

For the Year Ended December 31, 2016



*Tim*  
**Chavies & Associates, Inc.**

*Certified Public Accountants  
1707 61st Avenue, Suite 101  
Greeley, Colorado 80634  
(970) 356-2284 / Fax (970) 353-9701*



**RECEIVED**

*By the Office of the State Auditor at 12:05 pm, Jul 31, 2017*

# SOUTHEAST WELD FIRE PROTECTION DISTRICT

---

## *Table of Contents*

December 31, 2016

	<b>Page</b>
<b>Financial Section</b>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	12
Statement of Fiduciary Net Position – Fiduciary Funds	13
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	14
Notes to the Basic Financial Statements	15-31
Required Supplemental Information:	
Schedule of Revenues & Expenditures - Budget to Actual – General Fund	32
Schedule of Revenues & Expenditures – Budget to Actual – Pension Fund	33
Schedule of Changes in Fiduciary Net Position Liability	34
Schedule of Contributions	35



*Tim*  
**Chavies & Associates, Inc.**

*Certified Public Accountants  
1707 61st Avenue, Suite 101  
Greeley, Colorado 80634  
(970) 356-2284 / Fax (970) 353-9701*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The Southeast Weld Fire Protection District  
Keenesburg, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Southeast Weld Fire Protection District, State of Colorado as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The Southeast Weld Fire Protection District, State of Colorado as of December 31, 2016, 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.

**Other Matters – Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-8, budgetary comparison information on pages 32-33, the Schedule of Changes in Net Position Liability / Asset on page 34 and the Schedule of Contributions on page 35 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.

Greeley, Colorado  
July 14, 2017

*Tim Chavies & Associates, Inc.*  
Tim Chavies & Associates, Inc.  
Certified Public Accountants

# SOUTHEAST WELD FIRE PROTECTION DISTRICT

KEENESBURG, ROGGEN, AND PROSPECT VALLEY, COLORADO

December 31, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Southeast Weld Fire Protection District's (the "District") annual financial report presents management's discussion and analysis of the District's financial performance for the year ended December 31, 2016. The Management Discussion and Analysis ("MD&A") should be read in conjunction with the District's financial statements, including the notes to financial statements and supplemental information that immediately follow this section.

### Organization and Purpose of District

The District is a special purpose organization established in 1954 as a political subdivision of the State of Colorado that provides public safety, Fire and Ambulance Service to the citizens of Southeast Weld County and Northern Adams County, consisting of approximately 492 square miles principally in the rural and urban areas of Keenesburg, Roggen, and Prospect Valley, Colorado. Five elected persons comprising the Board of Directors manage the Fire District.

Expenditures of the District's General Fund consist of administration, training of fire fighters, volunteers, fire equipment and stations maintenance, emergency medical services, and capital outlay. Expenditures of the District are financed primarily by general property tax revenue from an annual mill levy and earnings on investments. The annual mill levy of 7.764 was paid to the General Fund.

An allocation of \$135,565 was transferred to the Firemen's Pension Fund.

This Pension Fund provides retirement benefits to volunteer firefighters through a defined benefit plan, known as the Firemen's Pension Fund of the Southeast Weld Fire Protection District. The Plan is managed and administered by a separate Board of Trustees consisting of the District's Board of Directors plus one member elected by the membership. The Firemen's Pension Board formed a trust agreement with Colorado East Bank & Trust Financial Strategies Group to manage a portion of its funds with the goal of diversifying the portfolio, minimizing risk and improving asset returns for the success of the Firemen's Pension Fund.

Expenditures of the District Firemen's Pension Fund were financed, as stated above; primarily by a general fund allocation budgeted by the Board. Secondly, funds from the State of Colorado Department of Local Affairs that matches 90% of the District's contribution up to a maximum of .5 mill of the District's previous year's net assessed valuation.

### Financial Highlights

The property tax revenue for 2016 was generated from taxable property with the 2015 gross total assessed value certification of \$346,571,750 and \$14,663,190 in Weld and Adams County, respectively. The District established a mill levy of 7.764 for the General Fund. Other significant matters are as follows:

- The net position of the District increased by \$638,987 during 2016, compared to prior year increase of \$288,075. The difference is due to primarily to an increase of general property taxes revenue.
- The District capitalized \$520,695 of property and equipment, and recorded depreciation of \$342,449 during 2016. In 2015 the District capitalized \$322,736 and recorded depreciation of \$313,127. See Table 2 for detailed information.
- The assessed valuation for the District increased by \$70,649,890 and the mill levy used to provide general property tax revenue increased by 2.0 mills in 2016 due to a ballot issue passing voter approval.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The District's revenues derived from general property taxes accounted for \$2,851,047 in revenue, compared to prior year of \$1,672,066 or 92.9% and 90.50 of all revenues for each year. Specific ownership tax and interest on delinquent taxes, net of abatements, interest earned, other income accounted for \$230,137 in 2016 and \$181,057 in 2015 for total revenues of \$3,081,184 and \$1,853,123 respectively. The District's expenditures, excluding depreciation, amounted to \$1,745,334 in 2016 and \$1,371,175 in 2015, which resulted in an increase in net assets for 2016 and 2015. See Table 2

### Overview of the Financial Statements

This annual report consists of three parts-*Management's Discussion and Analysis* (this section), the *basic financial statements and required supplemental information*. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that 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 operation in more detail than the government wide statements. The fund financial statements are composed of government fund statements which tell how basic services were financed in the short term, as well as what remains for future spending.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Supplementary information provides certain required information concerning the District's progress in funding its obligation to provide pension benefits to its firefighters. Also included are budgetary comparison schedules for all annually budgeted nonmajor special revenue, debt service, capital projects funds, and Firemen's Pension Fund.

### The Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's buildings and other equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE  
NET POSITION  
TABLE 1

	12/31/2016	12/31/2015	Change	% Change
<b>ASSETS</b>				
Current	\$ 4,450,503	\$ 4,497,444	\$ (46,941)	-1.04%
Net pension asset	2,380	49,914	(47,534)	-95.23%
Capital assets (net)	2,107,786	1,954,820	152,966	7.83%
<b>Total Assets</b>	<b>6,560,669</b>	<b>6,502,178</b>	<b>58,491</b>	
<b>Total Deferred Outflows</b>				
	207,692	-	207,692	100.00%
<b>LIABILITIES</b>				
Current and other liabilities	572,407	42,798	529,609	1237.46%
<b>Total Liabilities</b>	<b>572,407</b>	<b>42,798</b>	<b>529,609</b>	
<b>DEFERRED INFLOWS</b>				
Unearned revenue - property taxes	1,947,088	2,852,311	(905,223)	-31.74%
Deferred inflows related to pensions	2,810	-	2,810	100.00%
<b>Total Deferred Inflows</b>	<b>1,949,898</b>	<b>2,852,311</b>	<b>(905,223)</b>	
<b>NET POSITION</b>				
Net investment in capital assets	2,107,786	1,954,820	152,966	7.83%
Restricted	97,714	57,857	39,857	68.89%
Unrestricted	2,040,556	1,594,392	446,164	0.00%
<b>Total Net Position</b>	<b>\$ 4,246,056</b>	<b>\$ 3,607,069</b>	<b>\$ 638,987</b>	

The District's net position was \$4,246,056 for the year ended December 31, 2016. Of this amount, \$2,040,556 was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Board's ability to use those net assets for day-to-day operations. Our analysis above focuses on the net position (Table 1) and changes in net position (Table 2) below of the District's governmental activities.

Significant change in net capital assets was caused by capital assets of \$520,695 less depreciation expense of \$342,449.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

A summary of total District revenues, expenses and changes in net position is presented in the table below.

**CHANGES IN NET POSITION  
TABLE 2**

	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>Change</u>	<u>% Change</u>
<b>REVENUES</b>				
Taxes:				
General property	\$ 2,851,047	\$ 1,672,066	\$ 1,178,981	70.51%
Specific ownership	177,168	115,533	61,635	53.35%
Interest on delinquent taxes	668	1,213	(545)	-44.93%
Proceeds from sale of assets	(6,760)	11,100	(17,860)	100.00%
Other revenues	93,573	59,167	34,406	58.15%
Earnings on investments	8,795	7,884	911	11.56%
Net increase (dec) in FMV of investment	4,025	900	3,125	347.22%
Net pension increase (decrease)	(401,746)	104,514	(506,260)	-484.39%
<b>Total Revenues</b>	<b>2,726,770</b>	<b>1,972,377</b>	<b>754,393</b>	
<b>PROGRAM EXPENSES</b>				
Public Safety	1,745,334	1,371,175	374,159	27.29%
Depreciation	342,449	313,127	29,322	9.36%
<b>Total Program Expenses</b>	<b>2,087,783</b>	<b>1,684,302</b>	<b>403,481</b>	
<b>Increase (Decrease) in Net Position</b>	<b>\$ 638,987</b>	<b>\$ 288,075</b>	<b>\$ 350,912</b>	

The significant change was the revenue generated from property taxes due to an increase of taxable valuation in 2016, and reporting all property taxes inside General Fund, proceeds from sale of assets, and insurance proceeds received.

**GOVERNMENTAL ACTIVITIES  
COST OF SERVICES  
TABLE 3**

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Fire protection services	\$ 1,745,334	\$ 1,371,175	\$ 374,159
Depreciation	342,449	313,127	29,322
<b>Total Governmental Activities</b>	<b>\$ 2,087,783</b>	<b>\$ 1,684,302</b>	<b>\$ 403,481</b>

This table displays, by function, the total costs of services provided for 2016 compared to 2015. Since the District has no program revenue to net against cost, it is reported at full cost.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Financial Analysis of the District's Funds

#### Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant 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:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

#### Governmental Funds

Most of the District's basic services are reported in governmental funds which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provided a detailed short-term view of the district's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statement that explains the relationship (or differences) between them.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

TABLE 4

	Fund Balance		Increase (Decrease)	Percent Change
	12/31/2016	12/31/2015		
General Fund	\$ 2,490,102	\$ 1,602,335	\$ 887,767	55.40%

As the District completed this year, our Fund reported a fund balance of \$2,490,102 which is a \$887,767 increase from last year. Increase in purchases of capital assets of \$520,695 in 2016, compared to \$322,736 in 2015.

#### General Fund Budgetary Highlights

The District's 2016 General Fund operating budget was adopted by the Governing Board on December 09, 2015. As adopted, projected expenditures and other financing uses totaled \$2,914,961 and budgeted revenues totaled \$2,914,961 returning a balanced budget. Actual expenditures were \$2,266,029, and revenues/transfers in were \$3,081,184.

#### Capital Asset and Debt Administration

At December 31, 2016, the District had \$4,907,513 in a broad range of capital assets, including land, buildings, furniture and equipment. The District uses \$500.00 as its capitalization threshold.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**CAPITAL ASSETS**  
**TABLE 5**

	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 89,765	\$ 89,765	\$ -	0.00%
Land improvements	35,344	35,344	-	0.00%
Buildings and improvements	934,380	925,551	8,829	0.95%
Vehicles	2,714,345	2,428,583	285,762	11.77%
Equipment	1,120,047	1,052,846	67,201	6.38%
Furniture and fixtures	13,632	13,632	-	0.00%
<b>Total Capital Assets</b>	<b>4,907,513</b>	<b>4,545,721</b>	<b>361,792</b>	
<b>Accumulated depreciation</b>	<b>(2,799,727)</b>	<b>(2,590,901)</b>	<b>(208,826)</b>	
<b>Net Capital Assets</b>	<b>\$ 2,107,786</b>	<b>\$ 1,954,820</b>	<b>\$ 152,966</b>	

### Long Term Debt at Year End

As of Fiscal Year, 2016, the Southeast Weld Fire Protection District is free of any long-term debt.

The Southeast Weld Fire Protection District (District) management is committed to fiscal responsibility and has judicially managed the finances of the District to a debt free status. However, as future growth within the District's boundaries continues to grow, so will the financial liabilities of the District to provide public safety (fire protection) to the citizens of Southeast Weld County and Northern Adams County.

### **Future Budget Considerations**

The District continues to experience significant increases in dispatched emergency calls and low volunteer turnout. This subsequently requires an increase in operating expenses and capital asset expenditures for full time fire fighters, vehicles and equipment. Fire and medical training along with equipment upgrades insures a better ISO rating. During the April 2012, regular meeting the Board accepted Public Protection Classification (PPC) Summary Reports for renewed ISO (Insurance Services Office) ratings. The Town of Keenesburg received a PPC Class 4 (previously having a Class 7 rating). Rural areas received PPC Class 6/10 ratings (previously having Class 9/10 ratings).

The District has sixteen (16) full-time employees (District Chief, Officers, and firefighters) and ten (10) reserves who volunteer to allow for a 48/96 schedule and PTO. Duties include fire-fighting, EMS services, equipment and facilities maintenance, building inspections, and other duties required by the Uniform Fire Code (adopted in 2006) and emergency medical services compliance required by regulatory agencies.

The financial impact to the District to implement these requirements is presently being evaluated to determine how and when such expenditures need to be incurred and from what sources funds are available. The District applied for \$47,708.37 Taxes Abated and Refunded as of Aug 1 ((29-1-301(1) (a). C.R.S.). In prior years, the District has been able to maintain one of the lowest mill levies (5.764) in Weld and Adams Counties for fire protection. Ballot question 4B in the November 2015 election raised the Mill Levy by 2.0 mills for a total Mill Levy of 7.764 and with the abatement refunds, the Board set the 2016 Mill Levy at 7.896 for the General Fund and 0.000 mills for the Pension Fund due to General Fund allocations.

### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and 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, please contact Casey Neill, Board President of the Southeast Weld Fire Protection District at PO Box 1, Keenesburg, Colorado 80643.

***BASIC FINANCIAL STATEMENTS***

**SOUTHEAST WELD FIRE PROTECTION DISTRICT***Statement of Net Position*

December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,522,959	\$ 695,721
Cash with counties	12,479	512
Investments:		
Certificates of deposit	541,181	537,942
Annuities	397,496	388,682
Investments, at fair value	-	-
Property taxes receivable	1,947,088	2,852,311
Accrued interest receivable	741	418
Prepaid expenditures	28,559	21,858
<b>Total Current Assets</b>	<b>4,450,503</b>	<b>4,497,444</b>
<b>Noncurrent Assets</b>		
Net pension asset	2,380	49,914
<b>Capital Assets:</b>		
Land	89,765	89,765
Land improvements	35,344	35,344
Building and improvements	934,380	925,551
Vehicles	2,714,345	2,428,583
Equipment	1,120,047	1,052,846
Furniture and fixtures	13,632	13,632
<b>Total Capital Assets</b>	<b>4,907,513</b>	<b>4,545,721</b>
Less: accumulated depreciation	(2,799,727)	(2,590,901)
<b>Net Capital Assets</b>	<b>2,107,786</b>	<b>1,954,820</b>
<b>Total Noncurrent Assets</b>	<b>2,110,166</b>	<b>2,004,734</b>
<b>Total Assets</b>	<b>6,560,669</b>	<b>6,502,178</b>
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows related to pensions	207,692	-
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	8,462	41,104
Deposits	1,920	1,920
Accrued payroll taxes payable	-	(4,808)
Funds held in trust for others	2,931	4,582
<b>Total Current Liabilities</b>	<b>13,313</b>	<b>42,798</b>
<b>Noncurrent Liabilities</b>		
Net pension liability	559,094	-
<b>Total Noncurrent Liabilities</b>	<b>559,094</b>	<b>-</b>
<b>Total Liabilities</b>	<b>572,407</b>	<b>42,798</b>
<b>DEFERRED INFLOWS</b>		
Unearned revenue - property taxes	1,947,088	2,852,311
Deferred inflows related to pensions	2,810	-
<b>Total Deferred Inflows</b>	<b>1,949,898</b>	<b>2,852,311</b>
<b>NET POSITION</b>		
Net investment in capital assets	2,107,786	1,954,820
Restricted	97,714	57,857
Unrestricted	2,040,556	1,594,392
<b>Total Net Position</b>	<b>\$ 4,246,056</b>	<b>\$ 3,607,069</b>

See accompanying notes to basic financial statements

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Statement of Activities*

For the Year Ended December 31, 2016 and 2015

	2016	2015
<b>Expenditures:</b>		
Administration	\$ 1,163,806	\$ 1,005,928
Fire fighting	194,458	147,453
Fire prevention	-	903
Fire training	23,528	33,578
Equipment repair	151,580	58,369
Fire communications	3,536	4,408
Fire stations and buildings	62,086	79,192
Emergency medical services	10,775	11,344
Pension fund allocation	135,565	30,000
Depreciation	342,449	313,127
<b>Total Expenses</b>	<b>2,087,783</b>	<b>1,684,302</b>
<b>Revenues:</b>		
Taxes:		
General property taxes	2,851,047	1,672,066
Specific ownership taxes	177,168	115,533
Interest on delinquent taxes	668	1,213
Other revenues	39,481	55,527
Earnings on investments	8,795	7,884
Net increase (decrease) in the fair market value of investments	4,025	900
<b>Total Revenues</b>	<b>3,081,184</b>	<b>1,853,123</b>
<b>Other Financing Sources (Uses):</b>		
Proceeds from sale of assets	(6,760)	11,100
Insurance proceeds	54,092	3,640
Pension net increase (decrease)	(401,746)	104,514
<b>Total Other Financing Sources (Uses)</b>	<b>(354,414)</b>	<b>119,254</b>
<b>Net Change in Net Position</b>	<b>638,987</b>	<b>288,075</b>
Net Position - beginning of year (as previously reported)	3,607,069	3,373,594
Cumulative change in accounting principle - GASB 68	-	(54,600)
Net Position - beginning of year (as restated)	3,607,069	3,318,994
<b>Net Position - end of year</b>	<b>\$ 4,246,056</b>	<b>\$ 3,607,069</b>

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

Governmental Funds

Balance Sheet

December 31, 2016 and 2015

	Total Governmental Funds		
	General Fund	2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 1,522,959	\$ 1,522,959	\$ 695,721
Cash with counties	12,479	12,479	512
Investments:			
Certificates of deposit	541,181	541,181	537,942
Annuities	397,496	397,496	388,682
Investments, at fair value	-	-	-
Property taxes receivable	1,947,088	1,947,088	2,852,311
Accrued interest receivable	741	741	418
Prepaid expenditures	28,559	28,559	21,858
<b>Total Current Assets</b>	<b>4,450,503</b>	<b>4,450,503</b>	<b>4,497,444</b>
<b>Total Assets</b>	<b>4,450,503</b>	<b>4,450,503</b>	<b>4,497,444</b>
<b>DEFERRED OUTFLOWS</b>			
Grant expenditures paid in advance of meeting timing requirements	-	-	-
<b>Total Assets and Deferred Outflows</b>	<b>\$ 4,450,503</b>	<b>\$ 4,450,503</b>	<b>\$ 4,497,444</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 8,462	\$ 8,462	\$ 41,104
Deposits	1,920	1,920	1,920
Accrued payroll taxes payable	-	-	(4,808)
Funds held in trust for others	2,931	2,931	4,582
<b>Total Current Liabilities</b>	<b>13,313</b>	<b>13,313</b>	<b>42,798</b>
<b>Total Liabilities</b>	<b>13,313</b>	<b>13,313</b>	<b>42,798</b>
<b>DEFERRED INFLOWS</b>			
Unearned revenue - property taxes	1,947,088	1,947,088	2,852,311
<b>Total Deferred Inflows</b>	<b>1,947,088</b>	<b>1,947,088</b>	<b>2,852,311</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>1,960,401</b>	<b>1,960,401</b>	<b>2,895,109</b>
<b>FUND BALANCE</b>			
Nonspendable - prepaid	28,559	28,559	21,858
Restricted - labor	97,714	97,714	57,857
Committed	-	-	-
Assigned	-	-	-
Unassigned	2,363,829	2,363,829	1,522,620
<b>Total Fund Balance</b>	<b>2,490,102</b>	<b>2,490,102</b>	<b>1,602,335</b>
<b>Total Liabilities , Deferred Inflows and Fund Balance</b>	<b>\$ 4,450,503</b>	<b>\$ 4,450,503</b>	<b>\$ 4,497,444</b>
<b>Reconciliation of the Balance Sheet to the Statement of Net Position</b>			
<b>Total Governmental Fund Balance</b>		<b>\$ 2,490,102</b>	<b>\$ 1,602,335</b>
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund:			
Capital assets		4,907,513	4,545,721
Less: accumulated depreciation		(2,799,727)	(2,590,901)
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position		(351,832)	49,914
The net effect of various miscellaneous transactions involving capital assets is to decrease net assets (i.e. sales, disposals and trade-ins)		-	-
<b>Net Position of Governmental Activities</b>		<b>\$ 4,246,056</b>	<b>\$ 3,607,069</b>

See accompanying notes to basic financial statements

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Governmental Funds*

*Statement of Revenues, Expenditures and Changes in Fund Balance*

For the Year Ended December 31, 2016 and 2015

	General Fund	Total Governmental Funds	
		2016	2015
<b>REVENUES:</b>			
<b>Operating Revenues:</b>			
Property taxes	\$ 2,851,047	\$ 2,851,047	\$ 1,672,066
Specific ownership taxes	177,168	177,168	115,533
Interest on delinquent taxes	668	668	1,213
Other revenues	39,481	39,481	55,527
<b>Total Operating Revenues</b>	<b>3,068,364</b>	<b>3,068,364</b>	<b>1,844,339</b>
<b>Investment Income:</b>			
Earnings on investments	8,795	8,795	7,884
Net increase (decrease) in the fair value of investments	4,025	4,025	900
<b>Total Investment Income</b>	<b>12,820</b>	<b>12,820</b>	<b>8,784</b>
<b>Total Revenues</b>	<b>3,081,184</b>	<b>3,081,184</b>	<b>1,853,123</b>
<b>Expenditures:</b>			
Administration	1,163,806	1,163,806	1,005,928
Fire fighting	194,458	194,458	147,453
Fire prevention	-	-	903
Fire training	23,528	23,528	33,578
Equipment repair	151,580	151,580	58,369
Fire communications	3,536	3,536	4,408
Fire stations and buildings	62,086	62,086	79,192
Emergency medical services	10,775	10,775	11,344
Capital Outlay	520,695	520,695	322,736
Pension fund allocation	135,565	135,565	30,000
Contingency Reserve	-	-	-
<b>Total Expenditures</b>	<b>2,266,029</b>	<b>2,266,029</b>	<b>1,693,911</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>815,155</b>	<b>815,155</b>	<b>159,212</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from sale of assets	18,520	18,520	11,100
Insurance proceeds	54,092	54,092	3,640
<b>Total Other Financing Sources (Uses)</b>	<b>72,612</b>	<b>72,612</b>	<b>14,740</b>
<b>Net Change in Fund Balance</b>	<b>887,767</b>	<b>887,767</b>	<b>173,952</b>
Fund Balance - beginning of year	1,602,335	1,602,335	1,428,383
<b>Fund Balance - end of year</b>	<b>\$ 2,490,102</b>	<b>\$ 2,490,102</b>	<b>\$ 1,602,335</b>
<i>Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities</i>			
<b>Net change in fund balance - total governmental funds</b>		<b>\$ 887,767</b>	<b>\$ 173,952</b>
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:			
Capital assets sold		(25,280)	-
Capital asset purchases capitalized		520,695	322,736
Depreciation expense		(342,449)	(313,127)
Net pension asset and deferred outflows/inflows of resources related to pension plan is not recorded in the governmental funds but is recorded in the statement of net position		(401,746)	104,514
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:			
Donated capital assets		-	-
<b>Change in Net Position of Governmental Activities</b>		<b>\$ 638,987</b>	<b>\$ 288,075</b>

See accompanying notes to basic financial statements

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Fiduciary Funds- Firemen's Pension Fund*

*Statement of Fiduciary Net Position*

December 31, 2016 and 2015

	Pension	Total Fiduciary Funds	
		2016	2015
<b>ASSETS</b>			
Cash and cash equivalents	\$ 40,143	\$ 40,143	\$ 32,270
Investments:			
Certificates of deposit	937,181	937,181	936,339
Annuities	824,684	824,684	827,953
Investments, at fair value	831,063	831,063	829,106
Receivables:			
Accrued interest	5,120	5,120	1,418
Due from other funds	-	-	-
<b>Total Assets</b>	<b>2,638,191</b>	<b>2,638,191</b>	<b>2,627,086</b>
<b>LIABILITIES</b>			
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 2,638,191</b>	<b>\$ 2,638,191</b>	<b>\$ 2,627,086</b>

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Fiduciary Funds - Firemen's Pension Fund*

*Statement of Changes in Fiduciary Net Position*

For the Year Ended December 31, 2016 and 2015

	<b>Total Fiduciary Funds</b>		
	<b>Pension</b>	<b>2016</b>	<b>2015</b>
<b>ADDITIONS</b>			
<b>Operating Revenues:</b>			
Contributions - state	\$ 27,000	\$ 27,000	\$ 27,885
Contributions - employer	135,565	135,565	30,000
Other revenues	(303)	(303)	-
<b>Total Operating Revenues</b>	<b>162,262</b>	<b>162,262</b>	<b>57,885</b>
<b>Investment Income:</b>			
Earnings on investments	80,824	80,824	79,176
Net increase (decrease) in fair value of investments	(15,926)	(15,926)	789
<b>Investment Income - Net</b>	<b>64,898</b>	<b>64,898</b>	<b>79,965</b>
<b>Total Additions</b>	<b>227,160</b>	<b>227,160</b>	<b>137,850</b>
<b>DEDUCTIONS</b>			
Administration	216,055	216,055	179,698
Capital outlay	-	-	-
Contingency Reserve	-	-	-
<b>Total Deductions</b>	<b>216,055</b>	<b>216,055</b>	<b>179,698</b>
<b>Net Increase in Net Position</b>	<b>11,105</b>	<b>11,105</b>	<b>(41,848)</b>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
Beginning of year	2,627,086	2,627,086	2,668,934
<b>End of Year</b>	<b>\$ 2,638,191</b>	<b>\$ 2,638,191</b>	<b>\$ 2,627,086</b>

***NOTES TO THE BASIC FINANCIAL STATEMENTS***

## **SOUTHEAST WELD FIRE PROTECTION DISTRICT**

### *Notes to the Basic Financial Statements*

December 31, 2016

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Southeast Weld Fire Protection District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### **Reporting Entity**

The District was incorporated April 26, 1954 as a special purpose government established pursuant to the statutes of the State of Colorado to provide public safety (fire protection services) to the citizens of Southeast Weld County and Northern Adams County, Colorado. The District has fire stations in Keenesburg, Roggen and Prospect Valley, Colorado. These statutes provide that the chairman of the elected Board of Directors is the chief administrative officer and that the Board of Directors shall be the policy-making authority.

The District is a primary government that has a separately elected governing board and is legally separate, as well as financially independent of other state and local governments. The primary government may appoint a simple majority of the organization's governing board or have the ability to impose its will on the organization. A component unit may be a financial benefit or burden to the primary government and which is a legally separate organization of which the elected officials of the primary government are financially accountable. The District does not have any component units.

The Firemen's Pension Fund exclusively benefits the primary government and is governed by the board comprised substantially of the primary government's elected governing board. The primary government approves the budget of the Firemen's Pension Fund and is reported as a fiduciary trust fund.

#### **New Accounting Pronouncements**

GASB Statement No 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurement. The District implemented this statement for year ended December 31, 2016 and had no impact to the District's financial statements.

GASB Statement No 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No 68, and Amendments to Certain Provisions of GASB 67 and 68*. This statement gives guidance to extend the approach to accounting and financial reporting for pension under GASB No 68 to all pensions. In addition, this statement clarifies certain provisions of GASB Statement Nos 67 and 68. The District implemented this statement for year ended December 31, 2016 and had no impact to the District's financial statements.

GASB Statement No 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement identifies the hierarchy of generally accepted accounting principles (GAAP) in the context of the current governmental reporting environment. The District implemented this statement for year ended December 31, 2016 and had no impact to the District's financial statements.

GASB Statement No 77, *Tax Abatement Disclosures*. This statement addresses financial reporting issued relating to tax abatement agreements. The District has no tax abatements, therefore, for year ended December 31, 2016 implementation had no impact to the District's financial statements.

## SOUTHEAST WELD FIRE PROTECTION DISTRICT

### *Notes to the Basic Financial Statements*

December 31, 2016

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **New Accounting Pronouncements (continued)**

GASB Statement No 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Plans*. This statement addresses an issue relating to the availability of data relating to multiple-employer defined benefit plans that arose during the implementation of GASB Statement No 68. The District implemented this statement for year ended December 31, 2016 and had no impact to the District's financial statements.

GASB Statement No 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and their participants. Changes in regulatory provisions referenced in previous GASB statements are the impetus for this statement. The District has no external investment pools, therefore, for year ended December 31, 2016 implementation had no impact to the District's financial statements.

##### **Basic Financial Statements**

Government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Government-wide financial statements consist of Statement of Net Position and Statement of Activities. The Statement of Net Position includes all assets, deferred outflow of resources, liabilities, and deferred inflows of resources of the District.

In addition to the government-wide financial statements, the District has prepared the fund financial statements using the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal year.

The District reports the following fund financial statements:

**General Fund** - the District's operating fund. It is used to account for day-to-day operations of the District which are financed from property taxes and other general revenues. When both committed and unassigned resources are available for use, it is the District's policy to use the committed resources first, then the unassigned resources as they are needed.

**A Fiduciary Fund (Pension)** - accounts for activities of the Firemen's Pension Fund and is used for retirement annuity payments for the District's volunteer firefighters.

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

An annual budget and appropriation resolution is adopted by the District in accordance with the Colorado State Statutes. The budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles, except capital outlays are treated as expenditures.

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

- On or about November 1, the board submits a proposed General Fund budget for the fiscal year commencing January 1. The budget includes proposed expenditures and the means of financing them.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting (continued)**

- Public hearings are conducted to obtain taxpayer comments. Prior to December 15, the District certifies the levy to the Board of County Commissioners.
- Prior to December 31, the budget is legally adopted by the District. Colorado law requires that the General Fund have a legally adopted budget and total expenditures cannot exceed the amount appropriated. Appropriations lapse at the end of the fiscal year, but appropriations may be increased prior to the end of the fiscal year provided that the increase is offset by unanticipated resources.

**Encumbrances**

Encumbrances are commitments under purchase orders, contracts, and other commitments (as opposed to expenditures) and are shown in the governmental fund types as committed fund balance for subsequent fiscal year's expenditures.

**Cash and Cash Equivalents**

For purposes of the basic financial statements, the District considers cash equivalents to be highly liquid short-term investments that are readily convertible to known amounts of cash and mature within three months of the date they are acquired.

**Certificates of Deposit**

Certificates of deposit are carried at cost plus accrued interest, which approximates fair value.

**Investments**

Investments are carried at fair value plus accrued interest with net appreciation or depreciation on investments included in earnings on investments. See Note 3 for further discussion.

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include land, buildings and improvements, equipment, vehicle, and infrastructure assets, are reported in the governmental-wide financial statements. The District records its property and equipment at historical cost. The District capitalizes property and equipment with a unit value of \$500 or more. Contributed capital assets are valued at their estimated fair value on the date donated. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operations. Interest costs relating to construction are capitalized. During years ended December 31, 2016 and 2015, no interest was capitalized.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	30 to 40
Equipment	5 to 10

## **SOUTHEAST WELD FIRE PROTECTION DISTRICT**

### *Notes to the Basic Financial Statements*

December 31, 2016

---

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **Capital Assets (continued)**

As a result of the implementation of Statement No. 34, the District is accounting for infrastructure and capital assets on its financial statements. The government-wide financial statements include those assets that were completed during the fiscal year-end, considered construction in progress or purchased or constructed in prior years.

##### **Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

##### **Compensated Absences**

All full-time employees are granted annual vacation leave in varying amounts depending upon the length of continuous service and classification. Vacation time cannot be accumulated from one year to another. Paid time off (PTO) is accrued at a rate of 4 hours each month from date of hire; under no circumstances shall an employee accrue more than 288 hours. Employees have no property interest in accrued PTO, and accrued but unused PTO is forfeited upon termination or separation of employment.

##### **Fund Equity**

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. (1) Nonspendable fund balance cannot be spent because of its form. (2) Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. (3) Committed fund balance is a limitation imposed by the District's board through approval of resolutions. (4) Assigned fund balance is a limitation imposed by a designee of the District's board. (5) Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Article X, Section 20, of the Colorado Constitution contains several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes that it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

In 1997, the registered voters of the District approved a ballot issue allowing the District to be governed by prior State law regarding retention and limitation of revenues to a five and one-half (5 ½) percent increase per year as determined by the division of local governments for year 1999, also to be effective for all years thereafter.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

In November 2003, the registered voters of the District approved an increase in the General Fund mill levy of 2.50 mills for a total of 5.764 mills. Then in November 2015, the registered voters of the District approved an increase in the General Fund mill levy of 2.00 mills for a total of 7.764 mills.

The Amendment also requires the local government to reserve three (3) percent of total expenditures for emergencies in 1995 and years thereafter. (The definition of an “emergency”, under the Amendment is restricted to natural events, but excludes “economic conditions, revenue shortfalls, or District salary or fringe benefit increase.”) Accordingly, the District has reviewed the existing reserves and determined that a minimum of three (3) percent or \$97,714 and \$57,857 existed at December 31, 2016 and 2015, respectively, to comply with the provision of the Amendment.

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Total cash deposits at December 31 were as follows:

	2016			2015		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Cash in Checking	\$ 5,354	\$ 33,738	\$ 39,092	\$ 23,512	\$ 29,832	\$ 53,344
Cash in Savings	1,517,605	6,405	1,524,010	672,209	2,438	674,647
Cash with County Treasurer's	12,479	-	12,479	512	-	512
<b>Total Cash Deposits</b>	<b>\$1,535,438</b>	<b>\$ 40,143</b>	<b>\$1,575,581</b>	<b>\$ 696,233</b>	<b>\$ 32,270</b>	<b>\$ 728,503</b>

The State Regulatory Commissions for banks are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (continued)**

- Guaranteed investment contracts
- Local government investment pools

Total investments at December 31 were as follows:

	2016			2015		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Certificates of deposit	\$ 541,181	\$ 937,181	\$1,478,362	\$ 537,942	\$ 936,339	\$1,474,281
Annuities	397,496	824,684	1,222,180	388,682	827,953	1,216,635
Investments at fair value	-	831,063	831,063	-	829,106	829,106
<b>Total Investments</b>	<b>\$ 938,677</b>	<b>\$2,592,928</b>	<b>\$3,531,605</b>	<b>\$ 926,624</b>	<b>\$2,593,398</b>	<b>\$3,520,022</b>

Maturities of investments at December 31, 2016 were as follows:

	Investment Maturities in Years				Total
	Less than 1	1 to 5	6 to 10	More than 10	
Certificates of deposit	\$ 1,254,140	\$ 224,222	\$ -	\$ -	\$ 1,478,362
Annuities	582,031	-	640,149	-	1,222,180
Investments at fair value	322,271	508,792	-	-	831,063
<b>Total Investments</b>	<b>\$ 2,158,442</b>	<b>\$ 733,014</b>	<b>\$ 640,149</b>	<b>\$ -</b>	<b>\$ 3,531,605</b>

The Town's policy is to hold investments until maturity.

**Custodial Credit Risk** is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investment (or related collateral securities that are held by an outside party). The District had no custodial credit risk for its investments at December 31, 2016 and 2015.

**Credit Risk** is the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligation. The District's investment policy follows Colorado Revised State Statutes.

**Interest Rate Risk** is the risk that changes in interest rate will adversely affect the fair value of an investment. The District can minimize the interest rate risk of its investments by holding the investment until maturity.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District has no such policy limiting how much can be with one financial institution due to the Colorado Public Deposit Protection Act (PDPA).

**Foreign Currency Risk** is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The District has no policy for foreign currency risk since all are in the form of U.S. Securities.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT***Notes to the Basic Financial Statements*

December 31, 2016

**NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)****Summary**

Total cash deposits and investments at December 31 were as follows:

	2016			2015		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Cash deposits	\$1,535,438	\$ 40,143	\$1,575,581	\$ 696,233	\$ 32,270	\$ 728,503
Investments	938,677	2,592,928	3,531,605	926,624	2,593,398	3,520,022
<b>Total Deposits &amp; Investments</b>	<b>\$2,474,115</b>	<b>\$2,633,071</b>	<b>\$5,107,186</b>	<b>\$1,622,857</b>	<b>\$2,625,668</b>	<b>\$4,248,525</b>

**Investment Income**

	2016			2015		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Earnings on investments	\$ 8,795	\$ 80,824	\$ 89,619	\$ 7,884	\$ 79,176	\$ 87,060
Net increase (decrease) in the fair value of investments	4,025	(15,926)	(11,901)	900	789	1,689
<b>Total Investment Income</b>	<b>\$ 12,820</b>	<b>\$ 64,898</b>	<b>\$ 77,718</b>	<b>\$ 8,784</b>	<b>\$ 79,965</b>	<b>\$ 88,749</b>

The net increase (decrease) in the fair value of investments represents the difference in fair value from one year to the next. This figure will vary year to year depending on the fair market value of the investments at year end.

**NOTE 4 – JOINT VENTURE**

The District participates with various Districts, cities, fire protection district and Adams County, Colorado in the Emergency Telephone Services Authority (Authority) organized in 1986, which provides emergency 911 dialing services to telephone customers within the District's boundaries. On dissolution of the Authority, the net assets will be shared proportionately to the contributions made by each participant. The District has not made and is not required to contribute to the Authority. The Authority is governed by a five-member board of directors chosen by the Adams County, Colorado Board of Commissioners of which two must be from special districts. The Authority is primarily funded through a monthly surcharge to each customer's telephone bill.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of capital assets as of December 31, 2016:

<u>Governmental Activities</u>	Beginning Balance	Additions	Retirements	Ending Balance
<b>Non-Depreciable Assets:</b>				
Land	\$ 89,765	\$ -	\$ -	\$ 89,765
<b>Depreciable Assets:</b>				
Land improvements	35,344	-	-	35,344
Building and improvements	925,551	8,829	-	934,380
Vehicles	2,428,583	285,762	-	2,714,345
Equipment	1,052,846	226,104	(158,903)	1,120,047
Furniture and fixtures	13,632	-	-	13,632
<b>Total Assets at Historical Cost</b>	<b>4,545,721</b>	<b>520,695</b>	<b>(158,903)</b>	<b>4,907,513</b>
<b>Less: Accumulated Depreciation for:</b>				
Land improvements	(26,538)	(765)	-	(27,303)
Building and improvements	(391,382)	(36,792)	-	(428,174)
Vehicles	(1,623,720)	(175,920)	-	(1,799,640)
Equipment	(538,250)	(128,326)	133,623	(532,953)
Furniture and fixtures	(11,011)	(646)	-	(11,657)
<b>Total Accumulated Depreciation</b>	<b>(2,590,901)</b>	<b>(342,449)</b>	<b>133,623</b>	<b>(2,799,727)</b>
<b>Capital Assets - Net</b>	<b>\$ 1,954,820</b>	<b>\$ 178,246</b>	<b>\$ (25,280)</b>	<b>\$ 2,107,786</b>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 6,163
Fire fighting	-
Fire prevention	-
Fire training	-
Equipment repair	-
Fire communications	48,219
Fire stations and buildings	288,067
Emergency medical services	-
<b>Total Depreciation Expense</b>	<b>\$ 342,449</b>

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

---

**NOTE 6 - ASSESSMENTS**

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are certified by Weld and Adams Counties, Colorado. The counties send invoices and collect the District’s property taxes. Property taxes are recognized as receivables and deferred revenues when levied and as revenue when due for collection in the following year.

The fiscal year assessments calendar is as follows:

Lien Date	January 1
Assessment Date	November 1
Assessment bills mailed	January 1
First installment due	February 28
Second installment due	June 15
If paid in full, due	April 30
Tax sale – delinquent assessments	November 15

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS**

A summary of interfund activities at December 31, 2016 were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
<b>Governmental Activities</b>				
General Fund	\$ -	\$ -	\$ -	\$ -
<b>Total Governmental Activities</b>	-	-	-	-
<b>Fiduciary Activities</b>				
Pension Fund	-	-	-	-
<b>Total Fiduciary Activities</b>	-	-	-	-
<b>Total</b>	\$ -	\$ -	\$ -	\$ -

**NOTE 8 - RISK FINANCING**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and subcontractors, and natural disasters. The District purchases commercial insurance for most risks of loss. As of December 31, 2016, and 2015, the District did not have any liabilities in excess of insurance limits. Claims have not exceeded insurance coverage in the prior three years.

**NOTE 9 - CONTINGENCIES**

The District had no material pending or threatened litigation, claims, and assessments. Furthermore, the District is unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification No. 450 as of December 31, 2016 and 2015.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

---

**NOTE 10 – FIREMEN’S PENSION**

**Plan Description**

The Firemen’s Pension Plan of the Southeast Weld Fire Protection District (Pension Plan) is a defined Benefit Plan managed and administered by a separate Board of Trustees. The Board consists of six members, the five Board of Directors of the District and one elected member from fire District. Amended and restated rules and bylaws of the Firemen’s Pension Plan were adopted on February 9, 2009. The plan is for the exclusive benefit of the membership (volunteer firefighters) of the District and their beneficiaries.

**Benefit Provisions**

Benefits are payable upon normal retirement to volunteer firefighters at age 50 who have met the credited service requirement period of 10 years in volunteer fire fighting for a fire protection district. A volunteer firefighter must maintain a minimum training participation in the fire department for thirty-six hours each year to qualify for a year of credit. Benefits of \$420 per month (effective 08/01/2007) are prorated for firefighters with 10 to 30 years of credited service. Benefits up to \$630 per month (effective 08/01/2007) are payable to firefighters with 30 or more years of service. A surviving spouse receives a monthly benefit equal to 50% of the benefit being paid to the retiree. On August 8, 2011, the Pension Board approved to increase the benefit payments by 25% (effective 10/01/2011). Then on August 12, 2015, Pension Board approved to increase benefit payments to a \$125.00 increased level where \$650.00/20 (years of service) is calculated for payment with a cap of \$975.00 per month for those earning 30 or more years of service (effective 01/01/2016).

**System Description**

The District has a Non-Insured Trust Pension Plan Trust Agreement with a trustee, the Colorado East Bank & Trust, located in Keenesburg, Colorado. The Trustee will manage the account assets in accordance with the District’s current Investment Strategy and Objective. Trustee is responsible for ensuring that the Account Assets are invested in only those specifically authorized by the “Volunteer Firefighter Pension Act”.

**Membership**

Plan membership at December 31 consisted of the following:

	2016	2015
Inactive members or beneficiaries currently receiving benefits	29	31
Inactive members entitled to but not yet receiving benefits	-	-
Active members not entitled to benefits	9	10
	38	41
Covered payroll	N/A	N/A

# SOUTHEAST WELD FIRE PROTECTION DISTRICT

## Notes to the Basic Financial Statements

December 31, 2016

### NOTE 10 – FIREMEN’S PENSION (CONTINUED)

#### Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2015, using the following key actuarial assumptions:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	15 years
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	N/A
Investment rate of return	4.50%
Cost of living adjustment	None
Retirement age	Later of age 50 or 10 years of service
Turnover	15% per year for less than 5 years of service; 8% for 5-9 years of service; none assumed after 9 years of service.
Mortality	RP-2014 healthy annuitant and employee mortality tables
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year

#### Investments

The Firemen’s Pension Plan’s assets are presently invested in certificates of deposit, savings accounts, annuities, zero coupon bonds with a pension trust agreement with the Colorado East Bank & Trust.

	2016		2015	
Certificates of deposit	\$ 937,181	36.14%	\$ 936,339	36.10%
Annuities	824,684	31.81%	827,953	31.93%
Investments at fair value	831,063	32.05%	829,106	31.97%
Total Investments	\$2,592,928	100.00%	\$2,593,398	100.00%

#### Plan Contribution

Funding of accrued pension benefits is accomplished primarily through contributions from the State of Colorado, and the District. Currently the State matches 90% of District contributions up to a maximum of 0.5 mills on the assessed valuation. For 2016 and 2015, these contributions amounted to \$162,565 and \$57,885, respectively. Colorado statutes provide that benefits are payable only to the extent of assets available in the Firemen’s Pension Plan.

#### 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 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. The long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 3.57%; and the resulting Single Discount Rate is 4.50%.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

**NOTE 10 – FIREMEN’S PENSION (CONTINUED)**

**Sensitivity to Single Discount Rate Assumption**

The following presents the plan’s net pension liability / (asset), calculated using a Single Discount Rate of 4.50%, as well as what the plan’s net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease <b>3.50%</b>	Current Rate <b>4.50%</b>	1% Increase <b>5.50%</b>
Pension Plan's Net Pension Liability / (Asset)	\$ 961,748	\$ 559,094	\$ 229,155

**Changes in Net Pension Liability / (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a.)	Plan Fidiciary Net Position (b.)	Net Pension Liability (Asset) (a.) - (b.)
<b>Changes for the year:</b>			
Service cost	\$ 14,376	\$ -	\$ 14,376
Interest on the total pension liability	114,619	-	114,619
Effect of plan changes	612,727	-	612,727
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(174,562)	(174,562)	-
Employer contributions	-	57,885	(57,885)
Member contributions	-	-	-
Net investment income	-	79,965	(79,965)
Administrative expenses	-	(5,136)	5,136
<b>Net change in total pension liability</b>	<b>567,160</b>	<b>(41,848)</b>	<b>609,008</b>
Total pension liability (asset) - beginning	2,619,020	2,668,934	(49,914)
<b>Total Pension Liability (Asset) - Ending</b>	<b>\$ 3,186,180</b>	<b>\$ 2,627,086</b>	<b>\$ 559,094</b>

Plan fidiciary net position as a % of total pension liability	82.45%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

**NOTE 10 – FIREMEN’S PENSION (CONTINUED)**

**Deferred Outflows/Inflows of Resources by Source**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Difference between expected and actual experiences	\$ -	\$ -	\$ -
Assumption changes	-	-	-
Net difference between projected and actual earnings on pension plan investments	29,941	-	29,941
<b>Total</b>	<b>\$ 29,941</b>	<b>\$ -</b>	<b>\$ 29,941</b>

**Deferred Outflows/Inflows of Resources by Year to be recognized in Future**

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2017	\$ 7,485
2018	7,485
2019	7,485
2020	7,486
2021	-
Thereafter	-
<b>Total</b>	<b>\$ 29,941</b>

**Restatement of prior year Net Position**

During 2015, the District implemented GASB #68, which requires the District to recognize net pension assets, pension expense, and deferred outflows/inflows of resources associated with their Plan in its Statement of Net Position. The implementation of GASB #68 had the following effect:

	<b>Governmental Activities</b>
Net Position - December 31, 2014	\$ 3,373,594
Recognition of Net Pension Assets	(54,600)
<b>Restated Net Position - December 31, 2014</b>	<b>\$ 3,318,994</b>

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The District enrolls all full-time firefighters in pension plans (FPPA Plan) administered by the Fire and Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA’s website at: <http://www.fppaco.org>.

The Statewide Defined Benefit Plan (SWDB), is a cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits for members and beneficiaries.

The Statewide Death and Disability Plan (SWD&D), is a plan similar to a self-insured employee welfare benefit plan where contributions to the plan are used for the payment of death and disability benefits.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

---

**NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Benefits**

Normal Retirement is 25 years of service and age 55. Vested Retirement is 5 years of service, payable at age 55. Early Retirement is 30 years of service or age 50, 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. All benefits are calculated on a 2.0% benefit for each year of service for the first 10 years, then a 2.5% benefit for each year of service there-after. The benefit is based on the average of the highest 3 years' base salary. Deferred Retirement is available to members who qualify for Normal or Vested Retirement and defer the receipt of their defined benefit pension to as late as age 65 and receive the actuarial equivalent of the benefit.

The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the SWDB plan. 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 0 to the higher of 3 percent or the Consumer Price Index.

**Plan Contributions**

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the FPPA 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. Contribution rates at December 31, 2016 are as follows:

	<b>Member</b>	<b>Employer</b>
Statewide Defined Benefit Plan (SWBD)	9.0%	8.0%
Statewide Death and Disability Plan (SWD&D)	1.3%	1.3%
	<b>10.3%</b>	<b>9.3%</b>

Member contributions to SWBD will increase 0.5% annually through 2022 to a total of 12.0% of base salary.

Contribution rates for members and employers of affiliated social security employers:

	<b>Member</b>	<b>Employer</b>
Statewide Defined Benefit Plan (SWBD)	5.0%	4.0%
Statewide Death and Disability Plan (SWD&D)	1.3%	1.3%
	<b>6.3%</b>	<b>5.3%</b>

Member contributions to SWBD will increase 0.25% annually through 2022 to a total of 10.0% of base salary

**Pension Liability (Asset)**

At December 31, 2016, the District reported an asset of \$2,380 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total net pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on the District's share of contributions relative to the contributions of all participants.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT***Notes to the Basic Financial Statements*

December 31, 2016

**NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)****Deferred Outflows/Inflows of Resources by Source**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
Difference between expected and actual experiences	\$ 19,247	\$ 2,810	\$ 16,437
Assumption changes	37,381	-	37,381
Net difference between projected and actual earnings on pension plan investments	121,123	-	121,123
<b>Total</b>	<b>\$ 177,751</b>	<b>\$ 2,810</b>	<b>\$ 174,941</b>

**Deferred Outflows/Inflows of Resources by Year to be recognized in Future**

<u>Year Ending December 31</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2017	\$ 36,852
2018	36,852
2019	36,852
2020	33,850
2021	5,821
Thereafter	24,714
<b>Total</b>	<b>\$ 174,941</b>

**Actuarial Assumptions**

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2015, using the following key actuarial assumptions:

Actuarial cost method	Entry age normal
Amortization method	Level % if payroll, open
Remaining amortization period	30 years
Inflation	3.00%
Salary increases	4.0% - 14.0%
Investment rate of return	7.50%
Mortality	RP-2000 combined mortality table with blue collar adjustment, projected with Scale AA, 40% multiplier of off-duty mortality. Post-retirement: RP-2000 combined mortality table, with blue collar adjustment, projected with Scale AA.
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

---

**NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Investments**

The FPPA Board Members serve as the fiduciaries for the Funds and are responsible for the investment of the Funds, or the selection of investment options available to defined contribution, deferred compensation and self-directed DROP plan members. As fiduciaries, the FPPA Board Members are required to discharge their duties solely in the interest of fund participants and beneficiaries. The Board has established investment policies and allocates assets, or selects investment options, based upon member characteristics, plan provisions, and the financial requirements of the Funds, in addition to considering the risk/reward trade-offs of various investments.

The Association has established long range statements of investment objectives and policies for managing and monitoring the Funds. The investment policies establish investment objectives and define the responsibilities of the fiduciaries with respect to the Funds, their investment authority under Colorado law, the level of acceptable risk for investments, investment allocation targets, investment performance objectives, and guidelines within which outside investment managers must operate.

The assets in the Fire & Police Members' Benefit Investment Fund are managed primarily by professional investment management firms. Similarly, investment options offered to defined contribution and deferred compensation plan members are typically pooled investment vehicles managed by professional money managers. Best estimates of arithmetic real rates of return for each major asset class included in the plans target asset allocation are as follow:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global equity	37.0%	6.5%
Equity long / short	10.0%	4.7%
Illiquid alternatives	20.0%	8.0%
Fixed income	16.0%	1.5%
Absolute return	11.0%	4.1%
Managed futures	4.0%	3.0%
Cash	2.0%	0.0%
<b>Total</b>	<b>100.0%</b>	

**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 FPPA 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 FPPA Plan's projected fiduciary net position is not sufficient to pay benefits). The long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting Single Discount Rate is 7.50%.

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Notes to the Basic Financial Statements*

December 31, 2016

---

**NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Sensitivity to Single Discount Rate Assumption**

The following presents the District's proportionate share of the net pension liability / (asset), calculated using a Single Discount Rate of 7.50%, as well as what the District's proportionate share of the net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Decrease <u>6.50%</u>	Current Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Pension Plan's Net Pension Liability / (Asset)	\$ 333,382	\$ (2,380)	\$ (280,883)

**Pension Plan Fiduciary Net Position**

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

**NOTE 12 – DEFERRED COMPENSATION TRUST AGREEMENT**

As of May 14, 2012, the District executed an Adoption Agreement to establish a Model FPPA Deferred Compensation Plan (Plan) to provide deferred compensation and retirement benefits to Employees under Internal Revenue Code Section 457. Plan participation is voluntary and assets are held in trust for the exclusive benefit of participants

Investments are managed by the plan's administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The District has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements per GASB Statement No. 32.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The District has no liability for losses under the plan.

**NOTE 13 – RELATED PARTY TRANSACTIONS**

The District's former president is the owner of Tonville HVAC, a company that services heating and air conditioning units within the Keenesburg area. They are the only such company within the area and this routine maintenance work was done by his company prior to the president coming onto the board. The amount paid to Tonville HVAC was \$0 and \$4,396 for 2016 and 2015, respectively. There were no balances due to Tonville HVAC at December 31, 2016 or 2015.

**NOTE 14 – SUBSEQUENT EVENTS**

The District has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through July 14, 2017, the date on which the financial statements were issued, and did not identify any events or transactions that would have a material impact on the financial statements.

***REQUIRED SUPPLEMENTAL INFORMATION***

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Schedule of Revenues & Expenditures*

*Budget to Actual - General Fund (unaudited)*

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
<b>Non-GAAP Budgetary Basis</b>					
<b>REVENUES:</b>					
<b>Operating Revenues:</b>					
Property taxes	\$ 2,852,311	\$ 2,852,311	\$ 2,851,047	\$ (1,264)	\$ 1,672,066
Specific ownership taxes	50,000	50,000	177,168	127,168	115,533
Interest on delinquent taxes	500	500	668	168	1,213
Other income	2,650	2,650	39,481	36,831	55,527
<b>Total Operating Revenues</b>	<b>2,905,461</b>	<b>2,905,461</b>	<b>3,068,364</b>	<b>162,903</b>	<b>1,844,339</b>
<b>Investment Income:</b>					
Earnings on investments	6,700	6,700	8,795	2,095	7,884
Net increase (decrease) in the fair value of investments	2,800	2,800	4,025	1,225	900
<b>Total Investment Income</b>	<b>9,500</b>	<b>9,500</b>	<b>12,820</b>	<b>3,320</b>	<b>8,784</b>
<b>Total Revenues</b>	<b>2,914,961</b>	<b>2,914,961</b>	<b>3,081,184</b>	<b>166,223</b>	<b>1,853,123</b>
<b>EXPENDITURES:</b>					
Administration	1,011,546	1,011,546	1,163,806	(152,260)	1,005,928
Fire fighting	163,900	163,900	194,458	(30,558)	147,453
Fire prevention	2,000	2,000	-	2,000	903
Fire training	28,000	28,000	23,528	4,472	33,578
Equipment repair	60,000	60,000	151,580	(91,580)	58,369
Fire communications	7,500	7,500	3,536	3,964	4,408
Fire stations and buildings	72,000	72,000	62,086	9,914	79,192
Emergency medical services	24,000	24,000	10,775	13,225	11,344
Capital Outlay	434,000	434,000	520,695	(86,695)	322,736
Pension fund allocation	108,565	108,565	135,565	(27,000)	30,000
Contingency Reserve	1,003,450	1,003,450	-	1,003,450	-
<b>Total Expenditures</b>	<b>2,914,961</b>	<b>2,914,961</b>	<b>2,266,029</b>	<b>648,932</b>	<b>1,693,911</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>815,155</b>	<b>815,155</b>	<b>159,212</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of assets	-	-	18,520	18,520	11,100
Insurance proceeds	-	-	54,092	54,092	3,640
Transfers to other funds	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>72,612</b>	<b>72,612</b>	<b>14,740</b>
<b>Net change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>887,767</b>	<b>\$ 887,767</b>	<b>173,952</b>
Fund Balance - beginning of year			1,602,335		1,428,383
Fund Balance - end of year			2,490,102		1,602,335
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>					
Net change in Fund Balance			887,767		173,952
Capital assets sold			(25,280)		-
Capital asset purchases capitalized			520,695		322,736
Depreciation expense			(342,449)		(313,127)
Net pension asset (liability)			(401,746)		104,514
<b>Net Change in Net Position</b>			<b>\$ 638,987</b>		<b>\$ 288,075</b>

**SOUTHEAST WELD FIRE PROTECTION DISTRICT**

*Schedule of Revenues & Expenditures*

*Budget to Actual - Firemen's Pension Fund (unaudited)*

Year Ended December 31, 2016

With Comparative Actual Amounts For the Year Ended December 31, 2015

	2016				2015 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
<b>Non-GAAP Budgetary Basis</b>					
<b>REVENUES:</b>					
<b>Operating Revenues:</b>					
State fire pension contribution	\$ 27,885	\$ 27,885	\$ 27,000	\$ (885)	\$ 27,885
Employer contribution	108,565	108,565	135,565	27,000	30,000
Other revenues	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>136,450</b>	<b>136,450</b>	<b>162,565</b>	<b>26,115</b>	<b>57,885</b>
<b>Investment Income:</b>					
Earnings on investments	75,000	75,000	80,824	5,824	79,176
Net increase (decrease) in the fair value of investments	10,000	10,000	(15,926)	(25,926)	789
<b>Total Investment Income</b>	<b>85,000</b>	<b>85,000</b>	<b>64,898</b>	<b>(20,102)</b>	<b>79,965</b>
<b>Total Revenues</b>	<b>221,450</b>	<b>221,450</b>	<b>227,463</b>	<b>6,013</b>	<b>137,850</b>
<b>EXPENDITURES:</b>					
<b>Administration:</b>					
Pension trust administration fee	5,000	5,000	4,805	195	5,136
Benefit payments	216,450	216,450	211,250	5,200	174,562
<b>Total Administration</b>	<b>221,450</b>	<b>221,450</b>	<b>216,055</b>	<b>5,395</b>	<b>179,698</b>
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contingency Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>221,450</b>	<b>221,450</b>	<b>216,055</b>	<b>5,395</b>	<b>179,698</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>11,408</b>	<b>11,408</b>	<b>(41,848)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of assets	-	-	(303)	-	-
Transfers from other funds	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(303)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>11,105</b>	<b>\$ 11,408</b>	<b>(41,848)</b>
Fund Balance - beginning of year			2,627,086		2,668,934
<b>Fund Balance - end of year</b>			<b>\$ 2,638,191</b>		<b>\$ 2,627,086</b>

## SOUTHEAST WELD FIRE PROTECTION DISTRICT

### Schedule of Changes in Net Position Liability / (Asset) and Related Ratios

For The Last 10 Years (to be built prospectively)

Measurement Date Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability</b>										
Service Cost	14,376	14,025								
Interest on the Total Pension Liability	114,619	116,574								
Benefit Changes	612,727	-								
Difference between Expected and Actual Experience	-	-								
Assumption Changes	-	-								
Benefit Payments	(174,562)	(174,300)								
<b>Net Change in Total Pension Liability</b>	<b>567,160</b>	<b>(43,701)</b>	-	-	-	-	-	-	-	-
<b>Total Pension Liability - Beginning</b>	<b>2,619,020</b>	<b>2,662,721</b>								
<b>Total Pension Liability - Ending (a)</b>	<b>3,186,180</b>	<b>2,619,020</b>	-	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	57,885	159,000								
Pension Plan Net Investment Income	79,965	80,746								
Benefit Payments	(174,562)	(174,300)								
Pension Plan Administrative Expense	(5,136)	(4,633)								
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(41,848)</b>	<b>60,813</b>	-	-	-	-	-	-	-	-
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,668,934</b>	<b>2,608,121</b>								
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>2,627,086</b>	<b>2,668,934</b>	-	-	-	-	-	-	-	-
<b>Net Pension Liability/(Asset) -Ending (a)-(b)</b>	<b>559,094</b>	<b>(49,914)</b>								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.45%	101.91%								
Covered Employee Payroll (1)	N/A	N/A								
Net Pension Liability as a Percentage of Covered Employee Payroll (1)	N/A	N/A								

(1) The plan participants are unpaid volunteers, so payroll is not applicable.

# SOUTHEAST WELD FIRE PROTECTION DISTRICT

## Schedule of Contributions

For The Last 10 Years

FY Ending December 31, (a.)	Actuarially Determined Contribution (b.)	Actual Contribution (1) * (c.)	Contribution Deficiency (Excess) (d.) = (b.) - (c.)	Covered Payroll (2) ** (e.)	Actual Contribution as a % of Covered Payroll (f.)
2015	16,494	57,885	(41,391)	N/A	N/A
2014	62,361	159,000	(96,639)	N/A	N/A
2013	62,361	120,300	(57,939)	N/A	N/A
2012	15,527	188,187	(172,660)	N/A	N/A
2011	15,527	168,797	(153,270)	N/A	N/A
2010	20,551	213,995	(193,444)	N/A	N/A
2009	20,551	157,269	(136,718)	N/A	N/A
2008	62,769	164,550	(101,781)	N/A	N/A
2007	62,769	156,430	(93,661)	N/A	N/A
2006	94,802	126,243	(31,441)	N/A	N/A

\* Includes both District and State Fire pension contribution.

\*\* The plan participants are unpaid volunteers, so payroll is not applicable.

### NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: January 1, 2015

Timing Actuarially determined contribution amount is calculated biannually as December 31st of the fiscal year in which the contributions are calculated.

#### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open *
Remaining Amortization Period	15 years
Asset Valuation Method	Market value of assets
Inflation	2.50%
Salary Increases	N/A
Investment Rate of Return	4.50%
Cost of living adjustment	None
Retirement Age	Later of age 50 or 10 years of service
Turnover	15% per year for less than 5 years of service; 8% for 5-9 years of service; none assumed for 9 years of service
Mortality	RP-2014 healthy annuitant and employee mortality tables

\* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.