

Annual Financial Report

Southeast Weld Fire Protection District

Keenesburg, Colorado

For the Year Ended December 31, 2019



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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, 2019, 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, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3-8, budgetary comparison information on pages 34-38, the Schedule of Changes in Fiduciary Net Pension Liability on page 39, the Schedule of Contributions on page 40 and the Schedule of Proportionate Share of Pension Liability and Schedule of Contributions on page 41 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 1, 2020

Tim Chavies & Associates, Inc.

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Certified Public Accountants

SOUTHEAST WELD FIRE PROTECTION DISTRICT

KEENESBURG, ROGGEN, AND PROSPECT VALLEY, COLORADO

December 31, 2019

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, 2019. 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 10.264 was paid to the General Fund, which represents an increase of 2.50 mills from a vote approved election.

An allocation of \$76,950 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 dissolved a trust agreement with TBK Bank, they in turn signed an agreement with Colotrust to invest 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 2019 was generated from taxable property with the 2018 gross total assessed value certification of \$249,684,950 and \$15,501,180 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 \$480,300 during 2019, compared to prior year decrease of \$133,796. The difference is due to an increase in wages, health insurance, vehicle repairs, capital asset acquisition and the ambulance contract.
- The District capitalized \$1,037,976 of property and equipment, and recorded depreciation of \$416,292 during 2019. In 2018 the District capitalized \$806,957 and recorded depreciation of \$395,365. See Table 5 for detailed information.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The District's revenues derived from general property taxes accounted for \$2,719,161 in revenue, compared to prior year of \$1,986,477 or 88.76% and 78.28% of all revenues for each year. Specific ownership tax and interest on delinquent taxes, net of abatements, interest earned, other income accounted for \$365,511 in 2019 and \$551,052 in 2018 for total revenues of \$3,084,672 and \$2,537,529 respectively. The District's expenditures, excluding depreciation, amounted to \$3,092,522 in 2019 and \$2,551,325 in 2018. See Table 2.

Overview of the Financial Statements

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

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government wide statements. The fund financial statements are composed of government fund statements which tell how basic services were financed in the short term, as well as what remains for future spending.

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

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

The Statement of Net Position and the Statement of Activities

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

	12/31/2019	12/31/2018	Change	% Change
ASSETS				
Current	\$ 6,016,089	\$ 4,413,115	\$ 1,602,974	36.32%
Net pension asset	-	-	-	0.00%
Capital assets (net)	3,568,353	2,946,669	621,684	21.10%
Total Assets	9,584,442	7,359,784	2,224,658	
<hr/>				
Total Deferred Outflows	798,194	192,224	605,970	315.24%
<hr/>				
LIABILITIES				
Current and other liabilities	1,771,259	200,768	1,570,491	782.24%
Total Liabilities	1,771,259	200,768	1,570,491	
<hr/>				
DEFERRED INFLOWS				
Unearned revenue - property taxes	4,615,516	2,722,135	1,893,381	69.56%
Deferred inflows related to pensions	2,042	154,986	(152,944)	-98.68%
Total Deferred Inflows	4,617,558	2,877,121	1,740,437	
<hr/>				
NET POSITION				
Net investment in capital assets	3,568,353	2,946,669	621,684	21.10%
Restricted	99,077	84,410	14,667	17.38%
Unrestricted	326,389	1,443,040	(1,116,651)	-77.38%
Total Net Position	\$ 3,993,819	\$ 4,474,119	\$ (480,300)	

The District's net position was \$3,993,819 for the year ended December 31, 2019. Of this amount, \$326,389 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 \$1,037,976 less depreciation expense of \$416,292.

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**

	12/31/2019	12/31/2018	Change	% Change
REVENUES				
Taxes:				
General property	\$ 2,719,161	\$ 1,986,477	\$ 732,684	36.88%
Specific ownership	185,143	153,205	31,938	20.85%
Interest on delinquent taxes	1,258	1,440	(182)	-12.64%
Other revenues	157,899	386,535	(228,636)	-59.15%
Earnings on investments	21,211	9,872	11,339	114.86%
Net increase (dec) in FMV of investment	-	-	-	0.00%
Total Revenues	3,084,672	2,537,529	547,143	
Proceeds from sale of assets	75,000	66,080	8,920	13.50%
Contributions	5,466	12,257	(6,791)	-55.41%
Grant proceeds	33,486	81,250	(47,764)	-58.79%
Net pension increase (decrease)	(170,110)	115,778	(285,888)	-246.93%
Total Other Financing Sources	(56,158)	275,365	(331,523)	
PROGRAM EXPENSES				
Public Safety	3,092,522	2,551,325	541,197	21.21%
Depreciation	416,292	395,365	20,927	5.29%
Total Program Expenses	3,508,814	2,946,690	562,124	
Increase (Decrease) in Net Position	\$ (480,300)	\$ (133,796)	\$ (346,504)	

The revenue generated from property taxes increased due to an increase of taxable valuation in 2019, 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**

	2019	2018	Change
Fire protection services	\$ 3,092,522	\$ 2,551,325	\$ 541,197
Depreciation	416,292	395,365	20,927
Total Governmental Activities	\$ 3,508,814	\$ 2,946,690	\$ 562,124

This table displays, by function, the total costs of services provided for 2019 compared to 2018. 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
	12/31/2019	12/31/2018		
General Fund	\$ 699,810	\$ 1,631,684	\$ (931,874)	-57.11%

As the District completed this year, our Fund reported a fund balance of \$699,810 which is a \$931,874 decrease from last year. Decrease in purchases of capital assets of \$1,037,976 in 2019, compared to \$806,957 in 2018.

General Fund Budgetary Highlights

The District's 2019 General Fund operating budget was adopted by the Governing Board on December 13, 2018. As adopted, projected expenditures and other financing uses totaled \$4,083,635 (including additional appropriations of \$1,200,000) and budgeted revenues totaled \$2,883,635. Actual expenditures were \$4,130,498, and revenues/transfers in were \$3,084,672.

Capital Asset and Debt Administration

At December 31, 2019, the District had \$6,895,460 in a broad range of capital assets, including land, buildings, furniture and equipment. The District's capitalization threshold is \$2,500.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSETS
TABLE 5

	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 89,765	\$ 89,765	\$ -	0.00%
Land improvements	48,994	48,994	-	0.00%
Buildings and improvements	1,876,051	1,530,600	345,451	22.57%
Vehicles	3,742,478	3,307,087	435,391	13.17%
Equipment	1,130,699	1,086,409	44,290	4.08%
Furniture and fixtures	7,473	7,473	-	0.00%
Total Capital Assets	6,895,460	6,070,328	825,132	
Accumulated depreciation	(3,327,107)	(3,123,659)	(203,448)	
Net Capital Assets	\$ 3,568,353	\$ 2,946,669	\$ 621,684	

Total capital assets increase by \$825,132, which included \$1,037,976 in purchases and \$212,844 in dispositions.

Long Term Debt at Year End

As of Fiscal Year, 2019, 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-three (23) 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 2018 International Fire Code (adopted in 2019) and emergency medical services compliance required by regulatory agencies.

The financial impact to the District to implement these requirements is presently being evaluated to determine how and when such expenditures need to be incurred and from what sources funds are available.

The COVID-19 pandemic is having significant effects globally and nationwide, the specific impact to the District could be a potential decline or reduction in specific ownership tax revenues in 2020. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

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, 2019 and 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 342,240	\$ 1,205,683
Cash with counties	15,617	11,835
Investments:		
Annuities	260,777	412,928
Colostrust	721,683	-
Property taxes receivable	4,615,516	2,722,135
Accounts receivable	16,430	15,270
Accrued interest receivable	5,607	4,135
Prepaid expenditures	38,219	41,129
Total Current Assets	6,016,089	4,413,115
Noncurrent Assets		
Net pension asset	-	-
Capital Assets:		
Land	89,765	89,765
Land improvements	48,994	48,994
Building and improvements	1,876,051	1,530,600
Vehicles	3,742,478	3,307,087
Equipment	1,130,699	1,086,409
Furniture and fixtures	7,473	7,473
Total Capital Assets	6,895,460	6,070,328
Less: accumulated depreciation	(3,327,107)	(3,123,659)
Net Capital Assets	3,568,353	2,946,669
Total Noncurrent Assets	3,568,353	2,946,669
Total Assets	9,584,442	7,359,784
DEFERRED OUTFLOWS		
Deferred outflows related to pensions	798,194	192,224
LIABILITIES		
Current Liabilities:		
Accounts payable	690,478	54,430
Deposits	1,920	1,920
Accrued payroll taxes payable	3,494	-
Due to other funds	1,286	874
Funds held in trust for others	3,585	2,072
Total Current Liabilities	700,763	59,296
Noncurrent Liabilities		
Net pension liability	1,070,496	141,472
Total Noncurrent Liabilities	1,070,496	141,472
Total Liabilities	1,771,259	200,768
DEFERRED INFLOWS		
Unearned revenue - property taxes	4,615,516	2,722,135
Deferred inflows related to pensions	2,042	154,986
Total Deferred Inflows	4,617,558	2,877,121
NET POSITION		
Net investment in capital assets	3,568,353	2,946,669
Restricted	99,077	84,410
Unrestricted	326,389	1,443,040
Total Net Position	\$ 3,993,819	\$ 4,474,119

See accompanying notes to basic financial statements

SOUTHEAST WELD FIRE PROTECTION DISTRICT*Statement of Activities*

For the Year Ended December 31, 2019 and 2018

	2019	2018
Expenditures:		
Administration	\$ 2,469,158	\$ 1,959,588
Fire fighting	364,071	244,580
Fire prevention	518	1,831
Fire training	7,259	23,582
Equipment repair	60,671	104,140
Fire communications	19,193	8,282
Fire stations and buildings	79,519	71,544
Emergency medical services	15,183	13,728
Pension fund allocation	76,950	124,050
Depreciation	416,292	395,365
Total Expenses	3,508,814	2,946,690
Revenues:		
Taxes:		
General property taxes	2,719,161	1,986,477
Specific ownership taxes	185,143	153,205
Interest on delinquent taxes	1,258	1,440
Other revenues	157,899	386,535
Earnings on investments	21,211	9,872
Net increase (decrease) in the fair market value of investments	-	-
Total Revenues	3,084,672	2,537,529
Other Financing Sources (Uses):		
Proceeds from sale of assets	75,000	66,080
Contributions	5,466	12,257
Grant proceeds	33,486	81,250
Insurance proceeds	-	-
Pension net increase (decrease)	(170,110)	115,778
Total Other Financing Sources (Uses)	(56,158)	275,365
Net Change in Net Position	(480,300)	(133,796)
Net Position - beginning of year	4,474,119	4,607,915
Net Position - end of year	\$ 3,993,819	\$ 4,474,119

See accompanying notes to basic financial statements

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Governmental Funds

Balance Sheet

December 31, 2019 and 2018

	Total Governmental Funds		
	General Fund	2019	2018
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 342,240	\$ 342,240	\$ 1,205,683
Cash with counties	15,617	15,617	11,835
Investments:			
Annuities	260,777	260,777	412,928
Colostrust	721,683	721,683	-
Property taxes receivable	4,615,516	4,615,516	2,722,135
Accounts receivable	16,430	16,430	15,270
Accrued interest receivable	5,607	5,607	4,135
Prepaid expenditures	38,219	38,219	41,129
Total Current Assets	6,016,089	6,016,089	4,413,115
Total Assets	6,016,089	6,016,089	4,413,115
DEFERRED OUTFLOWS			
Grant expenditures paid in advance of meeting timing requirements	-	-	-
Total Assets and Deferred Outflows	\$ 6,016,089	\$ 6,016,089	\$ 4,413,115
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 690,478	\$ 690,478	\$ 54,430
Deposits	1,920	1,920	1,920
Accrued payroll taxes payable	3,494	3,494	-
Due to other funds	1,286	1,286	874
Funds held in trust for others	3,585	3,585	2,072
Total Current Liabilities	700,763	700,763	59,296
Total Liabilities	700,763	700,763	59,296
DEFERRED INFLOWS			
Unearned revenue - property taxes	4,615,516	4,615,516	2,722,135
Total Deferred Inflows	4,615,516	4,615,516	2,722,135
Total Liabilities and Deferred Inflows	5,316,279	5,316,279	2,781,431
FUND BALANCE			
Nonspendable - prepaid	38,219	38,219	41,129
Restricted - tabor	99,077	99,077	84,410
Committed	-	-	-
Assigned	-	-	-
Unassigned	562,514	562,514	1,506,145
Total Fund Balance	699,810	699,810	1,631,684
Total Liabilities , Deferred Inflows and Fund Balance	\$ 6,016,089	\$ 6,016,089	\$ 4,413,115
Reconciliation of the Balance Sheet to the Statement of Net Position			
Total Governmental Fund Balance		\$ 699,810	\$ 1,631,684
<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		6,895,460	6,070,328
Less: accumulated depreciation		(3,327,107)	(3,123,659)
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		(274,344)	(104,234)
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		\$ 3,993,819	\$ 4,474,119

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, 2019 and 2018

	General Fund	Total Governmental Funds	
		2019	2018
REVENUES:			
Operating Revenues:			
Property taxes	\$ 2,719,161	\$ 2,719,161	\$ 1,986,477
Specific ownership taxes	185,143	185,143	153,205
Interest on delinquent taxes	1,258	1,258	1,440
Other revenues	157,899	157,899	386,535
Total Operating Revenues	3,063,461	3,063,461	2,527,657
Investment Income:			
Earnings on investments	21,211	21,211	9,872
Net increase (decrease) in the fair value of investments	-	-	-
Total Investment Income	21,211	21,211	9,872
Total Revenues	3,084,672	3,084,672	2,537,529
Expenditures:			
Administration	2,469,158	2,469,158	1,959,588
Fire fighting	364,071	364,071	244,580
Fire prevention	518	518	1,831
Fire training	7,259	7,259	23,582
Equipment repair	60,671	60,671	104,140
Fire communications	19,193	19,193	8,282
Fire stations and buildings	79,519	79,519	71,544
Emergency medical services	15,183	15,183	13,728
Capital Outlay	1,037,976	1,037,976	806,957
Pension fund allocation	76,950	76,950	124,050
Total Expenditures	4,130,498	4,130,498	3,358,282
Excess (Deficiency) of Revenues over Expenditures	(1,045,826)	(1,045,826)	(820,753)
Other Financing Sources (Uses):			
Proceeds from sale of assets	75,000	75,000	94,050
Contributions	5,466	5,466	12,257
Grant proceeds	33,486	33,486	81,250
Insurance proceeds	-	-	-
Total Other Financing Sources (Uses)	113,952	113,952	187,557
Net Change in Fund Balance	(931,874)	(931,874)	(633,196)
Fund Balance - beginning of year	1,631,684	1,631,684	2,264,880
Fund Balance - end of year	\$ 699,810	\$ 699,810	\$ 1,631,684
<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		\$ (931,874)	\$ (633,196)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>			
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)
Capital asset purchases capitalized		1,037,976	806,957
Depreciation expense		(416,292)	(395,365)
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		(170,110)	115,778
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		\$ (480,300)	\$ (133,796)

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, 2019 and 2018

	Pension	Total Fiduciary Funds	
		2019	2018
ASSETS			
Cash and cash equivalents	\$ 109,900	\$ 109,900	\$ 1,571,402
Investments:			
Certificates of deposit	-	-	272,346
Annuities	315,000	315,000	315,557
Colostrust	1,621,583	1,621,583	-
Investments, at fair value	345,766	345,766	348,477
Receivables:			
Accrued interest	3,857	3,857	74
Prepays	19,950	19,950	-
Due from other funds	1,286	1,286	874
Total Assets	2,417,342	2,417,342	2,508,730
LIABILITIES			
Due to other funds	-	-	-
Total Liabilities	-	-	-
Net Position Restricted for Pension Benefits	\$ 2,417,342	\$ 2,417,342	\$ 2,508,730

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, 2019 and 2018

	Pension	Total Fiduciary Funds	
		2019	2018
ADDITIONS			
Operating Revenues:			
Contributions - state	\$ 27,885	\$ 27,885	\$ 27,885
Contributions - employer	76,950	76,950	124,050
Other revenues	-	-	-
Total Operating Revenues	104,835	104,835	151,935
Investment Income:			
Earnings on investments	52,768	52,768	57,213
Net increase (decrease) in fair value of investments	(10,383)	(10,383)	(121,335)
Net realized gain (loss) on investments	-	-	(23,407)
Investment Income - Net	42,385	42,385	(87,529)
Total Additions	147,220	147,220	64,406
DEDUCTIONS			
Administration	238,608	238,608	247,497
Capital outlay	-	-	-
Contingency Reserve	-	-	-
Total Deductions	238,608	238,608	247,497
Net Increase in Net Position	(91,388)	(91,388)	(183,091)
NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning of year	2,508,730	2,508,730	2,691,821
End of Year	\$ 2,417,342	\$ 2,417,342	\$ 2,508,730

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, 2019

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 83, *Certain Asset Retirement Obligations*. This statement provides financial statement users with information about asset retirement obligations (AROs) that were not addressed in previous GASB Standards. The District identified no AROs, therefore, for year ended December 31, 2019 implementation had no impact to the District's financial statements.

GASB Statement No 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The District implemented this statement for year ending December 31, 2019 and had no impact to the District's financial statements.

GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The District has no debt, therefore, for year ended December 31, 2019 implementation had no impact to the District's financial statements.

GASB Statement No 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. This statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. The District identified no majority equity interests, therefore, for year ended December 31, 2019 implementation had no impact to the District's financial statements.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 (major) 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 for the year ended December 31, 2019, which may be in violation of the Local Government Budget Law.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances

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

Cash and Cash Equivalents

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

Certificates of Deposit

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

Investments

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

Investments are reported in accordance with GASB Statement 72, as amended.

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, 2019 and 2018, 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.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Equity - Net Position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Equity - Fund Balance

In the governmental funds, fund balances should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, or unassigned. The following classifications describe the relative strength of spending constraints:

- (1) **Nonspendable Fund Balance** – the portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- (2) **Restricted Fund Balance** – the portion of fund balance that is constrained to be used for a specific purpose by external parties (creditors, grantors, or contributors), enabling legislation or constitutional provisions.
- (3) **Committed Fund Balance** – the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making, District Board. The constraint may be removed or changed only through formal action of District's Board through approval of resolutions.
- (4) **Assigned Fund Balance** – the portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the District Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- (5) **Unassigned Fund Balance** – the residual portion of fund balance that does not meet any of the criteria described above. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

If more than one classification of fund balances is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

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

December 31, 2019

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 \$99,077 and \$84,410 existed at December 31, 2019 and 2018, respectively, to comply with the provision of the Amendment.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are reported in the financial statements as follows:

	2019			2018		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Cash and cash equivalents	\$ 342,240	\$ 109,900	\$ 452,140	\$1,205,683	\$1,571,402	\$2,777,085
Cash with county treasurer's	15,617	-	15,617	11,835	-	11,835
Investments:						
Certificates of deposit	-	-	-	-	272,346	272,346
Annuities	260,777	315,000	575,777	412,928	315,557	728,485
Colostrust	721,683	1,621,583	2,343,266	-	-	-
Investments at fair value	-	345,766	345,766	-	348,477	348,477
Total	\$1,340,317	\$2,392,249	\$3,732,566	\$1,630,446	\$2,507,782	\$4,138,228

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Cash deposits and investments consist of the following:

	2019			2018		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Cash on hand and deposit	\$ 15,617	\$ -	\$ 15,617	\$ 11,835	\$ -	\$ 11,835
Bank accounts	342,240	109,900	452,140	1,205,683	1,571,402	2,777,085
Investments	982,460	2,282,349	3,264,809	412,928	936,380	1,349,308
Total	\$1,340,317	\$2,392,249	\$3,732,566	\$1,630,446	\$2,507,782	\$4,138,228

Cash Deposits

As of December 31, 2019, the carrying amount of the District's deposits was \$452,140.

Custodial Credit Risk is the risk that, in the event of the failure of a bank failure, the government's deposits may not be returned to it. District bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the District's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate uninsured deposits.

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

Maturities of investments at December 31, 2019 were as follows:

	S&P Rating	Investment Maturities in Years				Total
		Less than 1	1 to 5	6 to 10	More than 10	
Certificates of deposit		\$ -	\$ -	\$ -	\$ -	\$ -
Annuities		-	260,777	244,291	-	505,068
Colostrust	AAAm	2,343,266	-	-	-	2,343,266
Investments at fair value		29,224	229,751	157,500	-	416,475
Total Investments		\$ 2,372,490	\$ 490,528	\$ 401,791	\$ -	\$ 3,264,809

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

The District's policy is to hold investments until maturity and to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity necessary for daily cash flow demands.

Interest Rate Risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The District investment portfolio does not contain investments that exceed the five-year limitation imposed by Colorado Statutes.

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

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a District's investment in a single issuer. The District has no such policy limiting how much can be with one financial institution.

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 in the possession of an outside party. The District had custodial credit risk for its investments at December 31, 2019.

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.

Local Governmental Investment Pools, the District had investments in the Colorado Local Government Liquid Asset Trust (COLOTRUST), a local government investment pool, comprised of two funds: COLOTRUST PRIME and COLOTRUST PLUS+. Prime invests only in U.S. Treasury and government agencies, while Plus invests in U.S. Treasury, government agencies and in the highest-rated commercial paper. Both investment pools are rated AAAM by S&P Global Ratings and operate similar to a money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. The Trust is exempt from registration with the Securities and Exchange Commission. For more information on COLOTRUST call (303) 864-7474 or go to www.colotrust.com.

Fair Value of Investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

There is a hierarchy of three levels of inputs that may be used to measure fair value, as follows:

Level 1: Quoted prices in active markets for an identical asset or liability that a government can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3: Unobservable inputs for an asset or liability.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

The District's investment in COLOTRUST is measured at net asset value, equal to \$1.00 per share. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. There is not an investment component to be valued under GASB Statement 72, *Fair Value Measurement and Application*.

Investment Income

	2019			2018		
	General Fund	Pension Fund	Total	General Fund	Pension Fund	Total
Earnings on investments	\$ 21,211	\$ 52,768	\$ 73,979	\$ 9,872	\$ 57,213	\$ 67,085
Net increase (decrease) in the fair value of investments	-	(10,383)	(10,383)	-	(121,335)	(121,335)
Net realized gain (loss) on sale of investments	-	-	-	-	(23,407)	(23,407)
Net Investment Income	\$ 21,211	\$ 42,385	\$ 63,596	\$ 9,872	\$ (87,529)	\$ (77,657)

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 - CAPITAL ASSETS

The following is a summary of capital assets as of December 31, 2019:

<u>Governmental Activities</u>	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	\$ 89,765	\$ -	\$ -	\$ 89,765
Depreciable Assets:				
Land improvements	48,994	-	-	48,994
Building and improvements	1,530,600	345,451	-	1,876,051
Vehicles	3,307,087	648,235	(212,844)	3,742,478
Equipment	1,086,409	44,290	-	1,130,699
Furniture and fixtures	7,473	-	-	7,473
Total Assets at Historical Cost	6,070,328	1,037,976	(212,844)	6,895,460
Less: Accumulated Depreciation for:				
Land improvements	(29,062)	(1,676)	-	(30,738)
Building and improvements	(510,707)	(68,897)	-	(579,604)
Vehicles	(1,831,472)	(232,188)	212,844	(1,850,816)
Equipment	(744,945)	(113,531)	-	(858,476)
Furniture and fixtures	(7,473)	-	-	(7,473)
Total Accumulated Depreciation	(3,123,659)	(416,292)	212,844	(3,327,107)
Capital Assets - Net	\$ 2,946,669	\$ 621,684	\$ -	\$ 3,568,353

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 942
Fire fighting	-
Fire prevention	-
Fire training	-
Equipment repair	-
Fire communications	43,560
Fire stations and buildings	371,790
Emergency medical services	-
Total Depreciation Expense	\$ 416,292

NOTE 5 – 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 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

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

December 31, 2019

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

A summary of interfund activities at December 31, 2019 were as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
Governmental Activities				
General Fund	\$ -	\$ 1,286	\$ -	\$ -
Total Governmental Activities	-	1,286	-	-
Fiduciary Activities				
Pension Fund	1,286	-	-	-
Total Fiduciary Activities	1,286	-	-	-
Total	\$ 1,286	\$ 1,286	\$ -	\$ -

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, 2019, and 2018, 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, 2019 and 2018.

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 and is a closed plan.

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).

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 10 – FIREMEN’S PENSION (CONTINUED)

Benefit Provisions (continued)

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).

On August 15, 2019, Pension Board approved to increase benefit payments for 10 to 30 years of service to \$900.00 times years of service divided by 20 with a cap of \$1,350.00 per month for those earning 30 or more years of service (effective 01/01/2020).

System Description

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 the pension funds. The Pension Board is responsible for ensuring that the Account Assets are invested in only those specifically authorized by the “Volunteer Firefighter Pension Act”.

Membership

Plan membership at December 31 consisted of the following:

	2019	2018
Inactive members or beneficiaries currently receiving benefits	29	29
Inactive members entitled to but not yet receiving benefits	6	4
Active members not entitled to benefits	2	5
	<u>37</u>	<u>38</u>
Covered payroll	N/A	N/A

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation on January 1, 2019, using the following key actuarial assumptions:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10 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	PUB-2010 General Employee and Healthy Retiree Tables with Generational Projection using MP2018
Changes in actuarial assumptions	No significant changes in the actuarial assumptions from prior year

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 10 – FIREMEN’S PENSION (CONTINUED)

Investments

Investments at December 31 consisted of the following:

	2019		2018	
Certificates of deposit	\$ -	0.00%	\$ 272,346	29.08%
Annuities	315,000	13.80%	315,557	33.70%
Investments at fair value	345,766	15.15%	348,477	37.22%
Colostrust	1,621,583	71.05%	-	0.00%
Total Investments	\$2,282,349	100.00%	\$ 936,380	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 2019 and 2018, these contributions amounted to \$104,835 and \$151,935, respectively. Colorado statutes provide that benefits are payable only to the extent of assets available in the Firemen’s Pension Plan.

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 4.10%; 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)	\$ 1,296,763	\$ 879,356	\$ 537,636

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 10 – FIREMEN’S PENSION (CONTINUED)

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	\$ 13,086	\$ -	\$ 13,086
Interest on the total pension liability	130,827	-	130,827
Effect of plan changes	440,802	-	440,802
Effect of economic/demographic gains or losses	(55,732)	-	(55,732)
Effect of assumptions changes or inputs	82,071	-	82,071
Benefit payments	(231,750)	(231,750)	-
Employer contributions	-	151,935	(151,935)
Member contributions	-	-	-
Net investment income	-	(87,529)	87,529
Administrative expenses	-	(15,747)	15,747
Net change in total pension liability	379,304	(183,091)	562,395
Total pension liability (asset) - beginning	3,008,782	2,691,821	316,961
Total Pension Liability (Asset) - Ending	\$ 3,388,086	\$ 2,508,730	\$ 879,356

Plan fiduciary net position as a % of total pension liability	74.05%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

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	\$ 76,950	\$ -	\$ 76,950
Difference between expected and actual experiences	-	-	-
Assumption changes	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	(217,123)	217,123
Total	\$ 76,950	\$ (217,123)	\$ 294,073

The \$76,950 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, 2019.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 10 – FIREMEN’S PENSION (CONTINUED)

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2019	\$ 67,092
2020	59,605
2021	49,120
2022	41,306
2023	-
Thereafter	-
Total	\$ 217,123

NOTE 11 – STATEWIDE DEFINED BENEFIT PENSION PLAN

Plan Description

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

The Plan assets are included in the Fire & Police Members’ Benefit Investment Fund and the Fire & Police Members’ Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members.)

The Plan is 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 District enrolls all full-time firefighters in SWBD.

Benefits

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2% of the average of the member’s highest 3 years’ base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter. 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.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 11 – STATEWIDE DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits (continued)

A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least 5 years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least 5 years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member’s average highest 3 years’ base salary for each year of credited service up to 10 years, plus 2.5% for each year of service thereafter.

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, 2019 are as follows:

	Member	Employer
Statewide Defined Benefit Plan (SWBD)	10.50%	8.00%
Statewide Death and Disability Plan (SWD&D) *	1.40%	1.40%
	11.90%	9.40%

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)	5.25%	4.00%
Statewide Death and Disability Plan (SWD&D) *	1.40%	1.40%
	6.65%	5.40%

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

Pension Liability (Asset)

At December 31, 2019, the District reported \$191,140 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, 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, 2019

NOTE 11 – STATEWIDE DEFINED BENEFIT PENSION PLAN (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 (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 7.00%; the municipal bond rate is 3.71%; and the resulting Single Discount Rate is 7.00%.

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 7.00%, 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> 6.00%	<u>Current Rate</u> 7.00%	<u>1% Increase</u> 8.00%
Pension Plan's Net Pension Liability / (Asset)	\$ 741,216	\$ 191,140	\$ (265,139)

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, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Firemen's</u> <u>Pension</u>	<u>Statewide Deferred</u> <u>Benefit Pension</u>	<u>Total</u>
Contributions - Employer	\$ 76,950	\$ 20,936	\$ 97,886

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.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

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, 2018-February 28, 2019; March 1, 2019-February 28, 2020).

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, 2019, and 2018, the District paid on this agreement \$204,064 and \$285,866, respectively.

NOTE 14 – SHORT-TERM DEBT

The District had no short-term debt obligations and had no borrowing during the years ending December 31, 2019 and 2018.

	12/31/2018	Additions	Reductions	12/31/2019
Short-Term Debt	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

Other Debt and Line of Credit

The District has no other debt or unused lines of credit.

NOTE 15 – RELATED PARTY TRANSACTIONS

A District's board of director is the co-owner of H2 Enterprises LLC, a company that does land reclamation services within the Keenesburg area and nationwide. The amount paid to H2 Enterprises LLC was \$42,110 and \$21,650 in 2019 and 2018, respectively. There were no balances due to H2 Enterprises LLC at December 31, 2019 or 2018.

NOTE 16 – 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 1, 2020, 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 March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic and then on March 13, 2020, President Trump declared a nationwide emergency pursuant to Sec. 501(b) of the Stafford Act. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the District, the impact of COVID-19 could be a potential decline or reduction in specific ownership tax revenues in 2020. The financial impact is not reflected in the financial statements as of and for the year ended December 31, 2019 as these events occurred subsequent to year end. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 11 – STATEWIDE 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	\$ 82,536	\$ -	\$ 82,536
Difference between expected and actual experiences	245,598	2,042	243,556
Assumption changes	150,361	-	150,361
Net difference between projected and actual earnings on pension plan investments	185,113	-	185,113
Total	\$ 663,608	\$ 2,042	\$ 661,566

The \$82,536 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, 2019.

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

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 109,839
2020	78,450
2021	66,809
2022	110,537
2023	53,819
Thereafter	159,576
Total	\$ 579,030

Actuarial Assumptions

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability (asset) and actuarially determined contributions for the fiscal year ending December 31, 2019. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2019	January 1, 2018
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of Payroll, Open
Amortization period	N/A	30 Years
Long-term investment rate of return *	7.00%	7.50%
Projected salary increases *	4.25% - 11.25%	4.00% - 14.00%
Cost of living adjustments (COLA)	0.00%	0.00%
* Includes inflation at	2.50%	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Notes to the Basic Financial Statements

December 31, 2019

NOTE 11 – STATEWIDE DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors, reviewed and approved recommended changes to the actuarial assumptions. The assumption changes were effective for actuarial valuations beginning January 1, 2019 and were used in the rollforward calculations of total pension liability as of December 31, 2018. Actuarial assumptions effective for actuarial valuations prior to January 1, 2019 were used in the determination of the actuarially determined contributions as of December 31, 2018. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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%	8.03%
Equity Long/Short	9.0%	6.45%
Private Markets	24.0%	10.00%
Fixed Income	15.0%	2.90%
Absolute Return	9.0%	5.08%
Managed Futures	4.0%	5.35%
Cash	2.0%	2.52%
Total	100.0%	

REQUIRED SUPPLEMENTAL INFORMATION

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Revenues

Budget to Actual - General Fund (unaudited)

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

<i>Non-GAAP Budgetary Basis</i>	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:					
Operating Revenues:					
Property taxes	\$ 2,722,135	\$ 2,722,135	\$ 2,719,161	\$ (2,974)	\$ 1,986,477
Specific ownership taxes	120,000	120,000	185,143	65,143	153,205
Interest on delinquent taxes	500	500	1,258	758	1,440
Special fire protection services	3,000	3,000	66,387	63,387	278,614
Standby	-	-	1,100	1,100	23,952
Permits	-	-	29,200	29,200	12,850
Other income	25,000	25,000	61,212	36,212	71,119
Total Operating Revenues	2,870,635	2,870,635	3,063,461	192,826	2,527,657
Investment Income:					
Earnings on investments	12,000	12,000	21,211	9,211	9,872
Net increase (decrease) in the fair value of investments	1,000	1,000	-	(1,000)	-
Total Investment Income	13,000	13,000	21,211	8,211	9,872
Miscellaneous Revenues:					
Proceeds from sale of assets	-	-	75,000	75,000	94,050
Contributions	-	-	5,466	5,466	12,257
Grant proceeds	-	-	33,486	33,486	81,250
Insurance proceeds	-	-	-	-	-
Total Miscellaneous Revenues	-	-	113,952	113,952	187,557
Total Revenues	\$ 2,883,635	\$ 2,883,635	\$ 3,198,624	\$ 314,989	\$ 2,725,086

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Expenditures

Budget to Actual - General Fund (unaudited)

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

	2019				
<i>Non-GAAP Budgetary Basis</i>	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	2018 Actual
Administration:					
Board compensation	\$ 5,500	\$ 5,500	\$ 5,100	\$ 400	\$ 5,200
Reserve staff	1,500	1,500	1,861	(361)	1,188
Training officer wages	1,350,000	1,650,000	1,631,856	18,144	1,186,406
Payroll taxes	18,000	18,000	28,835	(10,835)	21,484
FPPA Pension and AD&D	160,000	160,000	131,786	28,214	95,757
Subsidies to fire departments	-	-	9,699	(9,699)	11,844
Colorado FF heart and circulatory	-	-	-	-	450
Health insurance	200,000	200,000	262,359	(62,359)	185,510
Nondurable supplies (office)	15,000	15,000	8,020	6,980	7,827
Durable supplies	10,000	10,000	4,731	5,269	8,135
Advertising and legal notices	500	500	575	(75)	1,453
Telephone	9,000	9,000	12,706	(3,706)	10,973
ISP internet service	10,000	10,000	20,941	(10,941)	10,547
Legal	10,000	10,000	19,307	(9,307)	9,116
Accounting	-	-	226	(226)	38
Auditing	14,000	14,000	14,500	(500)	13,800
Consulting fee	18,000	18,000	23,549	(5,549)	17,586
Paychex	3,500	3,500	4,286	(786)	3,804
Actuary study	8,000	8,000	9,600	(1,600)	-
Budgeting	2,500	2,500	2,100	400	1,925
Election	3,000	3,000	-	3,000	12,781
4th of July display	6,500	6,500	7,760	(1,260)	6,100
Miscellaneous	3,500	3,500	1,482	2,018	4,268
Membership dues	4,000	4,000	4,430	(430)	4,581
Background and drug tests	1,000	1,000	1,093	(93)	855
Insurance	3,840	3,840	3,840	-	5,842
Contract services	-	300,000	204,064	95,936	285,866
Contract services other	-	-	13,645	(13,645)	16,428
Treasurer's fee	27,000	27,000	40,807	(13,807)	29,824
Total Administration	1,884,340	2,484,340	2,469,158	15,182	1,959,588
Fire Fighting:					
Insurance - disability and workers comp	41,000	41,000	82,023	(41,023)	36,263
Firefighting supplies	5,000	5,000	68,506	(63,506)	59,443
Durable supplies	115,000	115,000	139,679	(24,679)	88,538
Fuel	31,000	31,000	33,032	(2,032)	30,198
Miscellaneous	750	750	457	293	1,533
Insurance	22,201	22,201	30,089	(7,888)	19,530
Physicals and vaccinations	8,500	8,500	10,285	(1,785)	9,075
Total Fire Fighting	223,451	223,451	364,071	(140,620)	244,580
Fire Prevention:					
Supplies	1,000	1,000	518	482	1,831
Total Fire Prevention	1,000	1,000	518	482	1,831
Fire Training:					
Supplies	10,000	10,000	1,324	8,676	7,508
Education	10,000	10,000	5,935	4,065	16,074
Total Fire Training	20,000	20,000	7,259	12,741	23,582

(continued on next page)

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Expenditures

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

Non-GAAP Budgetary Basis	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
Equipment Repairs:					
Vehicle repairs	\$ 100,000	\$ 100,000	\$ 52,595	\$ 47,405	\$ 101,018
Equipment repairs	-	-	8,076	(8,076)	3,122
Total Equipment Repairs	100,000	100,000	60,671	39,329	104,140
Fire Communications:					
Emergency phone services	-	-	-	-	-
Fire communications	11,050	11,050	19,193	(8,143)	8,282
Total Fire Communications	11,050	11,050	19,193	(8,143)	8,282
Fire Stations and Buildings:					
Nondurable supplies	13,000	13,000	10,198	2,802	7,348
Durable supplies	-	-	9,488	(9,488)	8,224
Utilities	30,000	30,000	29,125	875	23,990
Repairs and maintenance	40,000	40,000	27,078	12,922	28,076
Miscellaneous	1,000	1,000	-	1,000	-
Insurance	3,630	3,630	3,630	-	3,906
Total Fire Stations and Buildings	87,630	87,630	79,519	8,111	71,544
Emergency Medical Services:					
Nondurable supplies	-	-	7,114	(7,114)	5,347
Durable supplies	-	-	4,241	(4,241)	4,953
Physician advisor fees	-	-	2,000	(2,000)	2,000
Education	15,500	15,500	1,828	13,672	1,428
Vaccinations	-	-	-	-	-
Total Emergency Medical Services	15,500	15,500	15,183	317	13,728
Capital Outlay:					
Administration	-	-	-	-	4,436
Fire fighting	20,000	20,000	648,235	(628,235)	230,557
Fire stations and buildings	300,000	900,000	345,451	554,549	571,964
Emergency medical services	40,000	40,000	44,290	(4,290)	-
Total Capital Outlay	360,000	960,000	1,037,976	(77,976)	806,957
Pension Fund Allocation	77,377	77,377	76,950	427	124,050
Contingency Reserve	103,287	103,287	-	103,287	-
Total Expenditures	\$ 2,883,635	\$ 4,083,635	\$ 4,130,498	\$ (46,863)	\$ 3,358,282

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Reconciliation of Budgetary Basis to GAAP Basis

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

Non-GAAP Budgetary Basis	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	
REVENUES:					
Operating revenues	\$ 2,870,635	\$ 2,870,635	\$ 3,063,461	\$ 192,826	\$ 2,527,657
Investment income	13,000	13,000	21,211	8,211	9,872
Miscellaneous revenues	-	-	-	-	-
Total Revenues	2,883,635	2,883,635	3,084,672	201,037	2,537,529
EXPENDITURES:					
Administration	1,884,340	2,484,340	2,469,158	15,182	1,959,588
Fire fighting	223,451	223,451	364,071	(140,620)	244,580
Fire prevention	1,000	1,000	518	482	1,831
Fire training	20,000	20,000	7,259	12,741	23,582
Equipment repair	100,000	100,000	60,671	39,329	104,140
Fire communications	11,050	11,050	19,193	(8,143)	8,282
Fire stations and buildings	87,630	87,630	79,519	8,111	71,544
Emergency medical services	15,500	15,500	15,183	317	13,728
Capital Outlay	360,000	960,000	1,037,976	(77,976)	806,957
Pension fund allocation	77,377	77,377	76,950	427	124,050
Contingency Reserve	103,287	103,287	-	103,287	-
Total Expenditures	2,883,635	4,083,635	4,130,498	(46,863)	3,358,282
Excess (Deficiency) of Revenues over Expenditures	-	(1,200,000)	(1,045,826)	154,174	(820,753)
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	-	-	75,000	75,000	94,050
Contributions	-	-	5,466	5,466	12,257
Grant proceeds	-	-	33,486	33,486	81,250
Insurance proceeds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	113,952	113,952	187,557
Net change in Fund Balance	\$ -	\$ (1,200,000)	(931,874)	\$ 268,126	(633,196)
Fund Balance - beginning of year			1,631,684		2,264,880
Fund Balance - end of year			699,810		1,631,684
Reconciliation of Budgetary Basis to GAAP Basis:					
Net change in Fund Balance			(931,874)		(633,196)
Capital assets sold			-		(27,970)
Capital asset purchases capitalized			1,037,976		806,957
Depreciation expense			(416,292)		(395,365)
Net pension asset (liability)			(170,110)		115,778
Net Change in Net Position			\$ (480,300)		\$ (133,796)

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Revenues & Expenditures

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

Year Ended December 31, 2019

With Comparative Actual Amounts For the Year Ended December 31, 2018

Non-GAAP Budgetary Basis	2019				2018 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	77,377	77,377	76,950	(427)	124,050
Other revenues	-	-	-	-	-
Total Operating Revenues	105,262	105,262	104,835	(427)	151,935
Investment Income:					
Earnings on investments	60,000	60,000	52,768	(7,232)	57,213
Net increase (decrease) in the fair value of investments	-	-	(10,383)	(10,383)	(121,335)
Total Investment Income	60,000	60,000	42,385	(17,615)	(64,122)
Total Revenues	165,262	165,262	147,220	(18,042)	87,813
EXPENDITURES:					
Administration:					
Pension trust administration fee	5,150	5,150	1,120	4,030	15,747
Benefit payments	237,488	237,488	237,488	-	231,750
Total Administration	242,638	242,638	238,608	4,030	247,497
Capital Outlay	-	-	-	-	-
Contingency Reserve	-	-	-	-	-
Total Expenditures	242,638	242,638	238,608	4,030	247,497
Excess (Deficiency) of Revenues over Expenditures	(77,376)	(77,376)	(91,388)	(14,012)	(159,684)
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	\$ (77,376)	\$ (77,376)	(91,388)	\$ (14,012)	(183,091)
Fund Balance - beginning of year			2,508,730		2,691,821
Fund Balance - end of year			\$ 2,417,342		\$ 2,508,730

SOUTHEAST WELD FIRE PROTECTION DISTRICT

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

Firemen's Pension Fund

For The Last 10 Years (to be built prospectively)

Measurement Date Ending December 31,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service Cost	13,086	12,767	17,799	14,376	14,025	N/A	N/A	N/A	N/A	N/A
Interest on the Total Pension Liability	130,827	133,951	139,478	114,619	116,574	N/A	N/A	N/A	N/A	N/A
Effect of Plan Changes	440,802	-	-	612,727	-	N/A	N/A	N/A	N/A	N/A
Difference between Expected and Actual Experience	(55,732)	-	(68,643)	-	-	N/A	N/A	N/A	N/A	N/A
Assumption Changes	82,071	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(231,750)	(201,500)	(211,250)	(174,562)	(174,300)	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	379,304	(54,782)	(122,616)	567,160	(43,701)	-	-	-	-	-
Total Pension Liability - Beginning	3,008,782	3,063,564	3,186,180	2,619,020	2,662,721	-	-	-	-	-
Total Pension Liability - Ending (a)	3,388,086	3,008,782	3,063,564	3,186,180	2,619,020	-	-	-	-	-
Plan Fiduciary Net Position										
Employer Contributions	151,935	176,247	162,565	57,885	159,000	N/A	N/A	N/A	N/A	N/A
Pension Plan Net Investment Income	(87,529)	79,091	64,595	79,965	80,746	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(231,750)	(201,500)	(211,250)	(174,562)	(174,300)	N/A	N/A	N/A	N/A	N/A
Pension Plan Administrative Expense	(15,747)	(208)	(4,805)	(5,136)	(4,633)	N/A	N/A	N/A	N/A	N/A
Net Change in Plan Fiduciary Net Position	(183,091)	53,630	11,105	(41,848)	60,813	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	2,691,821	2,638,191	2,627,086	2,668,934	2,608,121	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	2,508,730	2,691,821	2,638,191	2,627,086	2,668,934	-	-	-	-	-
Net Pension Liability/(Asset) -Ending (a)-(b)	879,356	316,961	425,373	559,094	(49,914)	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.05%	89.47%	86.12%	82.45%	101.91%	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 members of the plan are volunteers, so as such there is no covered payroll.

SOUTHEAST WELD FIRE PROTECTION DISTRICT

Schedule of Contributions

Firemen's Pension Fund

For The Last 10 Years

Fiscal Year Ending December 31, (a.)	Actuarially Determined Contribution (b.)	Actual Contribution (1) * (c.)	Contribution Deficiency (Excess) (d.) = (b.) - (c.)	Covered Payroll (2) ** (e.)	Actual Contribution as a % of Covered Payroll (f.)
2018	58,445	151,935	(93,490)	N/A	N/A
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

* Includes both District and State Fire pension contribution.

** The members of the plan are volunteers, so as such there is no covered payroll.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: January 1, 2019

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 - Level Dollar
Amortization Method	Level Dollar - Closed (prior valuation used an open period)
Remaining Amortization Period	10 years (prior valuation used 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	PUB-2010 General Employee and Healthy Retiree Table with Generational Projection using MP2018. (prior valuation assumed RP-2014 Healthily 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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.00151119%	0.0015326%	0.0000807%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 191,140	\$ (220,489)	\$ 45,652	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered payroll	\$ 1,012,725	\$ 896,463	\$ 646,600	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	18.87%	-24.60%	7.06%	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)	95.20%	106.30%	98.21%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ending December 31	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	81,018	71,717	51,728	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution in relation to the contractually required contribution	(81,018)	(71,717)	(51,728)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 1,012,725	\$ 896,463	646,600	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%	8.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A