

Annual Financial Report

Southeast Weld Fire Protection District
Keenesburg, Colorado

For the Year Ended December 31, 2018



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SOUTHEAST WELD FIRE PROTECTION DISTRICT

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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 aggregate remaining fund information of The Southeast Weld Fire Protection District, State of Colorado as of and for the years ended December 31, 2018, 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 the 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 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of The Southeast Weld Fire Protection District, State of Colorado as of December 31, 2018, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 33-37, the Schedule of Changes in Net Pension Liability on page 38, the Schedule of Contributions on page 39 and the Schedule of Proportionate Share of Pension Liability and Schedule of Contributions on page 40 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
June 20, 2019

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

SOUTHEAST WELD FIRE PROTECTION DISTRICT

KEENESBURG, ROGGEN, AND PROSPECT VALLEY, COLORADO

December 31, 2018

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, 2018. 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 and 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 \$124,050 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 two members elected by the membership. The Firemen's Pension Board formed a trust agreement with TBK Bank 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 2018 was generated from taxable property with the 2017 gross total assessed value certification of \$239,771,510 and \$15,462,620 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 decreased by \$133,796 during 2018, compared to prior year increase of \$361,859. The difference is due to an increase in wages, health care, vehicle repairs and the ambulance contract.
- The District capitalized \$806,957 of property and equipment, and recorded depreciation of \$395,365 during 2018. In 2017 the District capitalized \$912,285 and recorded depreciation of \$453,274. See Table 5 for detailed information.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The District's revenues derived from general property taxes accounted for \$1,986,477 in revenue, compared to prior year of \$1,945,352 or 78.28% and 82.42% of all revenues for each year. Specific ownership tax and interest on delinquent taxes, net of abatements, interest earned, other income accounted for \$551,052 in 2018 and \$415,049 in 2017 for total revenues of \$2,537,529 and \$2,360,401 respectively. The District's expenditures, excluding depreciation, amounted to \$2,551,325 in 2018 and \$1,976,662 in 2017. 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**

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>Change</u>	<u>% Change</u>
ASSETS				
Current	\$ 4,413,115	\$ 4,363,203	\$ 49,912	1.14%
Net pension asset	-	-	-	0.00%
Capital assets (net)	2,946,669	2,563,047	383,622	14.97%
Total Assets	7,359,784	6,926,250	433,534	
Total Deferred Outflows	192,224	259,575	(67,351)	-25.95%
LIABILITIES				
Current and other liabilities	200,768	584,903	(384,135)	-65.67%
Total Liabilities	200,768	584,903	(384,135)	
DEFERRED INFLOWS				
Unearned revenue - property taxes	2,722,135	1,984,445	737,690	37.17%
Deferred inflows related to pensions	154,986	8,562	146,424	1710.16%
Total Deferred Inflows	2,877,121	1,993,007	884,114	
NET POSITION				
Net investment in capital assets	2,946,669	2,563,047	383,622	14.97%
Restricted	84,410	82,534	1,876	2.27%
Unrestricted	1,443,040	1,962,334	(519,294)	-26.46%
Total Net Position	\$ 4,474,119	\$ 4,607,915	\$ (133,796)	

The District's net position was \$4,474,119 for the year ended December 31, 2018. Of this amount, \$1,443,040 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 the net position 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 purchased of \$806,957 less depreciation expense of \$395,365.

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>12/31/2018</u>	<u>12/31/2017</u>	<u>Change</u>	<u>% Change</u>
REVENUES				
Taxes:				
General property	\$ 1,986,477	\$ 1,945,352	\$ 41,125	2.11%
Specific ownership	153,205	153,341	(136)	-0.09%
Interest on delinquent taxes	1,440	582	858	147.42%
Other revenues	386,535	245,333	141,202	57.56%
Earnings on investments	9,872	15,793	(5,921)	-37.49%
Net increase (dec) in FMV of investment	-	-	-	0.00%
Total Revenues	2,537,529	2,360,401	177,128	
Proceeds from sale of assets	66,080	106,250	(40,170)	-37.81%
Contributions	12,257	3,324	8,933	268.74%
Grant proceeds	81,250	190,000	(108,750)	-57.24%
Net pension increase (decrease)	115,778	131,820	(16,042)	-12.17%
Total Other Financing Sources	275,365	431,394	(156,029)	
PROGRAM EXPENSES				
Public Safety	2,551,325	1,976,662	574,663	29.07%
Depreciation	395,365	453,274	(57,909)	-12.78%
Total Program Expenses	2,946,690	2,429,936	516,754	
Increase (Decrease) in Net Position	\$ (133,796)	\$ 361,859	\$ (495,655)	

The revenue generated from property taxes increased due to an increase of taxable valuation in 2018, and reporting all property taxes inside General Fund, proceeds from sale of assets, grant received and ambulance contract.

**GOVERNMENTAL ACTIVITIES
COST OF SERVICES
TABLE 3**

	<u>2018</u>	<u>2017</u>	<u>Change</u>
Fire protection services	\$ 2,551,325	\$ 1,976,662	\$ 574,663
Depreciation	395,365	453,274	(57,909)
Total Governmental Activities	\$ 2,946,690	\$ 2,429,936	\$ 516,754

This table displays, by function, the total costs of services provided for 2018 compared to 2017. 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
	12/31/2018	12/31/2017		
General Fund	\$ 1,631,684	\$ 2,264,880	\$ (633,196)	-27.96%

As the District completed this year, our Fund reported a fund balance of \$1,631,684 which is a \$633,196 decrease from last year. Decrease in purchases of capital assets of \$806,957 in 2018, compared to \$912,285 in 2017.

General Fund Budgetary Highlights

The District's 2018 General Fund operating budget was adopted by the Governing Board on December 6, 2017. As adopted, projected expenditures and other financing uses totaled \$3,322,945 (including additional appropriations of \$1,200,000) and budgeted revenues totaled \$2,122,945. Actual expenditures were \$3,358,282, and revenues/transfers in were \$2,527,657.

Capital Asset and Debt Administration

At December 31, 2018, the District had \$6,070,328 in a broad range of capital assets, including land, buildings, furniture and equipment. The District increased its capitalization threshold to \$2,500 in 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSETS
TABLE 5

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 89,765	\$ 89,765	\$ -	0.00%
Land improvements	48,994	35,344	13,650	38.62%
Buildings and improvements	1,530,600	989,426	541,174	54.70%
Vehicles	3,307,087	3,458,929	(151,842)	-4.39%
Equipment	1,086,409	1,142,702	(56,293)	-4.93%
Furniture and fixtures	7,473	13,632	(6,159)	-45.18%
Total Capital Assets	6,070,328	5,729,798	340,530	
Accumulated depreciation	(3,123,659)	(3,166,751)	43,092	
Net Capital Assets	\$ 2,946,669	\$ 2,563,047	\$ 383,622	

Total capital assets increase by \$340,530, which included \$806,957 in purchases and \$466,427 in dispositions.

Long Term Debt at Year End

As of Fiscal Year, 2018, 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 November 2016, 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 2 (previously having a Class 4 rating). Rural areas received PPC Class 4 rating (previously having Class 6/10 ratings).

The District has twenty-seven (27) full-time employees (District Chief, Administrative Assistant, Officers, and firefighters) and five (5) 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 2012 International Fire Code (adopted in 2017) 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.

In November 2018, the registered voters of the District approved 1) 2.5 mill levy increase for a total mill levy of 10.264, and 2) to permit the District to adjust its property tax mill levy to offset any resulting decrease in revenue only if the residential assessment rate is reduced below the current rate established.

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 95 W. Broadway Street, Keenesburg, Colorado 80643.

BASIC FINANCIAL STATEMENTS

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Statement of Net Position

December 31, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,205,683	\$ 1,333,804
Cash with counties	11,835	10,504
Investments:		
Certificates of deposit	-	546,358
Annuities	412,928	402,445
Investments, at fair value	-	-
Property taxes receivable	2,722,135	1,984,445
Accounts receivable	15,270	58,746
Accrued interest receivable	4,135	4,070
Prepaid expenditures	41,129	22,831
Total Current Assets	4,413,115	4,363,203
Noncurrent Assets		
Net pension asset	-	-
Capital Assets:		
Land	89,765	89,765
Land improvements	48,994	35,344
Building and improvements	1,530,600	989,426
Vehicles	3,307,087	3,458,929
Equipment	1,086,409	1,142,702
Furniture and fixtures	7,473	13,632
Total Capital Assets	6,070,328	5,729,798
Less: accumulated depreciation	(3,123,659)	(3,166,751)
Net Capital Assets	2,946,669	2,563,047
Total Noncurrent Assets	2,946,669	2,563,047
Total Assets	7,359,784	6,926,250
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	192,224	259,575
LIABILITIES		
Current Liabilities:		
Accounts payable	54,430	73,776
Deposits	1,920	1,920
Accrued payroll taxes payable	-	994
Due to other funds	874	27,885
Funds held in trust for others	2,072	9,303
Total Current Liabilities	59,296	113,878
Noncurrent Liabilities		
Net pension liability	141,472	471,025
Total Noncurrent Liabilities	141,472	471,025
Total Liabilities	200,768	584,903
DEFERRED INFLOWS		
Unearned revenue - property taxes	2,722,135	1,984,445
Deferred inflows related to pensions	154,986	8,562
Total Deferred Inflows	2,877,121	1,993,007
NET POSITION		
Net investment in capital assets	2,946,669	2,563,047
Restricted	84,410	82,534
Unrestricted	1,443,040	1,962,334
Total Net Position	\$ 4,474,119	\$ 4,607,915

See accompanying notes to basic financial statements

SOUTHEAST WELD FIRE PROTECTION DISTRICT*Statement of Activities*

For the Year Ended December 31, 2018 and 2017

	2018	2017
Expenditures:		
Administration	\$ 1,959,588	\$ 1,502,117
Fire fighting	244,580	167,521
Fire prevention	1,831	588
Fire training	23,582	16,150
Equipment repair	104,140	59,063
Fire communications	8,282	9,059
Fire stations and buildings	71,544	58,688
Emergency medical services	13,728	15,114
Pension fund allocation	124,050	148,362
Depreciation	395,365	453,274
Total Expenses	2,946,690	2,429,936
Revenues:		
Taxes:		
General property taxes	1,986,477	1,945,352
Specific ownership taxes	153,205	153,341
Interest on delinquent taxes	1,440	582
Other revenues	386,535	245,333
Earnings on investments	9,872	15,793
Net increase (decrease) in the fair market value of investments	-	-
Total Revenues	2,537,529	2,360,401
Other Financing Sources (Uses):		
Proceeds from sale of assets	66,080	106,250
Contributions	12,257	3,324
Grant proceeds	81,250	190,000
Insurance proceeds	-	-
Pension net increase (decrease)	115,778	131,820
Total Other Financing Sources (Uses)	275,365	431,394
Net Change in Net Position	(133,796)	361,859
Net Position - beginning of year	4,607,915	4,246,056
Net Position - end of year	\$ 4,474,119	\$ 4,607,915

See accompanying notes to basic financial statements

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Governmental Funds

Balance Sheet

December 31, 2018 and 2017

	Total Governmental Funds		
	General Fund	2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,205,683	\$ 1,205,683	\$ 1,333,804
Cash with counties	11,835	11,835	10,504
Investments:			
Certificates of deposit	-	-	546,358
Annuities	412,928	412,928	402,445
Investments, at fair value	-	-	-
Property taxes receivable	2,722,135	2,722,135	1,984,445
Accounts receivable	15,270	15,270	58,746
Accrued interest receivable	4,135	4,135	4,070
Prepaid expenditures	41,129	41,129	22,831
Total Current Assets	4,413,115	4,413,115	4,363,203
Total Assets	4,413,115	4,413,115	4,363,203
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	-
Total Assets and Deferred Outflows	\$ 4,413,115	\$ 4,413,115	\$ 4,363,203
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 54,430	\$ 54,430	\$ 73,776
Deposits	1,920	1,920	1,920
Accrued payroll taxes payable	-	-	994
Due to other funds	874	874	27,885
Funds held in trust for others	2,072	2,072	9,303
Total Current Liabilities	59,296	59,296	113,878
Total Liabilities	59,296	59,296	113,878
DEFERRED INFLOWS			
Unearned revenue - property taxes	2,722,135	2,722,135	1,984,445
Total Deferred Inflows	2,722,135	2,722,135	1,984,445
Total Liabilities and Deferred Inflows	2,781,431	2,781,431	2,098,323
FUND BALANCE			
Nonspendable - prepaid	41,129	41,129	22,831
Restricted - labor	84,410	84,410	82,534
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,506,145	1,506,145	2,159,515
Total Fund Balance	1,631,684	1,631,684	2,264,880
Total Liabilities , Deferred Inflows and Fund Balance	\$ 4,413,115	\$ 4,413,115	\$ 4,363,203
Reconciliation of the Balance Sheet to the Statement of Net Position			
Total Governmental Fund Balance		\$ 1,631,684	\$ 2,264,880
<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		6,070,328	5,729,798
Less: accumulated depreciation		(3,123,659)	(3,166,751)
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		(104,234)	(220,012)
The net effect of various miscellaneous transactions involving capital assets is to decrease net position (i.e. sales, disposals and trade-ins)		-	-
Net Position of Governmental Activities		\$ 4,474,119	\$ 4,607,915

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, 2018 and 2017

	General Fund	Total Governmental Funds	
		2018	2017
REVENUES:			
Operating Revenues:			
Property taxes	\$ 1,986,477	\$ 1,986,477	\$ 1,945,352
Specific ownership taxes	153,205	153,205	153,341
Interest on delinquent taxes	1,440	1,440	582
Other revenues	386,535	386,535	245,333
Total Operating Revenues	2,527,657	2,527,657	2,344,608
Investment Income:			
Earnings on investments	9,872	9,872	15,793
Net increase (decrease) in the fair value of investments	-	-	-
Total Investment Income	9,872	9,872	15,793
Total Revenues	2,537,529	2,537,529	2,360,401
Expenditures:			
Administration	1,959,588	1,959,588	1,502,117
Fire fighting	244,580	244,580	167,521
Fire prevention	1,831	1,831	588
Fire training	23,582	23,582	16,150
Equipment repair	104,140	104,140	59,063
Fire communications	8,282	8,282	9,059
Fire stations and buildings	71,544	71,544	58,688
Emergency medical services	13,728	13,728	15,114
Capital Outlay	806,957	806,957	912,285
Pension fund allocation	124,050	124,050	148,362
Total Expenditures	3,358,282	3,358,282	2,888,947
Excess (Deficiency) of Revenues over Expenditures	(820,753)	(820,753)	(528,546)
Other Financing Sources (Uses):			
Proceeds from sale of assets	94,050	94,050	110,000
Contributions	12,257	12,257	3,324
Grant proceeds	81,250	81,250	190,000
Insurance proceeds	-	-	-
Total Other Financing Sources (Uses)	187,557	187,557	303,324
Net Change in Fund Balance	(633,196)	(633,196)	(225,222)
Fund Balance - beginning of year	2,264,880	2,264,880	2,490,102
Fund Balance - end of year	\$ 1,631,684	\$ 1,631,684	\$ 2,264,880
<i>Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities</i>			
Net change in fund balance - total governmental funds		\$ (633,196)	\$ (225,222)
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		(27,970)	(3,750)
Capital asset purchases capitalized		806,957	912,285
Depreciation expense		(395,365)	(453,274)
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		115,778	131,820
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:			
Donated capital assets		-	-
Change in Net Position of Governmental Activities		\$ (133,796)	\$ 361,859

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, 2018 and 2017

	Pension	Total Fiduciary Funds	
		2018	2017
ASSETS			
Cash and cash equivalents	\$ 1,571,402	\$ 1,571,402	\$ 52,946
Investments:			
Certificates of deposit	272,346	272,346	937,283
Annuities	315,557	315,557	843,015
Investments, at fair value	348,477	348,477	826,056
Receivables:			
Accrued interest	74	74	4,636
Due from other funds	874	874	27,885
Total Assets	2,508,730	2,508,730	2,691,821
LIABILITIES			
Due to other funds	-	-	-
Total Liabilities	-	-	-
Net Position Restricted for Pension Benefits	\$ 2,508,730	\$ 2,508,730	\$ 2,691,821

See accompanying notes to basic financial statements

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Fiduciary Funds - Firemen's Pension Fund

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2018 and 2017

	Pension	Total Fiduciary Funds	
		2018	2017
ADDITIONS			
Operating Revenues:			
Contributions - state	\$ 27,885	\$ 27,885	\$ 27,885
Contributions - employer	124,050	124,050	148,362
Other revenues	-	-	-
Total Operating Revenues	151,935	151,935	176,247
Investment Income:			
Earnings on investments	57,213	57,213	84,688
Net increase (decrease) in fair value of investments	(121,335)	(121,335)	(5,597)
Net realized gain (loss) on investments	(23,407)	(23,407)	-
Investment Income - Net	(87,529)	(87,529)	79,091
Total Additions	64,406	64,406	255,338
DEDUCTIONS			
Administration	247,497	247,497	201,708
Capital outlay	-	-	-
Contingency Reserve	-	-	-
Total Deductions	247,497	247,497	201,708
Net Increase in Net Position	(183,091)	(183,091)	53,630
NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning of year	2,691,821	2,691,821	2,638,191
End of Year	\$ 2,508,730	\$ 2,508,730	\$ 2,691,821

See accompanying notes to basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

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 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This statement is the companion statement to GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No 75 enhances accountability and transparency through new and revised note disclosures and required supplementary information (RSI). The District has no OPEB plans, therefore, for year ended December 31, 2018 implementation had no impact to the District's financial statements.

GASB Statement No 85, *Omnibus 2017*. This statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurements and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The District implemented this statement for year ended December 31, 2018 and had no impact to the District's financial statements.

Basic Financial Statements

Government-Wide Financial Statements consist of Statement of Net Position and Statement of Activities, these statements report information about the reporting entity as a whole. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred, regardless of the timing of the related cash flows.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

Governmental Fund Financial Statements consist of Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds aggregated. These statements are presented on the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recognized when received in cash, except for revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The District reports the following fund financial statements:

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

The District incurred expenditures in excess of appropriations in the General Fund and Firemen’s Pension Fund for the year ended December 31, 2018, which may be in violation of the Local Government Budget Law.

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.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$2,500 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, 2018 and 2017, 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

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.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

In November 2018, the registered voters of the District approved an increase in the General Fund mill levy of 2.50 mills for a total mill levy of 10.264. Registered voters also approved for the District to adjust its mill levy to offset any resulting decrease in revenue only if the residential assessment rate is reduced below the current rate established pursuant to Section 3 of Article X of the Colorado Constitution.

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 \$84,410 and \$82,534 existed at December 31, 2018 and 2017, respectively, to comply with the provision of the Amendment.

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

December 31, 2018

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:

	2018			2017		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Cash in Checking	\$ 273,812	\$ 904,826	\$1,178,638	\$ 241,712	\$ 45,537	\$ 287,249
Cash in Savings	931,871	666,576	1,598,447	1,092,092	7,409	1,099,501
Cash with County Treasurer's	11,835	-	11,835	10,504	-	10,504
Total Cash Deposits	\$1,217,518	\$1,571,402	\$2,788,920	\$1,344,308	\$ 52,946	\$1,397,254

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
- Guaranteed investment contracts
- Local government investment pools

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Total investments at December 31 were as follows:

	2018			2017		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Certificates of deposit	\$ -	\$ 272,346	\$ 272,346	\$ 546,358	\$ 937,283	\$1,483,641
Annuities	412,928	315,557	728,485	402,445	843,015	1,245,460
Investments at fair value	-	348,477	348,477	-	826,056	826,056
Total Investments	\$ 412,928	\$ 936,380	\$1,349,308	\$ 948,803	\$2,606,354	\$3,555,157

Maturities of investments at December 31, 2018 were as follows:

	Investment Maturities in Years				
	Less than 1	1 to 5	6 to 10	More than 10	Total
Certificates of deposit	\$ 272,346	\$ -	\$ -	\$ -	\$ 272,346
Annuities	157,639	413,074	157,772	-	728,485
Investments at fair value	-	111,301	237,176	-	348,477
Total Investments	\$ 429,985	\$ 524,375	\$ 394,948	\$ -	\$ 1,349,308

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level:				
US Treasury Bond/Note	\$ -	\$ -	\$ -	\$ -
Federal Agency Obligations	-	-	-	-
Equities	1,076,962	-	-	1,076,962
Mutual Funds	-	-	-	-
Subtotal	1,076,962	-	-	1,076,962
Investments measured at Amortized Cost:				
Certificates of Deposit	-	-	-	272,346
Total Investments	\$ 1,076,962	\$ -	\$ -	\$ 1,349,308

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 are valued using discounted cash flow techniques or valued using consensus pricing.

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, 2018 and 2017.

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.

Summary

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

	2018			2017		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Cash deposits	\$1,217,518	\$1,571,402	\$2,788,920	\$1,344,308	\$ 52,946	\$1,397,254
Investments	412,928	936,380	1,349,308	948,803	2,606,354	3,555,157
Total Deposits & Investments	\$1,630,446	\$2,507,782	\$4,138,228	\$2,293,111	\$2,659,300	\$4,952,411

Investment Income

	2018			2017		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Earnings on investments	\$ 9,872	\$ 57,213	\$ 67,085	\$ 15,793	\$ 84,688	\$ 100,481
Net increase (decrease) in the fair value of investments	-	(121,335)	(121,335)	-	(5,597)	(5,597)
Net realized gain (loss) on sale of investments	-	(23,407)	(23,407)	-	-	-
Net Investment Income	\$ 9,872	\$ (87,529)	\$ (77,657)	\$ 15,793	\$ 79,091	\$ 94,884

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

December 31, 2018

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

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.

NOTE 5 – CAPITAL ASSETS

The following is a summary of capital assets as of December 31, 2018:

<u>Governmental Activities</u>	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	\$ 89,765	\$ -	\$ -	\$ 89,765
Depreciable Assets:				
Land improvements	35,344	13,650	-	48,994
Building and improvements	989,426	558,314	(17,140)	1,530,600
Vehicles	3,458,929	230,557	(382,399)	3,307,087
Equipment	1,142,702	4,436	(60,729)	1,086,409
Furniture and fixtures	13,632	-	(6,159)	7,473
Total Assets at Historical Cost	5,729,798	806,957	(466,427)	6,070,328
Less: Accumulated Depreciation for:				
Land improvements	(28,069)	(993)	-	(29,062)
Building and improvements	(471,502)	(47,097)	7,892	(510,707)
Vehicles	(1,988,737)	(221,532)	378,797	(1,831,472)
Equipment	(666,140)	(125,743)	46,938	(744,945)
Furniture and fixtures	(12,303)	-	4,830	(7,473)
Total Accumulated Depreciation	(3,166,751)	(395,365)	438,457	(3,123,659)
Capital Assets - Net	\$ 2,563,047	\$ 411,592	\$ (27,970)	\$ 2,946,669

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 3,247
Fire fighting	-
Fire prevention	-
Fire training	-
Equipment repair	-
Fire communications	46,740
Fire stations and buildings	345,378
Emergency medical services	-
Total Depreciation Expense	\$ 395,365

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, 2018 were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Governmental Activities				
General Fund	\$ -	\$ 874	\$ -	\$ -
Total Governmental Activities	-	874	-	-
Fiduciary Activities				
Pension Fund	874	-	-	-
Total Fiduciary Activities	874	-	-	-
Total	\$ 874	\$ 874	\$ -	\$ -

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

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, 2018, and 2017, 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

In the opinion of the District's management and counsel, there is no material pending or threatened litigation, claims, and assessments. Furthermore, the District's management and counsel are unaware of any unasserted possible claims or assessments that are probable of assertion and must be disclosed as of December 31, 2018 and 2017.

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).

On August 10, 2017, Pension Board approved to increase benefit payments to a \$150.00 increased level where \$750.00/20 (years of service) is calculated for payment with a cap of \$1,125.00 per month for those earning 30 or more years of service (effective 01/01/2018).

System Description

The District has a Non-Insured Trust Pension Plan Trust Agreement with a trustee, TBK Bank, 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". See Note 14 for further information.

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

December 31, 2018

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

Plan membership at December 31 consisted of the following:

	2018	2017
Inactive members or beneficiaries currently receiving benefits	29	29
Inactive members entitled to but not yet receiving benefits	4	-
Active members not entitled to benefits	5	9
	38	38
Covered payroll	N/A	N/A

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2017, 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 TBK Bank.

	2018		2017	
Certificates of deposit	\$ 272,346	29.08%	\$ 937,283	35.96%
Annuities	315,557	33.70%	843,015	32.34%
Investments at fair value	348,477	37.22%	826,056	31.69%
Total Investments	\$ 936,380	100.00%	\$2,606,354	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 2018 and 2017, these contributions amounted to \$151,935 and \$176,247, respectively. Colorado statutes provide that benefits are payable only to the extent of assets available in the Firemen’s Pension Plan.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 10 – FIREMEN’S PENSION (CONTINUED)

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 3.44%; and the resulting Single Discount Rate is 4.50%.

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 3.50%	Current Rate 4.50%	1% Increase 5.50%
Pension Plan's Net Pension Liability / (Asset)	\$ 688,973	\$ 316,961	\$ 11,124

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability (a.)	Plan Fidiciary Net Position (b.)	Net Pension Liability (Asset) (a.) - (b.)
Changes for the year:			
Service cost	\$ 12,767	\$ -	\$ 12,767
Interest on the total pension liability	133,951	-	133,951
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(201,500)	(201,500)	-
Employer contributions	-	176,247	(176,247)
Member contributions	-	-	-
Net investment income	-	79,091	(79,091)
Administrative expenses	-	(208)	208
Net change in total pension liability	(54,782)	53,630	(108,412)
Total pension liability (asset) - beginning	3,063,564	2,638,191	425,373
Total Pension Liability (Asset) - Ending	\$ 3,008,782	\$ 2,691,821	\$ 316,961

Plan fiduciary net position as a % of total pension liability	89.47%
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, 2018

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
Pension contributions subsequent to measurement date	\$ 124,050	\$ -	\$ 124,050
Difference between expected and actual experiences	-	-	-
Assumption changes	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	77,680	(77,680)
Total	\$ 124,050	\$ 77,680	\$ 46,370

The \$124,050 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

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

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ 25,784
2019	25,785
2020	18,298
2021	7,813
2022	-
Thereafter	-
Total	\$ 77,680

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, 2018

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, 2018 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	10.00%	8.00%
Statewide Death and Disability Plan (SWD&D) *	1.35%	1.35%
	11.35%	9.35%

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:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	5.00%	4.00%
Statewide Death and Disability Plan (SWD&D) *	1.35%	1.35%
	6.35%	5.35%

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

*Effective January 1, 2017 through December 31, 2018 the Statewide Death and Disability Plan contribution rate increased from 2.6% to 2.7%.

At December 31, 2018, the District reported an asset of \$220,489 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability 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, 2018

NOTE 11 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Outflows/Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Pension contributions subsequent to measurement date	\$ 95,757	\$ -	\$ 95,757
Difference between expected and actual experiences	159,004	2,443	156,561
Assumption changes	33,220	-	33,220
Net difference between projected and actual earnings on pension plan investments	-	74,863	(74,863)
Total	\$ 287,981	\$ 77,306	\$ 210,675

The \$95,757 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018.

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

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2018	\$ 26,127
2019	22,718
2020	(9,102)
2021	(20,902)
2022	23,426
Thereafter	72,651
Total	\$ 114,918

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2017, using the following key actuarial assumptions:

Actuarial method	Entry age normal
Amortization method	Level % if payroll, open
Amortization period	30 years
Long-term investment rate of return *	7.50%
Projected salary increases *	4.0% - 14.0%
Cost of living adjustments (COLA)	0.00%
Mortality	RP-2014 generational mortality table with blue collar adjustment, projected with Scale BB, 40% multiplier of off-duty mortality. Post-retirement: RP-2014 generational mortality table, with blue collar adjustment, projected with Scale BB.
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year

* Includes inflation at 2.50%

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	37.0%	8.33%
Equity long / short	9.0%	7.15%
Illiquid alternatives	24.0%	9.70%
Fixed income	15.0%	3.00%
Absolute return	9.0%	6.46%
Managed futures	4.0%	6.85%
Cash	2.0%	2.26%
Total	100.0%	

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). The long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting Single Discount Rate is 7.50%.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

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 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:

	<u>1% Decrease</u> 6.50%	<u>Current Rate</u> 7.50%	<u>1% Increase</u> 8.50%
Pension Plan's Net Pension Liability / (Asset)	\$ 240,046	\$ (220,489)	\$ (602,904)

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.

For the year ended December 31, 2018, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Firemen's</u> Pension	<u>Deferred Benefit</u> Pension	<u>Total</u>
Contributions - Employer	\$ 124,050	\$ 95,757	\$ 219,807

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.

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 – AMBULANCE SERVICE AGREEMENT

The District on March 1, 2017 entered into a Second Amended and Restated Ambulance Service Agreement with the Brighton Community Hospital Association dba Platte Valley Medical Center (PVMC). Under this agreement the District will assume, and shall be responsible for, all ambulance billing and collection efforts for all services performed. In consideration therefore, the parties agree that PVMC shall receive all collections/receipts and payments from all sources and payers, whether public or private parties, up to the amount of \$300,000 for the provision of both emergency medical and transport services for each 12 months of this agreement (Annual time periods: March 1, 2017-February 28, 2018; March 1, 2019-February 28, 2019; March 1, 2019-February 28, 2020).

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2018

NOTE 13 – AMBULANCE SERVICE AGREEMENT (CONTINUED)

If less than \$300,000 is collected annually, then PVMC receives all collected payment, if more than \$300,000 is collected annually, the parties will divide any and all amounts over \$300,000 on an equal (50/50) basis. As of December 31, 2018, and 2017, the District paid on this agreement \$285,866 and \$0, respectively.

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 June 20, 2019, the date on which the financial statements were issued, and did identify events or transactions that would have a material impact on the financial statements.

On January 8, 2019, the District was served notice by TBK Bank, Trustee of its Non-Insured Trust Pension Plan Trust Agreement, that they would no longer be providing trust and investment management services to Colorado area customers effective February 15, 2019. The Pension Board has decided to self-manage pension funds and has opened COLOTRUST accounts for those funds.

REQUIRED SUPPLEMENTAL INFORMATION

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Revenues

Budget to Actual - General Fund (unaudited)

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

Non-GAAP Budgetary Basis	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:					
Operating Revenues:					
Property taxes	\$ 1,984,445	\$ 1,984,445	\$ 1,986,477	\$ 2,032	\$ 1,945,352
Specific ownership taxes	112,000	112,000	153,205	41,205	153,341
Interest on delinquent taxes	500	500	1,440	940	582
Special fire protection services	3,000	3,000	278,614	275,614	192,830
Standby	-	-	23,952	23,952	19,365
Permits	-	-	12,850	12,850	12,530
Other income	10,000	10,000	71,119	61,119	20,608
Total Operating Revenues	2,109,945	2,109,945	2,527,657	417,712	2,344,608
Investment Income:					
Earnings on investments	12,000	12,000	9,872	(2,128)	15,793
Net increase (decrease) in the fair value of investments	1,000	1,000	-	(1,000)	-
Total Investment Income	13,000	13,000	9,872	(3,128)	15,793
Miscellaneous Revenues:					
Proceeds from sale of assets	-	-	94,050	94,050	110,000
Contributions	-	-	12,257	12,257	3,324
Grant proceeds	-	-	81,250	81,250	190,000
Insurance proceeds	-	-	-	-	-
Total Miscellaneous Revenues	-	-	187,557	187,557	303,324
Total Revenues	2,122,945	2,122,945	2,725,086	602,141	2,663,725

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Expenditures

Budget to Actual - General Fund (unaudited)

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

Non-GAAP Budgetary Basis	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
Administration:					
Board compensation	5,000	5,000	5,200	(200)	5,300
Reserve staff	1,500	1,500	1,188	312	1,401
Training officer wages	1,090,000	1,090,000	1,186,406	(96,406)	1,089,682
Payroll taxes	18,000	18,000	21,484	(3,484)	22,032
FPPA Pension and AD&D	94,000	94,000	95,757	(1,757)	88,459
Subsidies to fire departments	3,000	3,000	11,844	(8,844)	12,648
Colorado FF heart and circulatory	-	-	450	(450)	-
Health insurance	170,000	170,000	185,510	(15,510)	165,822
Nondurable supplies (office)	5,000	5,000	7,827	(2,827)	6,791
Durable supplies	10,000	10,000	8,135	1,865	5,861
Advertising and legal notices	500	500	1,453	(953)	405
Telephone	9,000	9,000	10,973	(1,973)	6,922
ISP internet service	6,000	6,000	10,547	(4,547)	3,068
Legal	10,000	10,000	9,116	884	3,353
Accounting	-	-	38	(38)	7,478
Auditing	13,250	13,250	13,800	(550)	13,125
Consulting fee	14,225	14,225	17,586	(3,361)	8,757
Paychex	3,500	3,500	3,804	(304)	5,080
Actuary study	-	-	-	-	7,763
Budgeting	2,500	2,500	1,925	575	1,925
Election	3,000	3,000	12,781	(9,781)	-
4th of July display	6,500	6,500	6,100	400	6,286
Miscellaneous	3,500	3,500	4,268	(768)	3,170
Membership dues	3,500	3,500	4,581	(1,081)	1,230
Background and drug tests	1,000	1,000	855	145	497
Insurance	3,840	3,840	5,842	(2,002)	5,872
Contract services	-	300,000	285,866	14,134	-
Contract services other	-	-	16,428	(16,428)	-
Treasurer's fee	27,000	27,000	29,824	(2,824)	29,190
Total Administration	1,503,815	1,803,815	1,959,588	(155,773)	1,502,117
Fire Fighting:					
Insurance - disability and workers comp	35,000	35,000	36,263	(1,263)	28,798
Firefighting supplies	5,000	5,000	59,443	(54,443)	15,916
Durable supplies	50,000	50,000	88,538	(38,538)	76,209
Fuel	25,000	25,000	30,198	(5,198)	20,913
Miscellaneous	750	750	1,533	(783)	400
Insurance	18,019	18,019	19,530	(1,511)	19,124
Physicals and vaccinations	8,500	8,500	9,075	(575)	6,161
Total Fire Fighting	142,269	142,269	244,580	(102,311)	167,521
Fire Prevention:					
Supplies	1,000	1,000	1,831	(831)	588
Total Fire Prevention	1,000	1,000	1,831	(831)	588
Fire Training:					
Supplies	10,000	10,000	7,508	2,492	7,121
Education	10,000	10,000	16,074	(6,074)	9,029
Total Fire Training	20,000	20,000	23,582	(3,582)	16,150

(continued on next page)

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Expenditures

Budget to Actual - General Fund (unaudited) (continued)

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

Non-GAAP Budgetary Basis	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
Equipment Repairs:					
Vehicle repairs	-	-	101,018	(101,018)	10,884
Equipment repairs	60,000	60,000	3,122	56,878	48,179
Total Equipment Repairs	60,000	60,000	104,140	(44,140)	59,063
Fire Communications:					
Emergency phone services	-	-	-	-	3,283
Fire communications	8,300	8,300	8,282	18	5,776
Total Fire Communications	8,300	8,300	8,282	18	9,059
Fire Stations and Buildings:					
Nondurable supplies	13,000	13,000	7,348	5,652	9,977
Durable supplies	-	-	8,224	(8,224)	8,348
Utilities	25,000	25,000	23,990	1,010	21,182
Repairs and maintenance	30,000	30,000	28,076	1,924	13,543
Miscellaneous	1,000	1,000	-	1,000	-
Insurance	3,048	3,048	3,906	(858)	5,638
Total Fire Stations and Buildings	72,048	72,048	71,544	504	58,688
Emergency Medical Services:					
Nondurable supplies	-	-	5,347	(5,347)	9,625
Durable supplies	-	-	4,953	(4,953)	970
Physician advisor fees	-	-	2,000	(2,000)	1,500
Education	15,000	15,000	1,428	13,572	3,019
Vaccinations	-	-	-	-	-
Total Emergency Medical Services	15,000	15,000	13,728	1,272	15,114
Capital Outlay:					
Administration	-	-	4,436	(4,436)	4,000
Fire fighting	50,000	350,000	230,557	119,443	801,853
Fire stations and buildings	-	600,000	571,964	28,036	95,047
Emergency medical services	-	-	-	-	11,385
Total Capital Outlay	50,000	950,000	806,957	143,043	912,285
Pension Fund Allocation	149,015	149,015	124,050	24,965	148,362
Contingency Reserve	101,498	101,498	-	101,498	-
Total Expenditures	2,122,945	3,322,945	3,358,282	(35,337)	2,888,947

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Reconciliation of Budgetary Basis to GAAP Basis

Budget to Actual - **General Fund** (unaudited)

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

Non-GAAP Budgetary Basis	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:					
Operating revenues	\$ 2,109,945	\$ 2,109,945	\$ 2,527,657	\$ 417,712	\$ 2,344,608
Investment income	13,000	13,000	9,872	(3,128)	15,793
Miscellaneous revenues	-	-	-	-	-
Total Revenues	2,122,945	2,122,945	2,537,529	414,584	2,360,401
EXPENDITURES:					
Administration	1,503,815	1,803,815	1,959,588	(155,773)	1,502,117
Fire fighting	142,269	142,269	244,580	(102,311)	167,521
Fire prevention	1,000	1,000	1,831	(831)	588
Fire training	20,000	20,000	23,582	(3,582)	16,150
Equipment repair	60,000	60,000	104,140	(44,140)	59,063
Fire communications	8,300	8,300	8,282	18	9,059
Fire stations and buildings	72,048	72,048	71,544	504	58,688
Emergency medical services	15,000	15,000	13,728	1,272	15,114
Capital Outlay	50,000	950,000	806,957	143,043	912,285
Pension fund allocation	149,015	149,015	124,050	24,965	148,362
Contingency Reserve	101,498	101,498	-	101,498	-
Total Expenditures	2,122,945	3,322,945	3,358,282	(35,337)	2,888,947
Excess (Deficiency) of Revenues over Expenditures	-	(1,200,000)	(820,753)	379,247	(528,546)
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	-	-	94,050	94,050	110,000
Contributions	-	-	12,257	12,257	3,324
Grant proceeds	-	-	81,250	81,250	190,000
Insurance proceeds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	187,557	187,557	303,324
Net change in Fund Balance	\$ -	\$ (1,200,000)	(633,196)	\$ 566,804	(225,222)
Fund Balance - beginning of year			2,264,880		2,490,102
Fund Balance - end of year			1,631,684		2,264,880
Reconciliation of Budgetary Basis to GAAP Basis:					
Net change in Fund Balance			(633,196)		(225,222)
Capital assets sold			(27,970)		(3,750)
Capital asset purchases capitalized			806,957		912,285
Depreciation expense			(395,365)		(453,274)
Net pension asset (liability)			115,778		131,820
Net Change in Net Position			\$ (133,796)		\$ 361,859

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Revenues & Expenditures

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

Year Ended December 31, 2018

With Comparative Actual Amounts For the Year Ended December 31, 2017

Non-GAAP Budgetary Basis	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:					
Operating Revenues:					
State fire pension contribution	\$ 27,885	\$ 27,885	\$ 27,885	\$ -	\$ 27,885
Employer contribution	149,015	149,015	124,050	(24,965)	148,362
Other revenues	-	-	-	-	-
Total Operating Revenues	176,900	176,900	151,935	(24,965)	176,247
Investment Income:					
Earnings on investments	60,000	60,000	57,213	(2,787)	84,688
Net increase (decrease) in the fair value of investments	-	-	(121,335)	(121,335)	(5,597)
Total Investment Income	60,000	60,000	(64,122)	(124,122)	79,091
Total Revenues	236,900	236,900	87,813	(149,087)	255,338
EXPENDITURES:					
Administration:					
Pension trust administration fee	5,150	5,150	15,747	(10,597)	208
Benefit payments	231,750	231,750	231,750	-	201,500
Total Administration	236,900	236,900	247,497	(10,597)	201,708
Capital Outlay	-	-	-	-	-
Contingency Reserve	-	-	-	-	-
Total Expenditures	236,900	236,900	247,497	(10,597)	201,708
Excess (Deficiency) of Revenues over Expenditures	-	-	(159,684)	(159,684)	53,630
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	-	-	(23,407)	-	-
Transfers from other funds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(23,407)	-	-
Net change in fund balance	\$ -	\$ -	(183,091)	\$ (159,684)	53,630
Fund Balance - beginning of year			2,691,821		2,638,191
Fund Balance - end of year			\$ 2,508,730		\$ 2,691,821

SOUTHEAST WELD FIRE PROTECTION DISTRICT

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

Firemen's Pension

For The Last 10 Years (to be built prospectively)

Measurement Date Ending December 31,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	12,767	17,799	14,376	14,025	N/A	N/A	N/A	N/A	N/A	N/A
Interest on the Total Pension Liability	133,951	139,478	114,619	116,574	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Plan Changes	-	-	612,727	-	N/A	N/A	N/A	N/A	N/A	N/A
Difference between Expected and Actual Experience	-	(68,643)	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Assumption Changes	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(201,500)	(211,250)	(174,562)	(174,300)	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	(54,782)	(122,616)	567,160	(43,701)	-	-	-	-	-	-
Total Pension Liability - Beginning	3,063,564	3,186,180	2,619,020	2,662,721	-	-	-	-	-	-
Total Pension Liability - Ending (a)	3,008,782	3,063,564	3,186,180	2,619,020	-	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	176,247	162,565	57,885	159,000	N/A	N/A	N/A	N/A	N/A	N/A
Pension Plan Net Investment Income	79,091	64,595	79,965	80,746	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(201,500)	(211,250)	(174,562)	(174,300)	N/A	N/A	N/A	N/A	N/A	N/A
Pension Plan Administrative Expense	(208)	(4,805)	(5,136)	(4,633)	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	53,630	11,105	(41,848)	60,813	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	2,638,191	2,627,086	2,668,934	2,608,121	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	2,691,821	2,638,191	2,627,086	2,668,934	-	-	-	-	-	-
Net Pension Liability/(Asset) -Ending (a)-(b)	316,961	425,373	559,094	(49,914)	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a										
Percentage of Total Pension Liability	89.47%	86.12%	82.45%	101.91%	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage										
of Covered Payroll (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Contributions

Firemen's Pension
For The Last 10 Years

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution (1) *	Contribution Deficiency (Excess) (d.) = (b.) - (c.)	Covered Payroll (2) **	Actual Contribution as a % of Covered Payroll (f.)
(a.)	(b.)	(c.)	(d.) = (b.) - (c.)	(e.)	(f.)
2017	58,445	176,247	(117,802)	N/A	N/A
2016	16,494	162,565	(146,071)	N/A	N/A
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

* 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, 2017

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

SOUTHEAST WELD FIRE PROTECTION DISTRICT

*Schedule of Proportionate Share of the Net Pension Liability and
Schedule of Contributions*

Fire and Police Pension Association of Colorado (FPPA)
For The Last 10 Years (to be built prospectively)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ending December 31	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset)	0.0015326%	0.0000807%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ (220,489)	\$ 45,652	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered payroll	\$ 896,463	\$ 646,600	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-24.60%	7.06%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total pension liability (asset)	106.30%	98.21%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending December 31	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	71,717	51,728	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	(71,717)	(51,728)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 896,463	\$ 646,600	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	8.00%	8.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A