

LA JUNTA RURAL FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2018

LA JUNTA RURAL FIRE PROTECTION DISTRICT

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INDEPENDENT AUDITORS' REPORT

Board of Directors
La Junta Rural Fire Protection District
La Junta, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of the La Junta Rural Fire Protection District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the La Junta Rural Fire Protection 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.

Auditors' 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 from 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 on 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the La Junta Rural Fire Protection District as of December 31, 2018, and the respective changes in financial position thereof 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, pension schedules, and budgetary comparison information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the La Junta Rural Fire Protection District's basic financial statements. The individual fund financial statements, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



HANCOCK FROESE & COMPANY LLC

June 11, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

LA JUNTA RURAL FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the La Junta Rural Fire Protection District (the "District") offers readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2018. Readers are encouraged to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

1. Assets of the District exceeded liabilities by \$2,866,095 of which \$883,771 is unrestricted and may be used to meet the District's on-going obligations.
2. Restricted Net Position includes \$19,500 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, \$371,946 assets held in trust for pension benefits and \$36,555 restricted cash.
3. The largest portion of the District's net position is its \$1,554,323 investment in capital assets, net of accumulated depreciation and related debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – management discussion and analysis (this section), the basic financial statements including the notes to financial statements, required supplementary information, and a section that presents individual statements. This discussion and analysis serves as an introduction to the La Junta Rural Fire Protection District's basic financial statements.

The financial statements presented herein include all of the activities of the District as prescribed by GASB Statement No. 34. The La Junta Rural Fire Protection District is a statutory special district governed by an elected five-member board. The government wide financial statements and the fund statements have been presented on the same statement with adjustments reflecting the difference in the two presentations because the District maintains only one fund (General Fund).

Government Wide Financial Statements:

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

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

The Statement of Activities presents information reporting how the District's net position changed during the most recent fiscal year. All changes in the 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 result in cash flows in future fiscal periods.

Fund Financial Statements:

A fund is a grouping of related accounts, used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The La Junta Rural Fire Protection District maintains only a general fund (governmental fund), which is used to report the operating activities of the District.

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances 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. Such information provides a detail short-term view of the District's general government operations and may be useful in evaluating the District's near-term financing requirements.

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

**LA JUNTA RURAL FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Notes to the Basic Financial Statements:

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the La Junta Rural Fire Protection District's financial statements.

Required Supplementary Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. The La Junta Rural Fire Protection District adopts an annual appropriated budget. A budgetary comparison schedule has been provided to demonstrate compliance with the budget requirement.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$2,866,095 at the end of the current fiscal year.

The major assets of the entity at December 31, 2018 consist of cash held in local banks and with the county treasurer, which total \$787,921, receivables for ambulance services of \$71,351, property taxes of \$495,800 and other of \$57,681. The most significant asset is equipment net of depreciation of \$1,554,323.

The liabilities of the District include deferred revenues from property taxes, pensions and accounts payable at December 31, 2018.

The following is a condensed summary of the District's net position as December 31, 2018 and 2017.

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 1,486,159	\$ 1,098,771
Net Pension Asset	371,946	318,342
Capital Assets Net of depreciation	<u>1,554,323</u>	<u>1,571,183</u>
Total Assets	<u>3,412,428</u>	<u>2,988,296</u>
Deferred Outflows of Resource	<u>24,486</u>	<u>34,792</u>
Total Assets and Deferred Outflows	<u>\$ 3,436,914</u>	<u>\$ 3,023,088</u>
Accounts Payable and Accrued Expenses	<u>\$ 24,900</u>	<u>\$ 8,401</u>
Deferred Inflows of Resources	<u>545,919</u>	<u>509,958</u>
Total Liabilities and Deferred Inflows	<u>570,819</u>	<u>518,359</u>
Net Position		
Net Investment in Capital Assets	1,554,323	1,571,183
Restricted	428,001	376,500
Unrestricted	<u>883,771</u>	<u>557,046</u>
Total Net Position	<u>2,866,095</u>	<u>2,504,729</u>
Total Liabilities and Net Position	<u>\$ 3,436,914</u>	<u>\$ 3,023,088</u>

**LA JUNTA RURAL FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following table reflects a condensed summary of activities and changes in net position for December 31, 2018 and 2017.

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Expenses		
District's Operations	\$ 645,631	\$ 666,410
Program Revenues		
Charges for Services	315,201	350,983
Capital Grants	<u>11,414</u>	<u>139,130</u>
Total Program Revenues	<u>326,615</u>	<u>490,113</u>
Net Program Expense	<u>319,016</u>	<u>176,297</u>
General Revenues		
Property Taxes	489,115	465,085
Specific Ownership Taxes	100,846	91,731
Interest	5,283	3,079
Other	<u>85,138</u>	<u>27,386</u>
Total General Revenues & Contributions	<u>680,382</u>	<u>587,281</u>
Change in Net Position	<u>\$ 361,366</u>	<u>\$ 410,984</u>

FUND FINANCIAL STATEMENT ANALYSIS:

GENERAL FUND

The General Fund is the only fund of the La Junta Rural Fire Protection District and provides resources for operations of the District. The following table is a summary of the District's Balance Sheet as of December 31, 2018 and 2017.

Balance Sheet

	General Fund	
	<u>2018</u>	<u>2017</u>
Assets	<u>\$ 1,469,420</u>	<u>\$ 1,086,163</u>
Liabilities	<u>\$ 24,900</u>	<u>\$ 8,401</u>
Deferred Inflows of Resources		
Deferred Revenues – Property Taxes	<u>495,800</u>	<u>486,100</u>
Fund Balance		
Restricted for Emergencies	19,500	23,000
Restricted Assets	36,555	35,158
Unrestricted	<u>892,665</u>	<u>533,504</u>
Total Fund Balance	<u>948,720</u>	<u>591,662</u>
Total Liabilities and Fund Balance	<u>\$ 1,469,420</u>	<u>\$ 1,086,163</u>

**LA JUNTA RURAL FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following table reflects the revenue and expenditures of the general fund for year end December 31, 2018 and 2017.

Statement of Revenues over Expenditures

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Revenues			
Charges for services	\$ 315,201	\$ 350,983	\$ (35,782)
Taxes	589,961	556,816	33,145
Grants	11,414	139,130	(127,716)
JFHC	20,594	24,345	(3,751)
Other	<u>69,827</u>	<u>6,120</u>	<u>63,707</u>
Total Revenues	1,006,997	1,077,394	(70,397)
Expenditures			
District's operations	<u>649,939</u>	<u>749,084</u>	<u>99,145</u>
Revenues over (under) Expenditures	<u>357,058</u>	<u>328,310</u>	<u>28,748</u>
Fund Balance January 1	<u>591,662</u>	<u>263,352</u>	<u>328,310</u>
Fund Balance December 31	<u>\$ 948,720</u>	<u>\$ 591,662</u>	<u>\$ 357,058</u>

Charges for services decreased from the prior by \$35,782 due to the medical services provided. Grants decreased by \$127,716 due to no new grants awarded in 2018 and only carry-over grants recognized. Other revenue increased due to a large reimbursement receivable recognized in 2018. Total Expenditures decreased \$99,145 due to a decrease in capital outlay.

BUDGETARY HIGHLIGHTS

The FY 2018 revenue budget was \$856,755 compared to actual revenues of \$1,006,997. The 2018 appropriations were \$684,385 compared to actual expenditures of \$649,939.

CAPITAL ASSETS

The District's capital assets consist mostly of firefighting and ambulance vehicles with a book value of \$1,554,323.

LONG-TERM LIABILITIES

As of December 31, 2018, the District had no long-term liabilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of its finances and to demonstrate the District's accountability for the money it receives. Questions about this report and requests for additional financial information can be obtained by contacting the Fire Chief at P.O. Box 1066, 601 Colorado Avenue, La Junta, CO 81050.

BASIC FINANCIAL STATEMENTS

LA JUNTA RURAL FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

DECEMBER 31, 2018

	GOVERNMENTAL FUND	ADJUSTMENTS PAGE 8	STATEMENT OF NET POSITION
ASSETS			
CASH IN BANK AND WITH TREASURER	\$ 787,921	\$ -	\$ 787,921
RESTRICTED CASH	36,555	-	36,555
RECEIVABLES - NET OF UNCOLLECTIBLE			
ACCOUNTS	71,351	-	71,351
TAXES	495,800	-	495,800
GRANTS	-	-	-
SETTLEMENT	57,681	-	57,681
PREPAIDS	20,112	16,739	36,851
NET PENSION ASSET	-	371,946	371,946
EQUIPMENT-NET	-	1,554,323	1,554,323
TOTAL ASSETS	1,469,420	1,943,008	3,412,428
DEFERRED OUTFLOWS OF RESOURCES			
DEFERRED OUTFLOWS - PENSION RELATED	-	24,486	24,486
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 1,469,420	\$ 1,967,494	\$ 3,436,914
LIABILITIES			
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 19,434	\$ -	\$ 19,434
DUE TO OTHER ENTITY	5,466	-	5,466
TOTAL LIABILITIES	24,900	-	24,900
DEFERRED INFLOWS OF RESOURCES			
DEFERRED INFLOWS - PENSION RELATED	-	50,119	50,119
DEFERRED REVENUES - PROPERTY TAXES	495,800	-	495,800
TOTAL DEFERRED INFLOWS OF RESOURCES	495,800	50,119	545,919
FUND BALANCE			
RESTRICTED FOR EMERGENCIES - TABOR	19,500	(19,500)	-
RESTRICTED ASSETS	36,555	(36,555)	-
UNASSIGNED	892,665	(892,665)	-
TOTAL FUND BALANCE	948,720	(948,720)	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,469,420		
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS		1,554,323	1,554,323
RESTRICTED FOR:			
EMERGENCIES - TABOR		19,500	19,500
ASSETS HELD IN TRUST FOR PENSION BENEFITS		371,946	371,946
RESTRICTED CASH		36,555	36,555
UNRESTRICTED		883,771	883,771
TOTAL NET POSITION		2,866,095	2,866,095
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION		\$ 1,967,494	\$ 3,436,914

SEE NOTES TO FINANCIAL STATEMENTS

LA JUNTA RURAL FIRE PROTECTION DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2018

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT
OF NET POSITION ARE DIFFERENT BECAUSE:

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 948,720
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL
RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.

THE COST OF CAPITAL ASSETS IS	\$ 3,938,562	
ACCUMULATED DEPRECIATION IS	(2,384,239)	
	<u>1,554,323</u>	1,554,323

ASSETS NOT AVAILABLE FOR CURRENT PERIOD EXPENDITURES AND
THEREFORE ARE NOT REPORTED IN FUNDS

DEFERRED OUTFLOWS-PENSION RELATED AMOUNTS	24,486
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PAYMENTS WHICH REFLECT COSTS APPLICABLE TO FUTURE ACCOUNTING
PERIODS REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES
AND THEREFORE ARE REPORTED AS EXPENDITURES IN
GOVERNMENTAL FUNDS.

PREPAID INSURANCE	16,739	
NET PENSION ASSET	371,946	
	<u>388,685</u>	388,685

LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD
AND THEREFORE ARE NOT REPORTED IN THE FUNDS.

DEFERRED INFLOWS-PENSION RELATED AMOUNTS	<u>(50,119)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,866,095</u></u>
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SEE NOTES TO FINANCIAL STATEMENTS

LA JUNTA RURAL FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION

YEAR ENDED DECEMBER 31, 2018

	GOVERNMENTAL FUND	ADJUSTMENTS PAGE 10	STATEMENT OF ACTIVITIES
EXPENDITURES/EXPENSES			
PUBLIC SAFETY	\$ 410,083	\$ 177,873	\$ 587,956
CAPITAL OUTLAY	239,856	(182,181)	57,675
TOTAL EXPENDITURES/EXPENSES	649,939	(4,308)	645,631
PROGRAM REVENUES:			
CHARGES FOR SERVICES	315,201	-	315,201
CAPITAL GRANTS	11,414	-	11,414
TOTAL PROGRAM REVENUES	326,615	-	326,615
NET PROGRAM EXPENSE	323,324	(4,308)	319,016
GENERAL REVENUES:			
PROPERTY TAXES	489,115	-	489,115
SPECIFIC OWNERSHIP TAXES	100,846	-	100,846
INTEREST	5,283	-	5,283
SETTLEMENT AND OTHER	85,138	-	85,138
TOTAL GENERAL REVENUES	680,382	-	680,382
REVENUES OVER (UNDER) EXPENDITURES	357,058	(357,058)	-
CHANGE IN NET POSITION	-	361,366	361,366
FUND BALANCE/NET POSITION JANUARY 1,	591,662	1,913,067	2,504,729
FUND BALANCE/NET POSITION DECEMBER 31,	\$ 948,720	\$ 1,917,375	\$ 2,866,095

SEE NOTES TO FINANCIAL STATEMENTS

LA JUNTA RURAL FIRE PROTECTION DISTRICT

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

YEAR ENDED DECEMBER 31, 2018

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF
ACTIVITIES ARE DIFFERENT BECAUSE:

NET CHANGE IN FUND BALANCE \$ 357,058

GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES.
HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS
IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS
DEPRECIATION EXPENSE. THIS IS THE AMOUNT BY WHICH CAPITAL OUTLAYS
DIFFER FROM DEPRECIATION IN THE CURRENT PERIOD.

CAPITAL OUTLAY	\$ 182,181	
DEPRECIATION EXPENSE AND DISPOSALS	(199,041)	
	(16,860)	(16,860)

PAYMENTS WHICH REFLECT COSTS APPLICABLE TO FUTURE ACCOUNTING
PERIODS REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES
AND THEREFORE ARE REPORTED AS EXPENDITURES IN
GOVERNMENTAL FUNDS.

PREPAID INSURANCE		4,131
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REVENUES IN THE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE
CURRENT FINANCIAL RESOURCES ARE NOT REPORTED IN THE FUNDS

CHANGE IN PENSION PLAN ASSETS		17,037
		17,037

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 361,366
		\$ 361,366

NOTES TO THE FINANCIAL STATEMENTS

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the La Junta Rural Fire Protection District (the "District") conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. A summary of significant policies is as follows:

THE FINANCIAL REPORTING ENTITY

The La Junta Rural Fire Protection District is a statutory special district governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the La Junta Rural Fire Protection District (the primary government) and its component units if applicable. Currently no component units have been included in the District's reporting entity because of a lack of significant operational or financial relationship with the District.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non fiduciary activities of the primary government.

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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of settlement revenues which are deemed to be available when they are collectible within the current period or soon after and does not follow the 60 day policy. 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 payment is due.

Property taxes, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grant and entitlement awards are recorded as revenue when earned. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District maintains only a General Fund, which is the government's primary operating fund. It accounts for all financial resources of the general government. It is considered a major fund.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

DEPOSITS AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments held in banks.

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments for the government are reported at fair value based on last quoted market prices.

RECEIVABLES

Accounts Receivable - All trade receivables are shown net of an allowance for uncollectibles if required.

Taxes Receivable - Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2018 since the amounts are measurable but not available until 2019. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

Settlement Receivable – On June 6, 2019, the District Attorney accepted a plea agreement with a former employee to pay restitution of \$57,681 to the District for unauthorized expenditures.

CAPITAL ASSETS

Capital assets, which consist of equipment, are reported in the applicable governmental column in the government-wide financial statements. The government defines capital assets 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. 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 assets lives are not capitalized.

Equipment of the primary government is depreciated using the straight-line method over estimated useful lives of 5 to 30 years.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations, including capitalized leases, are reported as liabilities in the applicable governmental activities.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category which is for pension related amounts.

Pension related amounts include the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, and contributions made subsequent to the measurement date. More information on pension related items is included in Note 9.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category.

Deferred Revenue – property tax, represents unavailable revenues that are deferred and recognized in the period that the amounts become available.

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Pension related deferred inflows of resources - these deferred inflows result from the difference between expected and actual experience, the changes of assumptions of other inputs, and the net difference between projected and actual investment earnings on pension plan investments. More information on pension related items is included in Note 9.

NET POSITION / FUND BALANCE

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

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position”

The District implemented GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

ESTIMATES

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

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY BUDGETS

The District follows these procedures in establishing the budgetary data reflected in the financial statements: Prior to October 15, the Board of Directors receives 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.

Public hearings are conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of a resolution.

Revisions that alter the total expenditures of any fund generally must be approved by the Board. Budget amounts in the accompanying financial statements include revisions to the original appropriation ordinance, as applicable.

NOTE -2 DEPOSITS AND INVESTMENTS

Deposits

The District's investment policies are approved by the Board and governed by Colorado statute. The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determined eligibility. 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 102% of the uninsured deposits.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2018, \$516,398 of the District's bank balance of \$901,145 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value loss resulting from increasing interest rates. The Colorado revised statute 24-75-601 limits investment maturities to five years or less without governing board approval.

Credit Risk – State law limits investments for local governments to U.S. treasury issues, other federally backed notes and credits, and other agency offerings (not based on derivatives) without limitation. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds that are organized according to the Federal Investment Company Act of 1940, as specified in rule 2a-7, as amended, as long as such rule does not increase remaining maturities beyond a maximum of three years. Investments in these funds require that the institution have assets in excess of \$1 billion or the highest credit rating from one or more of a nationally recognized rating agency.

NOTE –3 PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, \$495,800 of property taxes was deemed unavailable.

NOTE –4 ACCOUNTS RECEIVABLE

As of December 31, 2018, the District had amounts due for ambulance services within the District of \$82,433 of which \$11,082 were considered doubtful or subject to adjustment by third party payers.

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Transfers Increases</u>	<u>Transfers Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being Depreciated:				
Land	\$ 16,386	\$ -	\$ -	\$ 16,386
Capital assets being depreciated:				
Equipment	3,739,996	182,181	-	3,922,177
Less accumulated depreciation for equipment	<u>(2,185,199)</u>	<u>(199,041)</u>	<u>-</u>	<u>(2,384,240)</u>
Governmental Activities Net Capital Assets	<u>\$ 1,571,183</u>	<u>\$ (16,860)</u>	<u>\$ -</u>	<u>\$ 1,554,323</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:
 Public safety

\$ 199,041

NOTE -6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District utilizes commercial insurance to meet its insurance needs including workers' compensation.

Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

NOTE -7 TAX SPENDING AND DEBT LIMITATIONS

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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

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 revenue.

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. Emergency reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. \$19,500 of the fund balance has been reserved in compliance with this requirement.

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -7 TAX SPENDING AND DEBT LIMITATIONS (Continued)

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 and qualifications as an enterprise will require judicial interpretation. Accordingly, the possibility exists that the District's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

In November 1996, the voters of the District approved an amendment to allow the collection, retention, and expenditure of all excess funds.

NOTE -8 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represent the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE -9 PENSION PLANS

VOLUNTEER FIRE DEPARTMENT PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

Pensions – The La Junta Rural Fire Protection District participates in the Volunteer Fire Department Pension Fund, an agent multiple-employer defined benefit pension fund administered by the Colorado Fire and Police Pension Association (“FPPA”).

The net pension liability / (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Fire Department Pension Fund has been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investments - Investments are reported at fair value.

Plan Information

Plan Description – The District, on behalf of certain volunteer fire fighters, contributes to the Volunteer Fire Department Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA) to administer the funds for the District. Assets of the plan are commingled with numerous separate plans that have been pooled for investment purposes. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the La Junta Rural Fire Protection District.

Plan Membership (Eligibility) – Plan membership consists of active members and members who have worked for the La Junta Rural Fire Protection District at one time, but who are now active at another employer. The number of retirees shown includes those who retired from the District, as well as those who retired from another employer but has service attributed to the District.

The following is a summary of the participants:

Active Members	17
Retirees & Beneficiaries	5
Inactive, Nonretired Members	1

Benefits Provided - The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the La Junta Rural Fire Protection District for the Volunteer Fire Department Pension Fund and is as follows:

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

The La Junta Volunteer Fire Department Pension Fund provides retirement benefits to Firefighters who have attained both 50 years of age and completed 20 years of active service obtaining a minimum of 36 hours of training each year. The retiree shall receive a \$200.00 per month retirement benefit when fully vested. The vested retirement benefit with minimum vesting of 20 years is \$10 per month. An additional \$10 per month per year is allowed for a fully vested member that remains in active status meeting all requirements beyond 20 years of service.

Upon death, the surviving spouse receives a monthly pension equal to one half of the monthly pension the Firefighter was entitled to receive prior to death.

Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the La Junta Volunteer Fire Department Pension Fund. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111 or by calling FPPA at (330) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Plan members and the District are required to contribute at a rate set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. The contributions are based on an actuarially determined amount recommended by an independent actuary.

The contribution rate for members and the District for the La Junta Volunteer Fire Department Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2017 actuarial valuation. Total contribution for the year ended December 31, 2018 was \$0. The contribution of the La Junta Rural Fire Protection District was equal to the required contribution for the year.

Actuarial Assumptions – Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2017:

- Actuarial Cost Method – Entry Age Normal
- Amortization Method – Level Dollar, Open*
- Remaining Amortization Period – 20 years*
- Asset Valuation Method – 5-Year smoothed fair value
- Inflation – 3.00%
- Salary Increases – N/A
- Investment Rate of Return – 7.50%
- Retirement Age – 50% per year of eligibility until 100% at age 65
- Mortality Rates – Pre-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment, 40% multiplier for off-duty mortality
- Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment
- Disabled: RP-2000 Disabled Mortality Table
- All tables projected with Scale AA

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

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.

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash	2.00%	2.26%
Fixed Income	15.00%	3.00%
Absolute Return	9.00%	6.46%
Long Short	9.00%	7.15%
Global Public Equity	37.00%	8.33%
Private Capital	24.00%	9.70%
Total	100.00%	

Single 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 7.50%; the municipal bond rate is 3.31% (based on the weekly rate closet to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statically release (H.15)); and the resulting Single Discount Rate is 7.50%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

Net Pension Liability / (Asset)

The net pension liability / (asset) was measured at December 31, 2017, the total pension liability / (asset) used to calculate the net pension liability / (asset) was determined by an actuarial valuation dated January 1, 2017, and the District's fiscal year ending date, or reporting date, is December 31, 2018.

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) – (b)
Balances at December 31, 2017	\$ 248,588	\$ 566,930	\$ (318,342)
Change for the year:			
Service Cost	3,566	-	3,566
Interest	18,291	-	18,291
Difference between Expected & Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer / Member	-	-	-
Net Investment Income	-	82,198	(82,198)
Benefit payments	(13,164)	(13,164)	-
Administrative Expense	-	(6,737)	6,737
Net Changes	8,693	62,297	(53,604)
Balances at December 31, 2018	257,281	629,227	(371,946)

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE -9 PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption – The following table presents the plan’s net pension liability / (asset) of the District at December 31, 2017, calculated using a Single Discount Rate of 7.50%, as well as what the plan’s net pension liability / (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease <u>(6.50%)</u>	Current Single Discount Rate Assumption <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Net Pension Liability / (Asset)	\$ (341,191)	\$ (371,946)	\$ (397,234)

Pension Plan Fiduciary Net Position – FPPA administers an agent multiple-employer Public Employee Retirement System (“PERS”). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publically available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the ‘Annual Report’ link.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions– For the year ended December 31, 2018; the District recognized pension revenue of \$17,037. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 17,790
Assumption Changes	4,691	-
Net difference between projected and actual earnings on pension plan investments	19,795	32,329
Total	\$ 24,486	\$ 50,119

\$0 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability / (asset) in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2018:	Net Deferred Outflows / (Inflows) of Resources
2019	\$ (3,842)
2020	(4,508)
2021	(7,597)
2022	(9,686)
2023	-
Thereafter	-
Total	\$ (25,633)

LA JUNTA RURAL FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE-10 OPERATING LEASE

The District entered into a noncancellable operating lease on November 1, 2010 with the City of La Junta, to occupy a building, which expires October 31, 2021. Rental expense for operating leases during 2018 and 2017 totaled \$6,000 and \$11,136, respectively. The District made advance lease payments to the City of La Junta for \$14,402 which is reported in Deposits on the Balance Sheet and Prepaids on the Statement of Net Position.

Future minimum lease payments under noncancellable operating leases for periods ending December 31 (with initial or remaining lease terms in excess of one year) are:

2019	\$	-
2020		-
2021		4,639
2022		6,000
2023		6,000
2024 and after		<u>42,000</u>
	\$	<u>58,639</u>

The building lease agreement provides for an option to extend the lease for two additional 10-year periods.

NOTE-11 NEW ACCOUNTING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

LA JUNTA RURAL FIRE PROTECTION DISTRICT

VOLUNTEER FIRE DEPARTMENT PENSION FUND

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2018

MEASUREMENT PERIOD ENDED DECEMBER 31,	2017	2016	2015	2014
TOTAL PENSION LIABILITY (ASSET)				
SERVICE COST	\$ 3,566	\$ 3,097	\$ 3,097	\$ 3,694
INTEREST	18,291	18,314	17,491	18,025
CHANGES TO BENEFIT TERMS	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	(17,528)	-	(18,598)
ASSUMPTION CHANGES	-	7,095	-	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(13,164)	(9,920)	(9,320)	(10,570)
NET CHANGE IN TOTAL PENSION LIABILITY (ASSET)	8,693	1,058	11,268	(7,449)
TOTAL PENSION LIABILITY (ASSET) - BEGINNING	248,588	247,530	236,262	243,711
TOTAL PENSION LIABILITY (ASSET) - ENDING (a)	\$ 257,281	\$ 248,588	\$ 247,530	\$ 236,262
PLAN FIDUCIARY NET POSITION				
CONTRIBUTIONS - EMPLOYER	\$ -	\$ -	\$ -	\$ -
CONTRIBUTIONS - EMPLOYEE	-	-	-	-
NET INVESTMENT INCOME	82,198	29,477	9,900	35,698
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(13,164)	(9,920)	(9,320)	(10,570)
ADMINISTRATIVE EXPENSES	(6,737)	(1,149)	(2,159)	(1,201)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	62,297	18,408	(1,579)	23,927
PLAN FIDUCIARY NET POSITION - BEGINNING	566,930	548,522	550,101	526,174
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 629,227	\$ 566,930	\$ 548,522	\$ 550,101
PLAN'S NET PENSION LIABILITY (ASSET) - BEGINNING	(318,342)	(300,992)	(313,839)	(282,463)
PLAN'S NET PENSION LIABILITY (ASSET) - ENDING (a) - (b)	\$ (371,946)	\$ (318,342)	\$ (300,992)	\$ (313,839)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (ASSET) (b) / (a)	244.57%	228.06%	221.60%	232.84%
COVERED PAYROLL	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A

NOTE: THIS SCHEDULE IS INTENDED TO SHOW INFORMATION FOR TEN YEARS. ADDITIONAL YEARS'

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

LA JUNTA RURAL FIRE PROTECTION DISTRICT
VOLUNTEER FIRE DEPARTMENT PENSION FUND

SCHEDULE OF PLAN CONTRIBUTIONS

LAST 10 FISCAL YEARS

FY ENDING DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION*	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2018	\$ -	\$ -	\$ -	N/A	N/A
2017	\$ -	\$ -	\$ -	N/A	N/A
2016	\$ -	\$ -	\$ -	N/A	N/A
2015	\$ -	\$ -	\$ -	N/A	N/A
2014	\$ -	\$ -	\$ -	N/A	N/A
2013	\$ -	\$ -	\$ -	N/A	N/A
2012	\$ -	\$ -	\$ -	N/A	N/A
2011	\$ -	\$ -	\$ -	N/A	N/A
2010	\$ -	\$ -	\$ -	N/A	N/A
2009	\$ -	\$ -	\$ -	N/A	N/A

* Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

LA JUNTA RURAL FIRE PROTECTION DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
REAL PROPERTY TAXES	\$ 486,155	\$ 486,155	\$ 489,115	\$ 2,960
SPECIFIC OWNERSHIP	31,000	31,000	100,846	69,846
GRANTS	15,000	15,000	11,414	(3,586)
AMBULANCE FEES-NET	310,000	310,000	315,201	5,201
INTEREST ON SAVINGS & PROPERTY TAX	2,000	2,000	5,283	3,283
OTHER	12,600	12,600	85,138	72,538
TOTAL REVENUES	856,755	856,755	1,006,997	150,242
EXPENDITURES				
PAYROLL	122,000	122,000	100,736	21,264
DIRECTORS' FEES	500	500	500	-
CITY OF LA JUNTA	79,100	79,100	79,100	-
INSURANCE	46,000	46,000	49,789	(3,789)
PROFESSIONAL FEES	10,500	10,500	10,450	50
AMBULANCE BILLING FEES	23,500	23,500	16,702	6,798
AMBULANCE COLLECTION FEE	25,000	25,000	25,000	-
REPAIRS AND MAINTENANCE	40,300	40,300	55,821	(15,521)
UTILITIES	8,200	8,200	6,210	1,990
OTHER	43,825	43,825	27,429	16,396
CAPITAL OUTLAY	225,700	225,700	239,856	(14,156)
PROPERTY MANAGEMENT	22,160	22,160	16,162	5,998
ELECTION	25,000	25,000	1,533	23,467
JOHN FISHER HOSE COMPANY	12,600	12,600	20,651	(8,051)
TOTAL EXPENDITURES	684,385	684,385	649,939	34,446
REVENUES OVER (UNDER) EXPENDITURES	172,370	172,370	357,058	184,688
FUND BALANCE JANUARY 1	591,662	591,662	591,662	-
FUND BALANCE DECEMBER 31	\$ 764,032	\$ 764,032	\$ 948,720	\$ 184,688

LA JUNTA RURAL FIRE PROTECTION DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2018

NOTE -1 SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

Measurement Period: January 1, 2017 - December 31, 2017 for the Fiscal Year Ending December 31, 2018 (December 31, 2017 measurement date). The District elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULE OF PLAN CONTRIBUTIONS

Actuarial Assumptions

Valuation Date: January 1, 2017

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2015, determines the contribution amounts for 2016 and 2017.

Significant actuarial methods and assumptions used to determine the contribution rate for the Volunteer Fire Department Pension Fund is as follows:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	- Entry Age Normal
Amortization Method	- Level Dollar, Open*
Remaining Amortization Period	- 20 Years*
Asset Valuation Method	- 5-Year smoothed fair value
Inflation	- 3.00%
Salary Increase	- N/A
Investment Rate of Return	- 7.50%
Retirement Age	- 50% per year of eligibility until 100% at age 65
Mortality (Annuities)	- Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality
	- Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment
	- Disabled: RP-2000 Disabled Mortality Table
	- All tables projected with Scale AA.

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

ADDITIONAL INFORMATION

LA JUNTA RURAL FIRE PROTECTION DISTRICT

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CASH IN BANK AND WITH TREASURER	\$ 58,468	\$ 62,257
CASH IN SAVINGS	729,453	287,187
RESTRICTED CASH	36,555	35,158
RECEIVABLES - NET OF UNCOLLECTIBLE ACCOUNTS	71,351	76,183
TAXES	495,800	486,248
GRANT	-	139,130
SETTLEMENT	57,681	-
DEPOSITS	20,112	-
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,469,420</u>	<u>\$ 1,086,163</u>
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES DUE TO OTHER ENTITY	\$ 19,434	\$ 8,401
	5,466	-
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 24,900</u>	<u>\$ 8,401</u>
DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	495,800	486,100
	<u> </u>	<u> </u>
FUND BALANCE		
RESTRICTED FOR EMERGENCIES - TABOR	19,500	23,000
RESTRICTED ASSETS	36,555	35,158
UNASSIGNED	892,665	533,504
	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>948,720</u>	<u>591,662</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,469,420</u>	<u>\$ 1,086,163</u>

LA JUNTA RURAL FIRE PROTECTION DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
REVENUES		
REAL PROPERTY TAXES	\$ 489,115	\$ 465,085
SPECIFIC OWNERSHIP TAXES	100,846	91,731
GRANTS	11,414	139,130
AMBULANCE FEES - NET	315,201	350,983
INTEREST ON SAVINGS	2,200	1,224
INTEREST ON PROPERTY TAXES	3,083	1,855
JOHN FISHER HOSE COMPANY SETTLEMENT	20,594	24,345
OTHER	57,681	-
	6,863	3,041
TOTAL REVENUES	<u>1,006,997</u>	<u>1,077,394</u>
EXPENDITURES		
PAYROLL EXPENSE	100,736	118,285
DIRECTORS' FEES	500	500
CITY OF LA JUNTA - ALLOCATED COSTS	79,100	79,100
INSURANCE	49,789	42,551
PROFESSIONAL FEES	10,450	10,375
AMBULANCE BILLING FEES	16,702	19,735
AMBULANCE COLLECTION FEE	25,000	25,000
REPAIRS AND MAINTENANCE	55,821	45,906
UTILITIES	6,210	5,952
OTHER	27,429	24,193
CAPITAL OUTLAY	239,856	313,929
PROPERTY MANAGEMENT	16,162	28,619
ELECTION	1,533	-
JOHN FISHER HOSE COMPANY	20,651	34,939
TOTAL EXPENDITURES	<u>649,939</u>	<u>749,084</u>
REVENUES OVER EXPENDITURES	357,058	328,310
FUND BALANCE JANUARY 1	<u>591,662</u>	<u>263,352</u>
FUND BALANCE DECEMBER 31	<u>\$ 948,720</u>	<u>\$ 591,662</u>