

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2016



South Metro Fire Rescue

Arapahoe and Douglas Counties, Colorado



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**South Metro Fire Rescue
ARAPAHOE AND DOUGLAS COUNTIES, COLORADO**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
December 31, 2016**

**Prepared by:
South Metro Fire Rescue Finance**

**SOUTH METRO FIRE RESCUE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016
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SOUTH METRO FIRE RESCUE

June 21, 2017

Citizens of South Metro Fire Rescue Fire Protection District and Members of the Board:

State law requires that all special districts with revenue in excess of \$750,000 file an annual report with the State Auditor within seven months of the close of their fiscal year. This annual report includes a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of South Metro Fire Rescue Fire Protection District for the fiscal year ended December 31, 2016.

This report consists of management's representations concerning the finances of South Metro Fire Rescue. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of South Metro Fire Rescue has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of South Metro Fire Rescue's financial statements. Because the cost of internal controls should not outweigh their benefits, South Metro Fire Rescue's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

South Metro Fire Rescue's financial statements have been audited by Watson Coon & Associates P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of South Metro Fire Rescue for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that South Metro Fire Rescue's financial statements for the fiscal year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. South Metro Fire Rescue's MD&A can be found immediately following the report of the independent auditors.

Profile of the government

South Metro Fire Rescue Fire Protection District (the District) formerly known as South Metro Fire Rescue Authority was legally established on December 14, 2015. The District was formerly operating in an Authority model created on April 24, 2008 by the Creation and Pre-Inclusion Agreement, as amended, whereby Parker Fire Protection District and South Metro Fire Rescue agreed to integrate all aspects of their operations, administration, and services through the formation of a separate legal entity pursuant to §29-1-203(4), C.R.S.

The District is governed, pursuant to provisions of the Colorado Special District Act, by a seven member Boards of Directors. The District's Fire Chief has all powers and authorities provided for a fire chief under §32-1- 1002, C.R.S., and oversees and manages all business and affairs of the District, including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel. The Districts' service areas are located in Douglas and Arapahoe Counties, Colorado. The District was established to provide fire protection and paramedic rescue services.

The annual budget serves as the foundation for the District's financial planning and control. The District maintains budgetary controls that have the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget adopted by the Board. The Board is required to adopt a final budget no later than December 31 of each year. The District uses several funds to account for the activities involved in providing services to the public. The appropriation is at the total fund expenditure level.

Local economy

The District is located on the south and east edge of the Denver Metropolitan Area. The District serves all of the Towns of Parker and Foxfield and the Cities of Greenwood Village, Cherry Hills Village, and Lone Tree, and a portion of the Cities of Centennial and Castle Pines North, as well as some unincorporated areas in both Douglas and Arapahoe counties. It includes the business parks of Meridian and Inverness, portions of the Denver Tech Center, Centennial Airport and Park Meadows Mall.

There is commercial development throughout the District and the District includes several residential developments with some areas of rural residential development. The area is a fairly affluent area with homes in the middle to upper price range. The District includes a mixture of single family homes, apartments, townhomes, and assisted living facilities within the District. The District serves approximately 203,500 residents in Douglas and Arapahoe

Counties. Approximately 58% of the District's population is in Douglas County with 42% in Arapahoe County.

Within the District there are many recreational opportunities. The Cherry Creek Trail and portions of the Cherry Creek Reservoir are within the District. This can be used for horseback riding, biking, running, walking, boating and swimming. The Parker area is geared toward horseback riding with the Colorado Horse Park just at the edge of the District and a horse arena in the middle of the Town of Parker. The District has a wealth of annual events like the Carriage Parade in December and the Parker Country Festival in June. The Fiddler's Green Amphitheater, located in Greenwood Village, hosts many concerts and events throughout the summer. The Park Meadows Mall offers world class shopping and dining opportunities.

The District is currently operating in an improved economy, with unemployment improving and new housing being built within the District boundaries.

The unemployment rate in Douglas County was 2.2% and for Arapahoe County was 2.6%. This compares to 3% for the State of Colorado and 4.7% for the US. The growth in assessed valuation over the last 5 years for the combined Districts has averaged 5.76%. The increase for the 2017 budget year shows an increase of 1.11%.

The per capita income for Douglas County was \$61,303 and for Arapahoe County was \$63,265 for 2016. This is higher than the State of Colorado average of \$52,059 and the US average of \$39,226. The education level of the population in the area covered by the District is higher than the state and the national average.

Long-term financial planning and initiatives

The Unassigned fund balance in the general fund at year end was 53.1% of total general fund expenditures. This is 28.1% more than the District's minimum required balance.

The District expects that 21 fire stations will be required to provide the desired service to the citizens at total build-out of the District. Land has been purchased or identified for those stations yet to be built. Each year the District prepares a 5- year financial plan, which includes capital replacement and new construction. This is done as part of the budget process. Construction is very robust within the District at this time. Coverage will be monitored to determine when new stations need to be constructed.

Relevant financial policies

The District has adopted a comprehensive set of financial policies. The District requires a fund balance in the General Fund at the end of the year that is equal to or greater than 25% of expenditures. The Capital Projects Fund has a cash balance of \$5.4 million net of payments due to the General Fund. Transfers from the General Fund to the Capital Projects Fund along

with other financing options are being considered for the purpose of funding future capital projects.

Awards and Acknowledgements

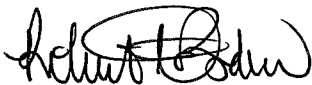
The District received the GFOA's Distinguished Budget Presentation Award for its 2016 Budget. In order to qualify for the Distinguished Budget Presentation Award, the District's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for the comprehensive annual financial report for the fiscal year ended December 31, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance bureau. We would like to express our appreciation to all members of the District who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of District finances.

Respectfully submitted,



Bob Baker
Fire Chief



Dillon Miskimins
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**South Metro Fire Rescue Authority
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

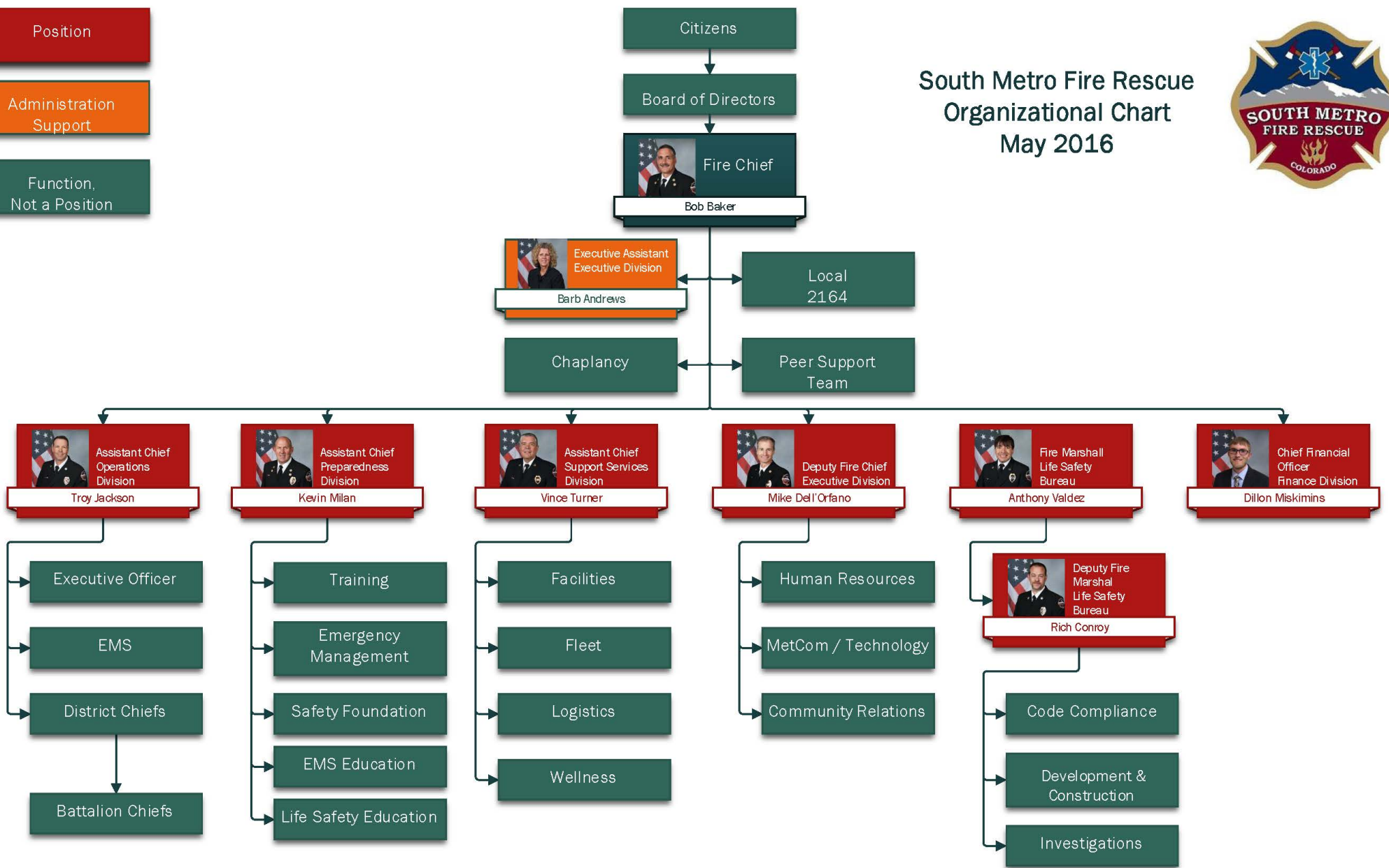
Executive Director/CEO

Position

Administration Support

Function, Not a Position

South Metro Fire Rescue Organizational Chart May 2016



GOVERNANCE

Appointed Officials, Board of Directors

Laura Simon, Chair

David Jackson, Vice Chair

Rich Sokol, Treasurer

Ronda Scholting, Secretary

William Shriver, Director

Hank Eng, Director

Danny Gaddy, Director

Executive Team

Bob Baker, Fire Chief

Mike Dell'Orfano, Deputy Fire Chief

Troy Jackson, Assistant Chief of Operations

Kevin Milan, Assistant Chief of Preparedness

Vince Turner, Assistant Chief of Support Services

Dillon Miskimins, Chief Financial Officer

Niki Coughlin, Human Resources Director

Kristin Eckmann, Communications Director



INDEPENDENT AUDITOR'S REPORT

Board of Directors
South Metro Fire Rescue Fire Protection District
Arapahoe and Douglas Counties, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the South Metro Fire Rescue Fire Protection District (District), Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary funds of the District, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Special

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, comparative fund financial statements, budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Watson Coon & Associates P.C.

Greenwood Village, Colorado
June 12, 2017

South Metro Fire Rescue Fire Protection District Management's Discussion and Analysis

As management of South Metro Fire Rescue Fire Protection District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the the District for the fiscal years ending December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 4 of this report.

Financial Highlights

- The assets of South Metro Fire Rescue exceeded its liabilities at the close of the most recent fiscal year by \$95,539,466. Of this amount \$40,611,861 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$580,400. The decrease is primarily related to additional costs incurred during the transition of moving MetCom to an internal division instead of an outsourced function.
- As of the close of the current fiscal year, South Metro Fire Rescue's governmental funds reported combined ending fund balances of \$42,342,816.
- At the end of the current fiscal year, unassigned fund balance for the general fund is \$33,265,913 or 53% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to South Metro Fire Rescue Fire Protection District's basic financial statements. The District's basic financial statements comprise three components:

- government-wide financial statements
- fund financial statements
- notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include Field operations, Preparedness, Support services, Life safety bureau, MetCom/Technical and Fleet services. The business-type activities of the District include the building rental and ambulance transport funds.

The government-wide financial statements can be found on pages 21 - 22 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. South Metro Fire Rescue Fire Protection District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into three categories:

- governmental funds
- proprietary funds
- fiduciary funds

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The District maintains five individual governmental funds, with two of those funds ceasing to exist after 2016. The Parker Fire Protection District Special Revenue Fund and the South Metro Fire Rescue Special Revenue Fund were used in prior years during the time when the District was operating under an Authority model. As the two Districts completely merged in 2016, these two Special Revenue Funds are no longer needed. Information is presented

separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and the three special revenue funds which are all considered to be major funds.

The District adopts an annual appropriated budget for its general fund, capital projects fund, and the three special revenue funds. Budgetary comparison statements have been provided for the general fund and the three special revenue funds, and a budgetary comparison schedule has been provided as supplemental information for the capital projects fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 23 - 25 of this report.

Proprietary Funds. The District maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the building rental fund and the ambulance transport fund.

The proprietary fund financial statements provide separate information for the building rental fund and the ambulance transport fund, which are considered to be major funds of the District.

The basic proprietary fund financial statements can be found on pages 30 - 33 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34 - 35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and non-required supplementary information concerning the South Metro Fire Rescue District's financial and operational activity. This supplementary information and individual fund statements and schedules can be found on page 64-83 of this report.

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the government's financial position. In the case of South Metro Fire Rescue Fire Protection District, assets exceeded liabilities by \$95,539,466 at the close of the most recent fiscal year.

A portion of the District's net position reflects its investment in capital assets (i.e., land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

South Metro Fire Rescue district Statement of Net Position

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	2016	2016	2016	2015	2015	2015
Current and other assets	\$ 98,982,483	\$ 7,060,018	\$ 106,042,501	\$ 105,253,335	\$ 5,823,547	\$ 111,076,882
Capital assets	45,859,677	6,760,140	52,619,817	40,310,492	7,080,071	47,390,563
Total assets	144,842,160	13,820,158	158,662,318	145,563,827	12,903,618	158,467,445
Total deferred outflows of resources	380,721	—	380,721	248,410	—	248,410
Long-term liabilities outstanding	3,197,553	179,177	3,376,730	2,708,734	162,984	2,871,718
Other liabilities	6,240,502	158,258	6,398,760	5,757,027	175,245	5,932,272
Total liabilities	9,438,055	337,435	9,775,490	8,465,761	338,229	8,803,990
Total deferred inflows of resources	53,728,083	—	53,728,083	53,629,744	162,255	53,791,999
Net position:						
Net investments in capital assets	45,859,677	6,760,140	52,619,817	40,310,492	7,080,071	47,390,563
Restricted	2,307,788	—	2,307,788	1,677,229	—	1,677,229
Unrestricted	33,889,278	6,722,583	40,611,861	41,729,011	5,323,063	47,052,074
Total net position	\$ 82,056,743	\$ 13,482,723	\$ 95,539,466	\$ 83,716,732	\$ 12,403,134	\$ 96,119,866

At the end of the current fiscal year, the District is able to report a positive balance in all categories of net position, both for the government as a whole as well as for its business-type activities. Net investments in capital assets increased \$5,229,254 net of related debt.

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains the requirement of setting an emergency reserve. This reserve cannot be accessed except for during an unexpected disaster. This reserve amounts to \$1,855,245 as of December 31, 2016.

The district's net position decreased by \$580,400 during the current fiscal year.

Governmental Activities. Governmental activities decreased South Metro Fire Rescue District's net position by \$1,659,989. Key elements of this decrease are as follows:

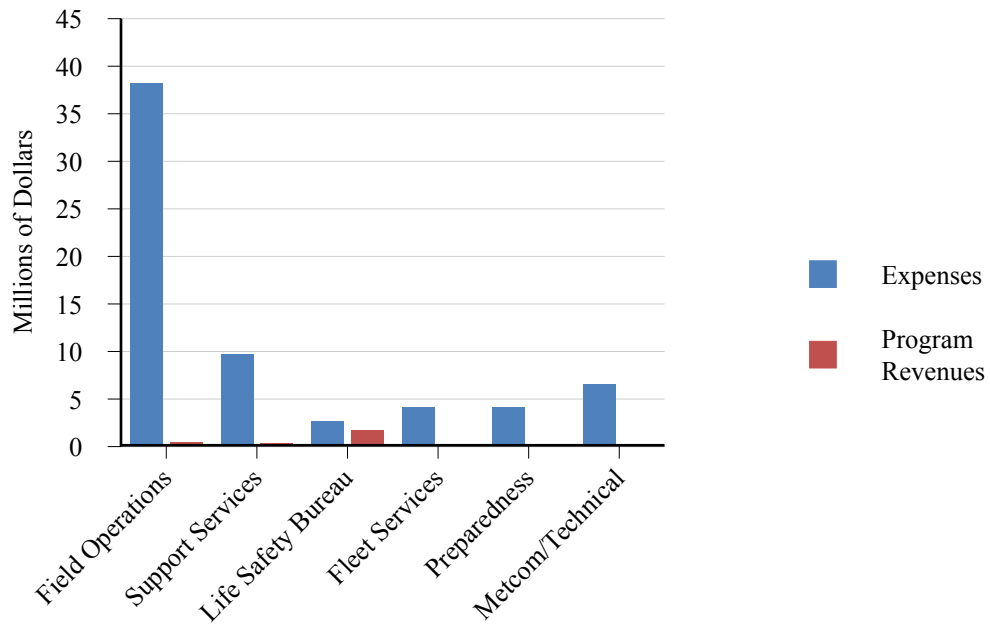
- Total expenses exceeded total revenues in 2016. Overall both expenses and revenues increased when compared to 2015.

- The District moved forward with the goal of having four person staffing on all the apparatus during 2016. This increased staffing levels and increased expenses related to salaries, benefits and academy programs as related to Field Operations.
- The District also incorporated MetCom into the District during 2016. This eliminated paying for Dispatch related services to an external party while increasing program costs related to MetCom/Technical Services.

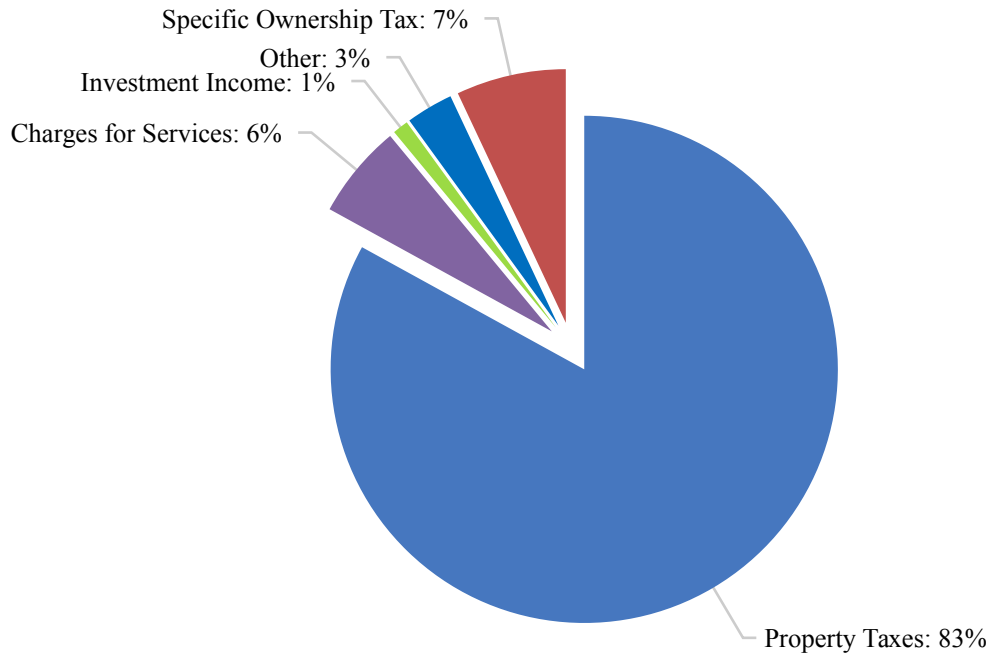
South Metro Fire Rescue District
Changes in Net Position

	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	2016	2016	2016	2015	2015	2015
Revenues:						
Program revenues:						
Charges for services	\$ 3,324,030	\$ 5,657,935	\$ 8,981,965	\$ 2,932,471	\$ 5,485,410	\$ 8,417,881
General revenues:						
Property and other taxes	58,280,936	—	58,280,936	56,170,280	—	56,170,280
Other income	2,351,947	62,906	2,414,853	441,220	114,405	555,625
Total revenues	<u>63,956,913</u>	<u>5,720,841</u>	<u>69,677,754</u>	<u>59,543,971</u>	<u>5,599,815</u>	<u>65,143,786</u>
Expenses:						
Field operations	38,237,300	—	38,237,300	37,210,868	—	37,210,868
Preparedness	4,149,473	—	4,149,473	4,295,777	—	4,295,777
Support services	9,750,459	—	9,750,459	12,200,292	—	12,200,292
Life safety bureau	2,699,413	—	2,699,413	2,430,675	—	2,430,675
Fleet services	4,125,614	—	4,125,614	3,753,049	—	3,753,049
Metcom/Technical Services	6,654,643	—	6,654,643	—	—	—
Rental building	—	864,682	864,682	—	1,087,384	1,087,384
Ambulance	—	3,776,570	3,776,570	—	3,960,029	3,960,029
Total expenses	<u>65,616,902</u>	<u>4,641,252</u>	<u>70,258,154</u>	<u>59,890,661</u>	<u>5,047,413</u>	<u>64,938,074</u>
Increase (decrease) in net position	(1,659,989)	1,079,589	(580,400)	(346,690)	552,402	205,712
Net position-beginning	83,716,732	12,403,134	96,119,866	84,063,422	11,850,732	95,914,154
Net position-ending	<u>\$ 82,056,743</u>	<u>\$ 13,482,723</u>	<u>\$ 95,539,466</u>	<u>\$ 83,716,732</u>	<u>\$ 12,403,134</u>	<u>\$ 96,119,866</u>

Expenses and Program Revenues- Governmental Activities

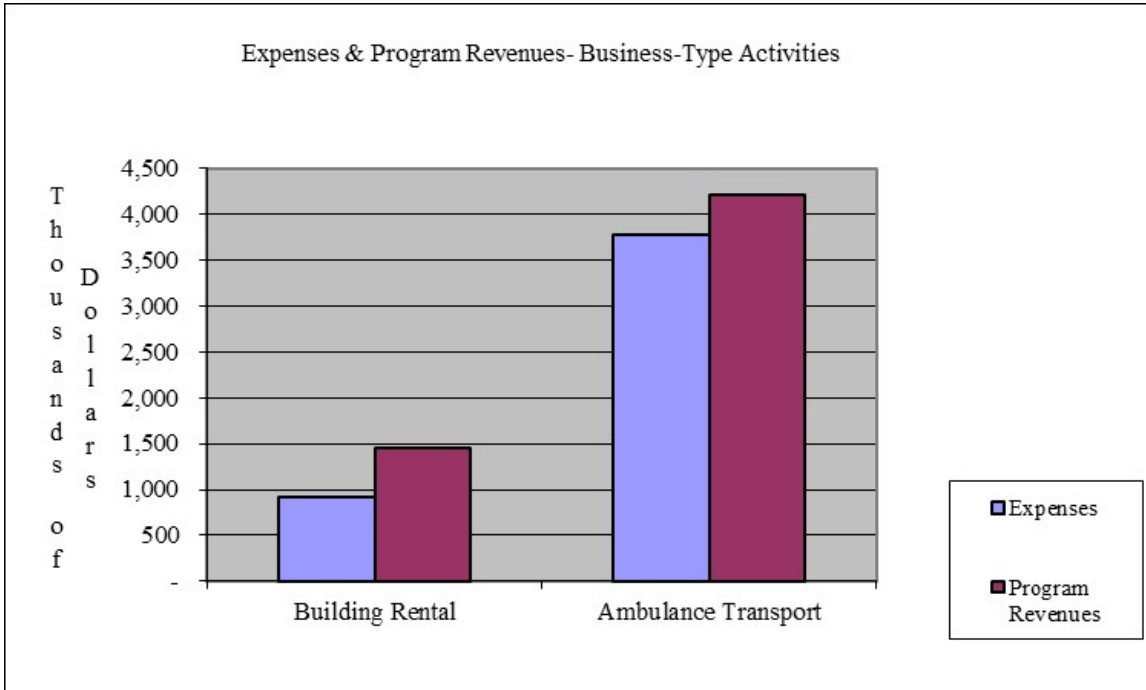


Revenues by Sources - Governmental Activities



Business-Type Activities. Business-type activities increased the District’s net position by \$1,079,589. Key elements of this increase are as follows:

- The net income in the ambulance fund is \$535,453. This included an increase of 0.4% in the number of transports.
- The net income in the building rental fund is \$544,136.



Financial Analysis of the Government’s Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District’s governmental funds reported combined fund balances of \$42,342,816 a decrease of \$6,839,297 from the beginning of the year. The decrease is due to a large increase in capital expenditures in 2016. A large portion of the District's fund balance constitutes unassigned and assigned fund balance, which is available for spending at the government’s discretion. The TABOR emergency reserve of \$1,855,245 is legally restricted. The non-spendable inventory and prepaid items along with the amount restricted for pension payments in the Cherry Hills Pension Fund are also not available for spending by the District.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$33,265,913, while total fund balance was \$36,542,726. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 53.3% of total general fund expenditures, while total fund balance represents 58.29% of the same amount.

The fund balance of the District's general fund increased by \$538,013 during the current fiscal year. The key factor in this increase is the increase in property taxes and specific ownership tax.

Proprietary Funds. The District's proprietary funds provide details of the activity of the Building Rental and Ambulance Transport funds.

The building rental fund has a positive unrestricted net position balance of \$2,157,437 due to increased rent for the rental of additional space finished on the 2nd and 3rd floors. The ambulance fund has a positive unrestricted net position balance of \$4,565,146.

General Fund Budgetary Highlights

There were amendments to the budget during 2016 to account for the change in the structure of the District. With the Authority model departure, two special revenue funds were no longer accounted for separately and were merged into the activity of the general fund. This change required an amendment to the general fund's original budget.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental and business type activities as of December 31, 2016 amounts to \$52,619,817 (net of accumulated depreciation) . This investment in capital assets includes land, buildings, vehicles, and equipment. The major additions to the fixed assets in 2016 are the purchase of fourteen apparatus and vehicles and the construction of Station 31.

**South Metro Fire Rescue's Capital Assets
(Net of Depreciation)**

	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
	2016	2016	2016	2015	2015	2015
Land	\$ 5,131,453	\$ 2,598,566	\$ 7,730,019	\$ 5,131,453	\$ 2,598,566	\$ 7,730,019
Buildings	26,317,983	3,140,484	29,458,467	23,866,122	3,289,772	27,155,894
Vehicles	7,720,582	607,929	8,328,511	6,040,488	887,338	6,927,826
Equipment	2,212,104	168,676	2,380,780	1,774,494	304,395	2,078,889
Construction in Progress	4,477,555	244,485	4,722,040	3,497,935	—	3,497,935
Total	\$ 45,859,677	\$ 6,760,140	\$ 52,619,817	\$ 40,310,492	\$ 7,080,071	\$ 47,390,563

Additional information on the District’s capital assets can be found in the notes sections on page 49 of this report.

Long-term debt. State statutes limit the general obligation debt of the District to 50% of total assessed valuation. The District has an internal financial policy limiting debt to an amount that can be paid with 3 mills of revenue on current assessed value at the time of issue. Debt may only be issued to purchase capital assets with a life of at least 3 years and a cost of at least \$15,000.

At the end of the current fiscal year there was no bonded debt outstanding nor was there any authorized but unissued debt for the District. The capital leases of the District are not general obligations of the District and are paid solely from the District’s revenues as appropriated in the annual budget. The District currently does not have any outstanding debt.

Additional information on the District’s long-term obligations can be found in note 8 and 9 on page 51 in the notes section of this report.

South Metro Fire Rescue district						
Long Term Liabilities						
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
	2016	2016	2016	2015	2015	2015
Compensated absences	\$ 4,026,326	\$ 167,917	\$ 4,194,243	\$ 3,777,167	\$ 184,904	\$ 3,962,071
Net pension liability	2,504,313	—	2,504,313	2,269,997	—	2,269,997
	<u>\$ 6,530,639</u>	<u>\$ 167,917</u>	<u>\$ 6,698,556</u>	<u>\$ 6,047,164</u>	<u>\$ 184,904</u>	<u>\$ 6,232,068</u>

Economic Factors and Next Year’s Budgets

The unemployment rate for Douglas County and Arapahoe County, which encompasses the entire District, was approximately 2.2% for Douglas and 2.6% for Arapahoe. This compares to the Colorado state unemployment rate of 3% and the national unemployment rate of 4.7%.

Inflation in the region for 2016 was 2.7% as compared to the national inflation rate of 2.1%. Thus inflationary trends were higher than the national rate in this area.

The outstanding delinquent property taxes in 2016 were 0.13%. The real estate values in the District coverage area have increased in the short term. There is a lot of construction of residential and commercial properties. The assessed values within the District boundaries for the 2016 assessment for property tax collection increased 3.7% overall.

Request for Information

This financial report is designed to provide a general overview of South Metro Fire Rescue Fire Protection District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or request for additional

financial information should be addressed to the Chief Financial Officer, South Metro Fire Rescue, 9195 E. Mineral Avenue, Centennial, CO 80112.

BASIC FINANCIAL STATEMENTS

**SOUTH METRO FIRE RESCUE
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 41,084,255	\$ 5,824,277	\$ 46,908,532
Cash and investments - restricted	2,303,620	—	2,303,620
Receivables (net of allowance for uncollectible)	473,156	1,106,624	1,579,780
Receivable - County Treasurer	53,695,716	—	53,695,716
Prepaid items	915,610	—	915,610
Inventories	505,958	129,117	635,075
Net pension asset	4,168	—	4,168
Capital assets (net of accumulated depreciation):			
Land	5,131,453	2,598,566	7,730,019
Building	26,317,983	3,140,485	29,458,468
Vehicles	7,720,582	607,928	8,328,510
Equipment	2,212,104	168,676	2,380,780
Construction in progress	4,477,555	244,485	4,722,040
Total capital assets	<u>45,859,677</u>	<u>6,760,140</u>	<u>52,619,817</u>
Total assets	<u>144,842,160</u>	<u>13,820,158</u>	<u>158,662,318</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	380,721	—	380,721
Total deferred outflows of resources	<u>380,721</u>	<u>—</u>	<u>380,721</u>
LIABILITIES			
Accounts and wages payables	2,907,416	169,518	3,076,934
Compensated absences - current	290,137	9,659	299,796
Net pension liability	2,504,313	—	2,504,313
Compensated absences	3,736,189	158,258	3,894,447
Total liabilities	<u>9,438,055</u>	<u>337,435</u>	<u>9,775,490</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	53,695,716	—	53,695,716
Unearned revenue	32,367	—	32,367
Total deferred inflows of resources	<u>53,728,083</u>	<u>—</u>	<u>53,728,083</u>
NET POSITION			
Net investment in capital assets	45,859,677	6,760,140	52,619,817
Restricted:			
Emergency reserve (TABOR)	1,855,245	—	1,855,245
Pension funds	448,375	—	448,375
Net pension asset	4,168	—	4,168
Unrestricted	33,889,278	6,722,583	40,611,861
Total net position	<u>82,056,743</u>	<u>13,482,723</u>	<u>95,539,466</u>

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Program Revenues</u>		<u>Net (Expenses) Revenue & Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
FUNCTIONS/PROGRAMS					
Governmental activities:					
Field operations	\$ (38,237,300)	\$ 544,856	\$ (37,692,444)	\$ —	\$ (37,692,444)
Preparedness	(4,149,473)	170,598	(3,978,875)	—	(3,978,875)
Fleet services	(4,125,614)	206,799	(3,918,815)	—	(3,918,815)
Support services	(9,750,459)	486,472	(9,263,987)	—	(9,263,987)
Life Safety Bureau	(2,699,413)	1,701,879	(997,534)	—	(997,534)
Metcom/Technical Services	(6,654,643)	213,426	(6,441,217)	—	(6,441,217)
Total governmental activities	(65,616,902)	3,324,030	(62,292,872)	—	(62,292,872)
Business-type activities:					
Building rental	(864,682)	1,447,718	—	583,036	583,036
Ambulance transport	(3,776,570)	4,210,217	—	433,647	433,647
Total business-type activities	(4,641,252)	5,657,935	—	1,016,683	1,016,683
Total government	\$ (70,258,154)	\$ 8,981,965	(62,292,872)	1,016,683	(61,276,189)
General revenues					
Property taxes			53,737,956	—	53,737,956
Specific ownership tax			4,542,980	—	4,542,980
Investment earnings			556,239	7,649	563,888
Sale of assets			47,236	—	47,236
Miscellaneous income			19,596	55,257	74,853
Special item - acquisition of MetCom			1,728,876	—	1,728,876
Total general revenues			60,632,883	62,906	60,695,789
Change in net position			(1,659,989)	1,079,589	(580,400)
Net position -beginning			83,716,732	12,403,134	96,119,866
Net position - ending			\$ 82,056,743	\$ 13,482,723	\$ 95,539,466

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

**SOUTH METRO FIRE RESCUE
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Special Revenue Funds					Total Governmental Funds
	General Fund	Capital Projects Fund	Parker Fire Protection District Fund	South Metro Fire Rescue Fund	Cherry Hills Pension Fund	
ASSETS						
Cash and investments	\$ 32,422,157	\$ 8,662,098	\$ —	\$ —	\$ —	\$ 41,084,255
Cash and investments - restricted	1,855,245	—	—	—	448,375	2,303,620
Accounts receivable	446,584	26,572	—	—	—	473,156
Property taxes receivable	53,454,662	—	—	—	241,054	53,695,716
Prepaid items	915,610	—	—	—	—	915,610
Inventory	505,958	—	—	—	—	505,958
Due from other funds	3,206,880	—	—	—	—	3,206,880
Total assets	<u>\$ 92,807,096</u>	<u>\$ 8,688,670</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 689,429</u>	<u>\$ 102,185,195</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	\$ 1,083,364	\$ 130,075	\$ —	\$ —	\$ —	\$ 1,213,439
Accrued wages	1,693,977	—	—	—	—	1,693,977
Due to other funds	—	3,206,880	—	—	—	3,206,880
Total liabilities	<u>2,777,341</u>	<u>3,336,955</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,114,296</u>
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue	32,367	—	—	—	—	32,367
Property tax revenue	53,454,662	—	—	—	241,054	53,695,716
Total deferred inflows of resources	<u>53,487,029</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>241,054</u>	<u>53,728,083</u>
FUND BALANCES						
Non-spendable:						
Inventory	505,958	—	—	—	—	505,958
Prepaid items	915,610	—	—	—	—	915,610
Restricted:						
Emergency reserve	1,855,245	—	—	—	—	1,855,245
Pension funds	—	—	—	—	448,375	448,375
Assigned:						
Capital projects	—	5,351,715	—	—	—	5,351,715
Unassigned:						
	33,265,913	—	—	—	—	33,265,913
Total fund balance	<u>36,542,726</u>	<u>5,351,715</u>	<u>—</u>	<u>—</u>	<u>448,375</u>	<u>42,342,816</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 92,807,096</u>	<u>\$ 8,688,670</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 689,429</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds	45,859,677
The net pension asset is not an available resource, and therefore is not reported in the funds	4,168
Long term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in these funds	(4,026,326)
Pension related actuarial assumptions, differences between actual and expected experience and investment earnings	(2,123,592)
Net position of governmental activities	<u>82,056,743</u>

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

SOUTH METRO FIRE RESCUE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds					Totals
	General Fund	Capital Projects Fund	Parker Fire Protection District Fund	South Metro Fire Rescue Fund	Cherry Hills Pension Fund	
REVENUES						
Property taxes	\$ 53,545,907	\$ —	\$ —	\$ —	\$ 192,050	\$ 53,737,957
Specific ownership taxes	4,528,162	—	—	—	14,818	4,542,980
Net investment earnings	423,816	129,220	—	—	3,203	556,239
Rental income	217,357	—	—	—	—	217,357
Miscellaneous revenue	3,126,271	—	—	—	—	3,126,271
Total revenues	61,841,513	129,220	—	—	210,071	62,180,804
EXPENDITURES						
Public safety:						
Administration	6,817,811	17,248	—	—	2,885	6,837,944
Field operations	37,948,397	—	—	—	201,921	38,150,318
Preparedness	4,115,740	—	—	—	—	4,115,740
Life safety bureau	2,698,514	—	—	—	—	2,698,514
Technology	6,249,759	—	—	—	—	6,249,759
Fleet maintenance	2,641,530	—	—	—	—	2,641,530
Buildings and grounds maintenance	1,652,585	—	—	—	—	1,652,585
Capital outlay	570,171	7,194,596	—	—	—	7,764,767
Total expenditures	62,694,507	7,211,844	—	—	204,806	70,111,157
Excess of Revenues Over (Under) Expenditures	(852,994)	(7,082,624)	—	—	5,265	(7,930,353)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	299,951	—	—	—	—	299,951
Transfers to other funds	(101,806)	—	(149,945)	(150,006)	—	(401,757)
Sale of capital assets	47,236	—	—	—	—	47,236
Total other financing sources (uses)	245,381	—	(149,945)	(150,006)	—	(54,570)
SPECIAL ITEM						
Acquisition of MetCom	1,145,626	—	—	—	—	1,145,626
Net change in fund balances	538,013	(7,082,624)	(149,945)	(150,006)	5,265	(6,839,297)
Fund balances - beginning of year	36,004,713	12,434,339	149,945	150,006	443,110	49,182,113
Fund balances - end of year	<u>\$ 36,542,726</u>	<u>\$ 5,351,715</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 448,375</u>	<u>\$ 42,342,816</u>

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

**SOUTH METRO FIRE RESCUE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total Governmental Funds	\$ (6,839,297)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions (less removed assets)	8,967,803
Depreciation expense	(3,418,618)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.

Compensated absences - change in liability	(249,159)
Pension expense	(120,718)

Changes in net position of governmental activities	\$ (1,659,989)
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The accompanying notes are an integral part of the financial statements.

**SOUTH METRO FIRE RESCUE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 53,936,622	\$ 53,936,622	\$ 53,545,907	(390,715)
Specific ownership taxes	4,400,000	4,400,000	4,528,162	128,162
Net investment earnings	220,000	220,000	423,816	203,816
Rental income	158,800	158,800	217,357	58,557
Miscellaneous revenue	2,584,411	3,393,470	3,126,271	(267,199)
Total revenues	<u>61,299,833</u>	<u>62,108,892</u>	<u>61,841,513</u>	<u>(267,379)</u>
EXPENDITURES				
Public safety				
Administration	6,654,261	7,463,320	6,817,811	645,509
Field operations	35,256,609	35,256,609	37,948,397	(2,691,788)
Preparedness	5,492,115	5,492,115	4,115,740	1,376,375
Life safety bureau	2,741,707	2,741,707	2,698,514	43,193
Metcom/Technical Service	6,427,699	6,427,699	6,249,759	177,940
Fleet maintenance	2,772,965	2,772,965	2,641,530	131,435
Buildings and grounds maintenance	1,742,123	1,742,123	1,652,585	89,538
Capital outlay	860,140	860,140	570,171	289,969
Total expenditures	<u>61,947,619</u>	<u>62,756,678</u>	<u>62,694,507</u>	<u>62,171</u>
Excess of revenues over (under) expenditures	<u>(647,786)</u>	<u>(647,786)</u>	<u>(852,994)</u>	<u>(205,208)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	950,000	950,000	299,951	(650,049)
Transfer to other funds	(5,000,000)	(5,000,000)	(101,806)	4,898,194
Sale of capital assets	100,000	100,000	47,236	(52,764)
Total other financing sources (uses)	<u>(3,950,000)</u>	<u>(3,950,000)</u>	<u>245,381</u>	<u>4,195,381</u>
SPECIAL ITEM				
Acquisition of MetCom	<u>—</u>	<u>—</u>	<u>1,145,626</u>	<u>1,145,626</u>
Net change in fund balances	(4,597,786)	(4,597,786)	538,013	5,135,799
Fund balances - beginning of year	<u>38,669,042</u>	<u>38,669,042</u>	<u>36,004,713</u>	<u>(2,664,329)</u>
Fund balances - end of year	<u>\$ 34,071,256</u>	<u>\$ 34,071,256</u>	<u>\$ 36,542,726</u>	<u>2,471,470</u>

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKER FIRE PROTECTION DISTRICT - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Total revenues	\$ 18,478,409	\$ —	\$ (18,478,409)
EXPENDITURES			
Total expenditures	—	—	—
Excess of revenues over expenditures	18,478,409	—	(18,478,409)
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(18,628,409)	(149,945)	18,478,464
Total other financing sources (uses)	(18,628,409)	(149,945)	18,478,464
Fund balances - beginning of year	150,000	149,945	(55)
Fund balances - end of year	\$ —	\$ —	\$ —

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SOUTH METRO FIRE RESCUE - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Total revenues	\$ 39,858,213	\$ —	\$ (39,858,213)
EXPENDITURES			
Total expenditures	—	—	—
Excess of revenues over expenditures	39,858,213	—	(39,858,213)
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	(40,008,213)	(150,006)	39,858,207
Fund balances - beginning of year	150,000	150,006	6
Fund balances - end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHERRY HILLS PENSION - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 193,294	\$ 192,050	\$ (1,244)
Specific ownership taxes	16,000	14,818	(1,182)
Net investment earnings	1,000	3,203	2,203
Total revenues	<u>210,294</u>	<u>210,071</u>	<u>(223)</u>
EXPENDITURES			
Administration	2,899	2,885	14
Contribution to pension plan	201,921	201,921	—
Total expenditures	<u>204,820</u>	<u>204,806</u>	<u>14</u>
Excess of revenues over expenditures	5,474	5,265	(209)
Fund balances - beginning of year	<u>444,644</u>	<u>443,110</u>	<u>(1,534)</u>
Fund balances - end of year	<u>\$ 450,118</u>	<u>\$ 448,375</u>	<u>\$ (1,743)</u>

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

	Ambulance Transport Fund	Building Rental Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,650,868	\$ 2,173,409	\$ 5,824,277
Investments	—	—	—
Inventories	129,117	—	129,117
Accounts receivable (net of allowance for uncollectible)	1,082,134	24,490	1,106,624
Total current assets	<u>4,862,119</u>	<u>2,197,899</u>	<u>7,060,018</u>
Capital assets:			
Land	—	2,598,566	2,598,566
Buildings	—	11,328,512	11,328,512
Vehicles	3,046,329	—	3,046,329
Equipment	920,368	—	920,368
Construction in progress	244,485	—	244,485
Less accumulated depreciation	<u>(3,190,092)</u>	<u>(8,188,028)</u>	<u>(11,378,120)</u>
Total capital assets (net of accumulated depreciation)	<u>1,021,090</u>	<u>5,739,050</u>	<u>6,760,140</u>
Total assets	<u>5,883,209</u>	<u>7,936,949</u>	<u>13,820,158</u>
LIABILITIES			
Current liabilities:			
Accounts payable	50,388	40,462	90,850
Wages payable	78,668	—	78,668
Long term liabilities:			
Compensated absences	<u>167,917</u>	—	<u>167,917</u>
Total current liabilities	<u>296,973</u>	<u>40,462</u>	<u>337,435</u>
NET POSITION			
Net investment in capital assets	1,021,090	5,739,050	6,760,140
Unrestricted	<u>4,565,146</u>	<u>2,157,437</u>	<u>6,722,583</u>
Total net position	<u>\$ 5,586,236</u>	<u>\$ 7,896,487</u>	<u>\$ 13,482,723</u>

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Ambulance Transport Fund	Building Rental Fund	Total Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 4,210,217	\$ 1,392,724	\$ 5,602,941
OPERATING EXPENSES			
Fleet, building and grounds maintenance	35,333	625,344	660,677
Medical operations	3,326,109	—	3,326,109
Depreciation	415,128	239,338	654,466
Total operating expenses	3,776,570	864,682	4,641,252
Operating income	433,647	528,042	961,689
NONOPERATING INCOME			
Miscellaneous revenue	101,806	16,094	117,900
Total nonoperating income	101,806	16,094	117,900
Change in net position	535,453	544,136	1,079,589
Total net position - beginning of year	5,050,783	7,352,351	12,403,134
Total net position - end of year	<u>\$ 5,586,236</u>	<u>\$ 7,896,487</u>	<u>\$ 13,482,723</u>

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Ambulance Transport Fund	Building Rental Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,178,387	\$ 826,446	\$ 5,004,833
Receipts from interfund services provided	—	400,000	400,000
Payments to suppliers	(1,547,446)	(658,536)	(2,205,982)
Payments to employees	(1,792,813)	—	(1,792,813)
Payments for interfund services used	(137,139)	—	(137,139)
Net cash provided by operating activities	<u>700,989</u>	<u>567,910</u>	<u>1,268,899</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Miscellaneous revenue	101,806	62,643	164,449
Capital purchases	(373,604)	(90,049)	(463,653)
Net cash (used) by capital and related financing activities	<u>(271,798)</u>	<u>(27,406)</u>	<u>(299,204)</u>
Net increase in cash and deposits	429,191	540,504	969,695
Cash and investments, January 1	<u>3,221,677</u>	<u>1,632,905</u>	<u>4,854,582</u>
Cash and investments, December 31	<u><u>\$ 3,650,868</u></u>	<u><u>\$ 2,173,409</u></u>	<u><u>\$ 5,824,277</u></u>

(Continued)

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

SOUTH METRO FIRE RESCUE AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

	<u>Ambulance Transport Fund</u>	<u>Building Rental Fund</u>	<u>Total Enterprise Funds</u>
Reconciliation of operating income to net cash provided(used) by operating activities:			
Operating income	\$ 433,647	\$ 481,493	\$ 915,140
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense (Increase) decrease in:	415,128	239,338	654,466
Accounts receivable	(242,976)	(4,023)	(246,999)
Allowance for uncollectible accounts	109,341	—	109,341
Increase (decrease) in:			
Accounts payable	(8,802)	13,357	4,555
Wages payable	11,638	—	11,638
Compensated absences	(16,987)	—	(16,987)
Unearned revenue	—	(162,255)	(162,255)
Total adjustments	<u>267,342</u>	<u>86,417</u>	<u>353,759</u>
Net cash provided by operating activities	<u>\$ 700,989</u>	<u>\$ 567,910</u>	<u>\$ 1,268,899</u>

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

**SOUTH METRO FIRE RESCUE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016**

	Total Agency Funds	Total Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ 2,738,784	\$ —
Cash and investments held by trustee	447,371	8,449
Receivable	19,708	—
Total assets	\$ 3,205,863	\$ 8,449
LIABILITIES		
Due to other governments	484,413	
Held for JACC	186,851	
Held for medical claims	2,534,599	
Total liabilities	\$ 3,205,863	
NET POSITION		
Net position restricted for pensions		\$ 8,449

The accompanying notes are an integral part of the financial statements

**SOUTH METRO FIRE RESCUE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Total Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 14,400
Net investment income	24
Total additions	14,424
DEDUCTIONS	
Operating expenses:	
Benefits and refunds paid to plan members and beneficiaries	11,161
Administrative expenses	5,024
Total deductions	16,185
Changes in net position	(1,761)
Net position - beginning	10,210
Net position - ending	\$ 8,449

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

**SOUTH METRO FIRE RESCUE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 - DEFINITION OF REPORTING ENTITY

South Metro Fire Rescue Fire Protection District (the District) formerly known as South Metro Fire Rescue Authority was legally established on December 14, 2015. The District was formerly operating in an Authority model created on April 24, 2008 by the Creation and Pre-Inclusion Agreement, as amended, whereby Parker Fire Protection District and South Metro Fire Rescue agreed to integrate all aspects of their operations, administration, and services through the formation of a separate legal entity pursuant to §29-1-203(4), C.R.S.

The District is governed, pursuant to provisions of the Colorado Special District Act, by a seven member Boards of Directors. The District's Fire Chief has all powers and authorities provided for a fire chief under §32-1- 1002, C.R.S., and oversees and manages all business and affairs of the District, including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel. The District's service areas are located in Douglas and Arapahoe Counties, Colorado. The District was established to provide fire protection and paramedic rescue services.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements report information on all of the non-fiduciary activities of the primary government. All fiduciary activities are reported only in the fiduciary fund financial statements. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and

intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenues susceptible to accrual are property taxes, specific ownership taxes, permit fees and emergency medical service fees. All other revenue items are considered to be measurable and available only when received by the District. Expenditures are recorded when the liability is incurred.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It is used to account for all financial resources except those required to be accounted for in other funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed in the proprietary fund types).

Special Revenue Funds:

- Parker Fire Protection District Fund is used to account for the proceeds of financial resources required to be transferred to the District from the former fire District (Parker Fire Protection District) to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- South Metro Fire Rescue Fund is used to account for the proceeds of financial resources required to be transferred to the District from the former fire District (South Metro Fire Rescue) to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- The Cherry Hills Pension Fund is used to collect the property tax receipts from the former Cherry Hills Fire Protection District in order to fund the Cherry Hills Old Hire Pension. As part of the inclusion of the Cherry Hills Fire Protection District into South Metro Fire Rescue, the District was allowed to assess a pension mill levy to provide for the pensions of the employees of the Cherry Hills Fire Protection District who had already retired and belonged to this defined benefit pension plan. This mill levy can only be used for contributions to that pension plan. The mill levy will be decreased as the contributions to the plan decrease. Any funds left in the agency fund after all pensioners and beneficiaries have deceased will be returned to the tax payers in the former Cherry Hills Fire Protection District boundaries.

The District reports the following major proprietary funds:

Enterprise Funds:

- The Ambulance Transport Fund accounts for the ambulance transportation operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.
- The Building Rental Fund provides for the maintenance of the administration headquarters which is also rented or leased to outside governments on both the state and federal level.

The District reports the following fiduciary fund types:

Pension Trust Fund:

- South Metro Fire Rescue Old Hire Pension Trust (Formerly Castlewood Fire) is administered by Wells Fargo. These funds are used to account for transactions relating to assets held by a trustee on behalf of the District for its pension plans beneficiaries.
- South Metro Fire Rescue Volunteer Firefighter Pension Trust (Formerly Castlewood Fire) is administered by Wells Fargo. These funds are used to account for transactions relating to assets held by a trustee on behalf of the District for its pension plans beneficiaries.

Agency Funds:

- The Joint Service Facility Fund is custodial in nature and does not present results of operations or have a measurement focus. The District manages the Joint Service Facility for the participants in the facility, (i.e. provides for the maintenance of the facility.) and the fund is used to account for assets that the District holds for others in an agency capacity.

- The SMFRA Medical Self Insurance Fund is custodial in nature. This fund collects the District and employee's medical premiums, and the funds are used to pay for the Stop Loss Insurance, administration fees to the third-party administrator and to pay medical claims of the insured.
- The JACC Fund is custodial in nature. This fund collects funding for the Jefferson Arapahoe Communications Center (JACC) from several agencies and the funds are used for the operations of the JACC.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions of this general rule include elimination of charges that would distort the direct costs and program revenues for functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering good in connection with a proprietary fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Pension Plans that are agent-multiple employer plans for purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire and Police Pension Association of Colorado (FPPA) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

Budgets

In accordance with State Budget Law, the Board holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The Board can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated. Unused appropriations lapse at the end of the fiscal year.

The District amended its annual budget in the General Fund for the year ended December 31, 2016.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from pooled bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Investments are carried at fair value.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building Improvements	10
Ambulances	5
Fire Apparatus	9-10
Staff Vehicles	3-5
Equipment	5

Compensated Absences

The District has a policy that allows employees to accumulate unused vacation and sick leave benefits and compensatory time up to certain maximum hours. The District has implemented a benefit to pay a portion of unused leave based on years of service upon termination. A long-term liability has been recorded in the government-wide and proprietary financial statements.

Property Taxes

Property taxes are levied by the District's Boards of Directors. The levy is based on assessed valuations determined by the County Assessors generally as of January 1 of each year. The levy is normally set

by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurers collect the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurers remit the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

Accounts Receivable, Allowance for Doubtful Accounts

All trade and property tax receivables are shown net of an allowance for uncollectibles. In the Ambulance Transport Fund forty-five percent of the trade accounts receivable balance comprises the allowance for doubtful accounts. Trade accounts receivable in the General Fund and the Building Rental Fund are shown at full value.

Inventories

Inventories are valued at cost using the first-in, first-out method. Inventories in the General Fund consist of expendable supplies held for consumption, medical supplies, vehicle parts and uniforms for the Firefighters and items which can be purchased by the employees or the public. Inventories in the Ambulance Transport Fund consist of supplies needed during the transport process. The cost is recorded as expenditures at the time individual inventory items are consumed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category which is shown as pension-related amounts that includes items related to the District's portion of the Colorado Fire and Police Pension Association (FPPA) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, the net difference between projected and actual investment earnings on pension plan investments, and the related contributions subsequent to the measurement date, but before the end of the fiscal year and changes in proportion since the prior measurement dates (See Note 14).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of*

resources, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The unearned revenue is fees that have been collected for classes to be held in the following year. The item, deferred revenue, is reported only in the governmental funds balance sheet. The governmental funds report deferred revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts are received by the District.

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed fund balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board. The Board will either pass an ordinance or resolution as the highest level of decision making dependent on the subject matter.

Assigned fund balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above. Additionally, the unassigned fund balance is generally a negative amount, except for in the general fund, which reports a positive unassigned fund balance amount. The negative amount is appropriate in other governmental funds (excluding the general fund) if the expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

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

Change in Services

The Metropolitan Area Communications Center (MetCom) was created in 2006 to improve quality and consistency of fire and EMS dispatching throughout the region. The District has used MetCom as an outsourced dispatching service since its creation. On January 26, 2016 a resolution was adopted to integrate MetCom into the operations of the District. A special item is recognized in the financial statements to account for this acquisition.

New Accounting Pronouncements

Effective January 1, 2016, the District implemented the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*" and GASB Statement No. 77, "*Tax Abatement Disclosures*".

GASB Statement No. 72 categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

GASB Statement No. 77 establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this statement encompass tax abatements resulting from both agreements that are entered into by the reporting government and agreements that are entered into by other governments that reduce the reporting government's tax revenues.

Prior period adjustment - Restatement of Funds Available

The Schedule of Revenues, Expenditures and Changes in Funds Available - Budgetary Basis for the Building Rental Funds reflects an adjustment to the beginning funds available amount. This adjustment is related to the treatment of pre-paid rent in prior years as related to the modified accrual statement instead of the GAAP treatment typically applied to the Enterprise Fund.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follow:

Statement of net position:

Cash and investments	\$ 46,908,532
Cash and investments - restricted	<u>2,303,620</u>
Total cash and investments	\$ 49,212,152

Cash and investments as of December 31, 2016 consist of the following:

Deposits with financial institutions	\$ 8,465,342
Investments	<u>40,746,810</u>
Total cash and investments	\$ 49,212,152

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be equal to 102% of the aggregate uninsured deposits.

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

As of December 31, 2016, all of the District's deposits were either insured by the Federal Deposit Insurance Corporation or held in eligible public depositories as required by PDPA.

Investments

Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools. The District invests in three such pools, Colotrust and the Colorado Surplus Assets Fund Trust (CSAFE) and the Colorado Statewide Investment Program (CSIP).

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

- Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- General obligation and revenue bonds of U.S. local governmental entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District has additional investments under the management of asset management firms: Chandler Asset Management (Chandler) and PFM Asset Management LLC (PFM). The individual securities are held in the name of the District by a third party custodian.

The District implemented GASB Statement No. 72, *Fair Value Measurement and Application*, in 2016 to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (Chandler and PFM); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which records their investments at amortized cost.

The District has recurring fair value measurements through Colotrust that are valued using the market approach with maturities based on a weighted average under 60 days approach.

The District does not have recurring fair value measurements as of December 31, 2016, that are valued using quoted prices in active markets for identical assets (Level 1) or significant unobservable inputs (Level 3).

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Amortized Cost</u>	<u>Total</u>
Colotrust	—	8,968,293	—	—	8,968,293
CSAFE	—	—	—	2,978,876	2,978,876
Chandler	—	10,246,238	—	3,202,875	13,449,113
PFM	—	15,346,865	—	3,663	15,350,528
Total	—	34,561,396	—	6,185,414	40,746,810

As of December 31, 2016, the District had the following investments in a Chandler Asset Management externally managed investment portfolio. This portfolio is managed by the investment manager at their discretion. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
Money Market Fund	\$ 330,817	0.00	AAA - Aaa
U.S. Treasuries	1,213,935	1.89	AA+ - Aaa
U.S. Agencies	2,986,290	1.61	AA+ - Aaa
Corporate Bonds	665,692	1.54	AAA - Aa2
Commercial Paper	99,145	0.39	P-1 A-1+
Total Fair Value	\$ 5,295,879	1.54	AAA - Aa2

As of December 31, 2016, the District had the following investments in a second Chandler Asset Management externally managed investment portfolio. This portfolio is managed to provide funds for capital projects over a 4 year period. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
Money Market Fund	\$ 2,872,058	0.00	AAA – Aaa
US Agencies	352,322	.86	AA+ – Aaa
U.S. Treasuries	4,928,854	.59	AA+ - Aaa
	<u> </u>		
Total	<u>\$ 8,153,234</u>	.39	AAA – AA+

As of December 31, 2016, the District had the following investments in a third managed portfolio managed by PFM Asset Management LLC externally. Modified duration is shown in years.

<u>Investment</u>	<u>Fair Value</u>	<u>Modified Duration</u>	<u>S&P/Moody's Rating</u>
Money Market Fund	\$ 3,663	0.00	AAAm/NR
US Treasuries	5,391,304	3.61	AA+
US Agencies	3,888,886	2.55	AA+
Municipal Bonds	1,062,416	2.72	AAA - AA
Certificates of Deposit	2,180,831	1.06	AA- - A1
Bank Notes	467,171	2.48	AAA
Corporate Bonds	2,356,257	1.85	AAA-AA-
	<u> </u>		
Total	<u>\$ 15,350,528</u>	2.38	AAAm - NR

Local Government Investment Pools – As of December 31, 2016, the District had funds invested in local government investment pools which are rated AAA.

- Colotrust: The District invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAM by Standard & Poor's.

- CASFE: The District invested in the Colorado Surplus Asset Fund Trust (CSAFE, the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as a safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's.
- The money market fund of the PFM managed account is the Colorado Statewide Investment Program (CSIP) and is rated AAAM. As an investment pool these firms operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). They operate similar to a money market fund with a share value equal to \$1.00.

Interest Rate Risk: Through its investment policy the District manages its exposure to fair value losses arising from increasing interest rates by limiting the modified duration of the managed portfolio to less than 3 years. It is expected that these funds are excess funds and that the District will provide for short term needs from funds invested in the state pools. The government investment pools operate similar to a money market fund. Therefore, no disclosure is required.

Credit Risk: The District's investment policy applies the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The District's investment policy limits investments in corporate bonds to the top three ratings issued by nationally recognized statistical rating organizations and they must be rated by at least two such organizations. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's direct investment in bank CD's must be rated Excellent or better to be covered by FDIC insurance.

Concentration of risk. The District's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments. External investment pools are excluded from the five percent disclosure requirement.

Custodial credit risk. In the case of deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial risk because the District's deposits are covered under the Public Deposit Protection Act.

NOTE 4 - RECEIVABLES

Receivables as of the year end for the District’s individual major funds, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund	Capital Projects	Cherry Hills Special Revenue Fund	Total Governmental Funds
Accounts	\$ 374,039	\$ —	\$ —	\$ 374,039
Taxes	53,454,662	—	241,054	53,695,716
Interest	72,545	26,572	—	99,117
Gross Receivables	53,901,246	26,572	241,054	54,168,872
Less: Allowance for uncollectibles	—	—	—	—
Net Total Receivables	\$ 53,901,246	\$ 26,572	\$ 241,054	\$ 54,168,872

	Ambulance Transport Fund	Building Rental Fund	Total Proprietary Funds	Total All Funds
Accounts	\$ 1,967,517	\$ 24,490	\$ 1,992,007	\$ 2,366,046
Taxes	—	—	—	53,695,716
Interest	—	—	—	99,117
Gross Receivables	1,967,517	24,490	1,992,007	56,160,879
Less: Allowance for uncollectibles	(885,383)	—	(885,383)	(885,383)
Net Total Receivables	\$ 1,082,134	\$ 24,490	\$ 1,106,624	\$ 55,275,496

Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

<u>Unavailable Property Tax Revenue</u>	
Property taxes receivable	\$ 53,454,662
Cherry Hills Property taxes receivable (Special Revenue Fund)	241,054
	<u>\$ 53,695,716</u>

NOTE 5 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 5,131,453	\$ —	\$ —	\$ 5,131,453
Construction in progress	3,497,935	3,180,682	2,201,063	4,477,554
Total capital assets, not being depreciated	8,629,388	3,180,682	2,201,063	9,609,007
Capital assets, being depreciated:				
Buildings	36,934,097	3,274,162	—	40,208,259
Vehicles	20,583,309	3,237,648	803,074	23,017,883
Equipment	9,452,182	2,279,448	—	11,731,630
Total capital assets, being depreciated	66,969,588	8,791,258	803,074	74,957,772
Less accumulated depreciation for:				
Buildings	(13,067,975)	(822,301)	—	(13,890,276)
Vehicles	(14,542,821)	(1,557,553)	(803,074)	(15,297,300)
Equipment	(7,677,688)	(1,841,838)	—	(9,519,526)
Total accumulated depreciation	(35,288,484)	(4,221,692)	(803,074)	(38,707,102)
Total capital assets, being depreciated, net	31,681,104	4,569,566	—	36,250,670
Governmental activities capital assets, net	<u>\$ 40,310,492</u>	<u>\$ 7,750,248</u>	<u>\$ 2,201,063</u>	<u>\$ 45,859,677</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,598,566	\$ —	\$ —	\$ 2,598,566
Construction in progress	—	244,485	—	244,485
Total capital assets, not being depreciated	2,598,566	244,485	—	2,843,051
Capital assets, being depreciated:				
Buildings	10,801,909	526,603	—	11,328,512
Vehicles	3,230,855	—	184,526	3,046,329
Equipment	920,366	—	—	920,366
Total capital assets, being depreciated	14,953,130	526,603	184,526	15,295,207
Less accumulated depreciation for:				
Buildings	(7,512,137)	(675,890)	—	(8,188,027)
Vehicles	(2,343,517)	(279,410)	(184,526)	(2,438,401)
Equipment	(615,971)	(135,719)	—	(751,690)
Total accumulated depreciation	(10,471,625)	(1,091,019)	(184,526)	(11,378,118)
Total capital assets, being depreciated, net	4,481,505	(564,416)	—	3,917,089
Business-type activities capital assets, net	<u>\$ 7,080,071</u>	<u>\$ (319,931)</u>	<u>\$ —</u>	<u>\$ 6,760,140</u>

Depreciation expense was charged to functions, programs of the primary government as follows:

Governmental activities:	
Field Operations	\$ 189,830
Support Services	1,239,313
Metcom/Technical Services	1,318,426
Fleet Services	<u>1,474,123</u>
Total Depreciation expense - governmental activities	<u><u>\$ 4,221,692</u></u>
Business-type activities:	
Ambulance Transport	\$ 415,129
Building Rental	<u>675,890</u>
Total depreciation expense - business-type activities	<u><u>\$ 1,091,019</u></u>

NOTE 6 - INTERFUND TRANSFERS AND BALANCES

The transfers from the Special Revenue Fund Parker Fire Protection District and South Metro Fire Rescue in the amount of \$149,945 and \$150,006, respectively, are related to prior year property taxes collected by the Special Revenue Funds and transferred to the General Fund in the current year to fund the operations of the District. The transfer from the Ambulance Transport Enterprise Fund to the General Fund was made to fund general operations of the District. Interfund balances are related to timing differences between when transactions are recorded and when reimbursements are made. Interfund balances will be cleared subsequent to year end. The balances were primarily related to the accounting for capital projects and capital asset purchases.

NOTE 7 - LEASES

Operating Leases - Lessee

The District leases copy machines and staff vehicles under annually cancelable operating leases. The total lease payments in 2016 were \$225,587.

Operating Leases - Lessor

The District leases space in five of its buildings and on its communication tower to four cell phone or computer wireless companies. The communications tower has space leased to one neighboring fire district, a Communications District in the next county, and a school district for placement of antennas. The receipts for 2016 for renting this space were \$158,761.

NOTE 8 - GENERAL OBLIGATION DEBT

The District does not have any general obligation debt outstanding and has no authorization for issuing general obligation debt.

NOTE 9 - CHANGES IN LONG-TERM LIABILITIES

The District has reported a net pension liability at the end of 2016 related to pension activity in accordance with GASB 68.

Long-term liability activity for the year ended December 31, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental Activities:					
Compensated Absences	\$ 3,777,167	\$ 249,159	\$ —	\$ 4,026,326	\$ 290,137
Net pension liability	2,269,997	234,316	—	2,504,313	—
Governmental Activities Long-Term Liabilities	<u>\$ 6,047,164</u>	<u>\$ 483,475</u>	<u>\$ —</u>	<u>\$ 6,530,639</u>	<u>\$ 290,137</u>
Business-type Activities:					
Compensated Absences	\$ 184,904	\$ —	\$ 16,987	\$ 167,917	\$ 9,659
Business-type Activities Long-term Liabilities	<u>\$ 184,904</u>	<u>\$ —</u>	<u>\$ 16,987</u>	<u>\$ 167,917</u>	<u>\$ 9,659</u>

NOTE 10 - TAX ABATEMENTS

In accordance with GASB Statement No. 77, the District has disclosed all agreements entered into with other entities that involve property tax abatements. It is important to note that the District has not directly entered in to any abatement agreements. The terms of the agreements and payment amounts as of December 31, 2016 are detailed as follows:

The Town of Parker approved the creation of the Parker Authority for Reinvestment (the URA) that in turn adopted three urban renewal plans, namely the Parker Road Plan, Parker Central Plan and Cottonwood Plan that are within the District's boundaries. The creation of the URA allows for Tax Increment Financing (TIF) as described under section 31-25-101 of the Colorado Revised Statutes. The URA has retained all property taxes categorized as TIF within the designated areas and has not entered into any agreement to share those revenues with the District. The District was deprived of property tax revenues in the amount of \$47,310 during the year ended December 31, 2016 as a result.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District is a member of the Colorado Special District Property and Liability Pool (Pool) as of December 31, 2016. The Pool is an organization created by intergovernmental agreement to provide workers compensation coverage to its members.

The District pays annual premiums to the Pool for workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The District also pays annual premiums to McNeil & Company for property and liability insurance.

NOTE 12 - RELATED PARTY TRANSACTIONS

South Metro Safety Foundation

The District provides services for South Metro Safety Foundation, which is a non-profit corporation 501(c)3, formed through a donation received in 1992. The Foundation provides community training in First Aid, CPR, Babysitting classes and Teen Driving among other things. Two member of the District Board sits on the Foundation Board, as well as, one employee. The District's Finance Bureau provides accounting services for the Foundation.

NOTE 13 - INTERGOVERNMENTAL AGREEMENTS

Maintenance and Training Facility

The District has entered into an agreement with the Town of Parker and the Douglas County School District to construct and operate a joint maintenance and training facility. The District's initial capital percentage was 50.23% and as of December 31, 2016, the District has contributed a total of \$4,930,284 towards the construction of the facility. Operational costs are shared based on predetermined percentages of use, which percentages vary for different portions of the facility. Since the operation does not intend to accumulate any equity beyond the value of the constructed assets, it is not considered to be a joint venture for accounting purposes. During 1999, the District created an agency fund to report the operating and maintenance activity of the facility.

NOTE 14 - POST EMPLOYMENT BENEFITS

Defined Contribution Benefit Plans

1) Paid Firefighters and Administration Plan

The District contributes to the South Metro Fire Rescue 401(a) Plan, a defined contribution pension plan, for all of its full-time and permanent part-time employees. The plan is administered by Voya Financial.

Benefit terms, including contribution requirements, for the Plan are established by the Board of Directors. State statutes require the District to contribute at least 8% to the firefighter pension plan. The District currently contributes 12% of base pay for all employees to the pension plan. The employees, also, contribute 12% of base pay. For the year ended December 31, 2016 the District contributed and recognized as expense \$4,003,963 and employees contributed a total of \$4,003,963.

Employees are immediately vested in their own contributions and become vested in the District contributions over 3 years. Thirty-three and one third percent is vested each year so that at the end of 3 years they are fully vested. Non-vested District contributions are forfeited upon termination of employment. Forfeitures can be used to decrease District contributions. Forfeitures totaling \$19,832 were returned to the plan during 2016.

At December 31, 2016, there were 483 plan members with 411 being active employees at the end of the year. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan has a nine member Trustee Board made up of the Fire Chief, Chief Financial Officer and the Human Resource Director by position. There are six elected trustees from the employee population and at least one elected member must be from the Administrative Employee Group (Support Services), the other five can be firefighters or administration.

Contributions actually made by plan members and the District for the year ended December 31, 2016, December 31, 2015, December 31, 2014 and December 31, 2013 is as follows:

Voya 401(a) Plan

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Employees	<u>\$4,003,963</u>	<u>\$3,609,298</u>	<u>\$3,531,120</u>	<u>\$3,422,843</u>
District	<u>\$4,003,963</u>	<u>\$3,609,298</u>	<u>\$3,531,120</u>	<u>\$3,422,843</u>

Defined Benefit Plans

In addition to the current employee plan, there are Pension Plans in place for former paid employees and volunteer members that have occurred through mergers or name changes over the years. There are a total of five such plans. Three of the plans are part of an agent multiple-employer Public Employees Retirement System (PERS) administered by the Fire and Police Pension Association of Colorado (FPPA). One plan is an Old Hire Plan and two are Volunteer Pension Plans.

The assets of the Plan are held and invested in the Fire and Police Members' Benefit Fund (the Common Fund). The purpose of the Common Fund is to collect, invest, administer, and disburse monies on behalf of firefighters and policemen in the State of Colorado for the New Hire Pension Fund, the Old Hire Fund, and the Death and Disability Fund.

Under the statutes, the Trustee of the Common Fund has full and unrestricted discretionary power and authority to invest and reinvest funds, subject to certain limitations, including a 50% maximum aggregate investment in common and preferred stocks and a 5% maximum investment in any one company.

FPPA issues a publicly available annual financial report that includes the assets of these plans. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area, or 1-800-332-3772 from outside the metro area or on the FPPA website at <http://www.fppaco.org>.

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% based on the weekly rate closest to, but not later than, the measurement date of the “state & local bonds” rate from Federal Reserve statistical release; and the resulting Single Discount Rate is 7.50%.

Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2016 the District reported the following for the three plans:

	Net Pension Liability	Net Pension Asset	Pension Expense	Deferred Inflows/ Outflows
Parker Fire Protection District Volunteer Plan	\$ 309,461	\$ —	\$ 27,663	\$ 47,016
South Metro Fire Rescue Volunteer Plan	—	4,168	4,039	15,937
Cherry Hills Old Hire Plan	2,194,852	—	319,607	317,768
Totals	<u>\$ 2,504,313</u>	<u>\$ 4,168</u>	<u>\$ 351,309</u>	<u>\$ 380,721</u>

The net pension liability was measured as of December 31, 2015 and the total pension liability was determined by an actuarial valuation of January 1, 2015 for the two volunteer plans and a valuation of January 1, 2014 for the old hire plan. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. For the year ended December 31, 2016 the District recognized total pension expense of \$351,309.

The target allocation and the benchmark returns for each asset class for the three plans is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	37.00%	6.50%
Equity long/short	10.00%	4.70%
Fixed income	20.00%	8.00%
Illiquid alternatives	16.00%	1.50%
Absolute return	11.00%	4.10%
Managed futures	4.00%	3.00%
Investment cash & short term	2.00%	
Total	<u>100.00%</u>	

Single Discount Rate Sensitivity

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plans' net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plans' net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE SINGLE DISCOUNT RATE ASSUMPTION

	Current Single Discount		
	1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
Parker Fire Volunteer	\$ 357,198	\$ 309,461	\$ 267,580
South Metro Volunteer	21,626	(4,168)	(26,594)
Cherry Hills Old Hire	2,589,897	2,194,852	1,852,907

2) Parker Fire Protection District Volunteer Pension Plan

The Pension Fund's Board of Trustees is comprised of the five Directors of the Parker Fire Protection District plus two retired volunteer members. At December 31, 2016, there are 23 retired volunteers and/or beneficiaries receiving benefits. The volunteer plan is a closed plan and there are no active members. There are no inactive members not yet receiving benefits.

The benefit amount is \$420 per month after reaching 50 years of age and 20 years of service. Any member having a minimum of 10 years of service and reaching 50 years of age may receive a benefit of \$21 per month for each year of service for a minimum of \$ 210. There is no COLA attached to this plan. In addition, the plan provides death and disability benefits.

The plan is funded based on the bi-annual actuarial study. The contribution made by the District is the full amount of the required contribution. Plan members do not make contributions. The latest actuarial study was performed as of January 1, 2015. The next study will be performed January 1, 2017. The actuarial study as of January 2015 determines the contributions for 2016 and 2017 which is \$28,670.

A summary of the available history of the Annual Required Contribution as compared to actual contributions is as follows:

Annual Required Contribution - Parker Fire Volunteer Pension Plan

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
2009	\$ 23,695	\$ 23,695	100%
2010	23,695	23,695	100%
2011	24,628	24,628	100%
2012	24,628	24,628	100%
2013	27,895	27,895	100%
2014	27,895	27,895	100%
2015	27,596	27,596	100%
2016	28,670	28,670	100%

The changes in the net pension liability for the measurement period at December 31, 2015 are calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 48,346
Benefit payments	(77,742)
Net change in total pension liability	<u>(29,396)</u>
Total pension liability - beginning	682,781
Total pension liability - ending	<u><u>\$ 653,385</u></u>
B. Plan fiduciary net position	
Contributions - employer	\$ 27,596
Net investment income	6,604
Benefit payments	(77,742)
Pension plan Administrative Expense	(1,865)
Net change in plan fiduciary net position	<u>(45,407)</u>
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>389,331</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u>343,924</u>
C. Net pension liability/(asset)	<u><u>\$ 309,461</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	52.64%

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2017	\$ 4,737
2018	4,737
2019	4,735
2020	4,137
2021	—
Thereafter	—
Total	<u>\$ 18,346</u>

3) South Metro Fire Rescue Volunteer Pension Plan

Retirement, disability and death benefits are paid in accordance with the plan provisions established by the Board of Trustees. Full retirement benefit of \$400 per month may commence when the retiree has twenty years of qualified service and is at least 50 years of age. Reduced benefits of \$20 per month may be earned after ten years of qualified service at age 50 up to a maximum of \$200. Spouses of deceased firefighters may receive 50% of the current pension benefits. There is a \$100 funeral benefit.

At December 31, 2016 there are 11 retirees and/or beneficiaries receiving benefits. The plan is funded based on the bi-annual actuarial study. The contribution made by the District is the full amount of the required contribution. Plan members do not make contributions. The latest actuarial study was performed as of January 1, 2015. The next study will be performed January 1, 2017. The actuarial study as of January 2015 determines that no contributions are needed for the 2016 and 2017 years. A summary of the available history of the Annual Required Contribution as compared to actual contributions is as follows:

Annual Required Contribution - South Metro (Louviere) Volunteer Pension Plan

Fiscal Year Ending December 31	Annual Required Contribution	Actual Contribution	Percent
2009	\$ —	\$ —	100%
2010	—	—	100%
2011	—	—	100%
2012	—	—	100%
2013	—	—	100%
2014	—	—	100%
2015	—	—	100%
2016	—	—	100%

The changes in the net pension liability/(asset) for the measurement period at December 31, 2015 is calculated as follows:

A. Total Pension Liability	
Interest on the Total Pension Liability	\$ 23,439
Benefit payments	(32,220)
Net change in total pension liability	<u>(8,781)</u>
Total pension liability - beginning	328,345
Total pension liability - ending	<u><u>\$ 319,564</u></u>
B. Plan fiduciary net position	
Net investment income	\$ 6,357
Benefit payments	(32,220)
Pension plan Administrative Expense	<u>(1,631)</u>
Net change in plan fiduciary net position	(27,494)
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	<u>351,226</u>
Plan fiduciary net position - ending (Market value of assets at end of year)	<u><u>323,732</u></u>
C. Net pension liability/(asset)	<u><u>\$ (4,168)</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	101.30%

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2017	\$ 4,064
2018	4,064
2019	4,063
2020	3,746
2021	—
Thereafter	—
Total	<u>\$ 15,937</u>

4) Cherry Hills Old Hire Firefighter Plan

The Plan is a defined benefit pension plan covering substantially all full-time employees of a police or fire department in Colorado hired on or after April 8, 1978 (New Hires) provided that they are not already covered by a statutory exempt plan. The Plan became effective on January 1, 1980.

A firefighter's normal retirement is after reaching 50 years of age and 20 years of service. Any member having a minimum of 10 years of credited service is eligible for a deferred retirement at reaching 50 years of age. The monthly deferred retirement is equal to 2.5% of their monthly salary at the date of termination multiplied by their number of years of credited service not to exceed 70% of their salary.

If a retired firefighter dies, the surviving spouse shall receive, until death or remarriage, a monthly pension equal to one third of the monthly salary of a first grade firefighter at time of death. If a terminated firefighter who is eligible to receive or is receiving a vested benefit dies, the surviving spouse shall receive until death or remarriage, a monthly pension equal to one third of the monthly salary of a first grade firefighter at the time of termination, payable on the date the firefighter would have reached age 50.

Effective January 1, 1993, the District Board adopted a partial rank escalation clause for this plan for all current and past participants. This provision applies only to rank increases subsequent to January 1, 1993.

On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances.

At December 31, 2015, there are 9 retired firefighters and 2 beneficiary receiving benefits from this plan. This plan was closed upon the merger of Cherry Hills Fire Protection District and South Metro Fire Rescue.

Contributions are dependent on the biannual actuarial studies done by FPPA, which at January 1, 2016 determined a \$214,110 contribution be made in 2017 and 2018. The next actuarial study will be done as of January 1, 2018. The contribution was recorded from the Special Revenue Fund, which collects the property tax receipts from the properties in the old Cherry Hills Fire Protection District which are used to fund the Old Hire Pension Trust Fund.

A summary of the available history of the Annual Required Contribution as compared to actual contributions is as follows:

Annual Required Contribution - Cherry Hills Paid Pension

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percent
December 31			
2007	\$ 177,772	\$ 170,622	96%
2008	177,772	348,394	196%
2009	182,256	182,256	100%
2010	182,256	182,256	100%
2011	176,740	176,740	100%
2012	176,740	176,740	100%
2013	206,100	206,100	100%
2014	206,100	201,921	98%
2015	201,921	201,921	100%
2016	201,921	201,921	100%

The changes in the net pension liability/(asset) for the measurement period at December 31, 2015 is calculated as follows:

A. Total pension liability	
Interest on the Total Pension Liability	\$ 317,279
Difference between expected and actual experience of the Total Pension Liability	(151,064)
Changes of assumptions	296,129
Benefit Payments	(402,436)
Net change in pension liability	59,908
Total pension liability beginning	4,427,970
Total pension liability ending	<u>\$ 4,487,878</u>
B. Plan fiduciary net position	
Contributions - employer	\$ 201,921
Net investment income	45,805
Benefit payments	(402,436)
Pension Plan Administrative Expense	(3,687)
Net change in plan fiduciary net position	(158,397)
Plan fiduciary net position - beginning (Market value of assets at beginning of year)	2,451,423
Plan fiduciary net position - ending (Market value of assets at end of year)	2,293,026
C. Net pension liability	<u>\$ 2,194,852</u>
D. Plan fiduciary net position as a percentage of the total pension liability	51.09%

Contributions subsequent to the measurement date of December 31, 2015, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction in the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of

resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2017	\$ 29,914
2018	29,914
2019	29,914
2020	26,105
2021	—
Thereafter	—
Total	<u>\$ 115,847</u>

The Pension Plan is funded entirely by a mill levy assessed on the former Cherry Hills Fire Protection District. For 2016 the mill levy was 0.400 mills.

In addition to the above plans the District has two old plans from Castlewood Fire, the former name of South Metro Fire Rescue. These two plans each have one person each receiving benefits and they are currently on a pay as you go basis. The plans are reported as Pension Trust Funds due to a) the inability to obtain an actuarial report and b) the relative size (i.e. 1 beneficiary each) of the plan.

5) South Metro Fire Rescue Old Hire Pension Trust (formerly Castlewood Fire)

The Old Hire Pension Trust and Plan was established June 1, 1983, to provide retirement and post-retirement death benefits for paid firefighters hired by the Castlewood Fire Protection District prior to April 8, 1978. There is currently one beneficiary receiving benefits. Currently contributions are made to the plan as necessary to fund benefits. The assets held in the plan at December 31, 2016 are \$5,797. It is the responsibility of the District to fund this plan on an annual basis. The cost of this annual obligation for 2016 was \$10,000.

The PERS for paid Old Hire firefighters provides for retirement and post-retirement death benefits as follows: Any firefighter who has both attained age 50 and completed 20 years of active service in any fire department in the State of Colorado shall be eligible for a monthly pension up to one half of their monthly salary as of the date of retirement.

If a retired firefighter dies, the surviving spouse will receive a monthly amount equal to one third of the monthly salary of a first grade firefighter at the date of retirement plus \$30.00 per month for each dependent child until the age of 18 years. If there is no spouse, the pension is payable to the dependent parent(s).

There are no separate audited financial statements for this plan.

6) South Metro Fire Rescue Volunteer Firefighter Pension Trust (formerly Castlewood Fire)

The Volunteer Pension Trust and Plan was established June 1, 1983 to provide retirement, disability, death and severance benefits to volunteer fire fighters of the Castlewood Fire Protection District.

The volunteer fire department of the District was dissolved on April 19, 1979. Accordingly, there are presently no active volunteer firefighters. There is 1 retiree receiving benefits.

The spouse of a retired firefighter shall receive a monthly annuity equal to 50% of the annuity received by the firefighter at death, payable until death or remarriage. In addition, a lump sum burial benefit of \$100 is payable upon the death of a retired firefighter.

The value of the Volunteer plan at December 31, 2016 is \$2,651. It is the responsibility of the District to fund this plan on an annual basis. The cost of this annual obligation for 2016 was \$4,400.

There are no separate audited financial statements for this plan.

7) Other Employee savings plans

Deferred compensation plans

The District has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by Voya Financial. The plan allows the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergencies.

The District has a matching program up to 3% for the Deferred Compensation Plan. In order to receive the additional 2% beyond the first 1% the employee must make a contribution to the Deferred Compensation Plan of 2%. These additional amounts are available at 10 years and 15 years of service. The first 1% is contributed at 5 years of service and requires no match.

Retiree Health Savings Plan

The District has a Retiree Health Savings Plan that has investment management services performed by Voya Financial and it is administrated by Genesis. Employees are automatically enrolled in the plan upon hire. A contribution of 1% of eligible salary is contributed by the District upon hire. The District has no further obligation for post-employment health care beyond the contribution to this plan.

NOTE 15 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally

defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

REQUIRED SUPPLEMENTARY INFORMATION

Parker Fire Protection District Volunteer Pension Plan
Schedule of Required Supplemental Information
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Multiyear Last 10 Fiscal Years
(to be built prospectively)

Measurement period ending December 31,	2014	2015
Total Pension Liability		
Service Cost	\$ —	\$ —
Interest on Total Pension Liability	48,963	48,346
Benefit Changes	—	—
Difference between Expected and Actual Experience	20,301	—
Assumption Changes	—	—
Benefit Payments	(77,243)	(77,742)
Net Change in Pension Liability	(7,979)	(29,396)
Total Pension Liability - Beginning	690,760	682,781
Total Pension Liability - Ending	682,781	653,385
Plan Fiduciary Net Position		
Employer Contributions	27,895	27,596
Pension Plan Net Investment Income	26,156	6,604
Benefit Payments	(77,243)	(77,742)
Pension Plan Administrative Expense	(978)	(1,865)
State of Colorado supplemental discretionary payment	—	—
Net Change in Fiduciary Net Position	(24,170)	(45,407)
Plan Fiduciary Net Position - Beginning	413,501	389,331
Plan Fiduciary Net Position - Ending	\$ 389,331	\$ 343,924
Net Pension Liability/(Asset) Ending	\$ 293,450	\$ 309,461
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	57.02%	52.64%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

South Metro Fire Rescue Volunteer Pension Plan
Schedule of Required Supplemental Information
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Multiyear
Last 10 Fiscal Years (to be built prospectively)

Measurement period ending December 31,	<u>2014</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ —	\$ —
Interest on Total Pension Liability	23,088	23,439
Benefit Changes	—	—
Difference between Expected and Actual Experience	21,632	—
Assumption Changes	—	—
Benefit Payments	(47,577)	(32,220)
Net Change in Pension Liability	(2,857)	(8,781)
Total Pension Liability - Beginning	331,202	328,345
Total Pension Liability - Ending	<u>\$ 328,345</u>	<u>\$ 319,564</u>
Plan Fiduciary Net Position		
Employer Contributions	—	—
Pension Plan Net Investment Income	24,758	6,357
Benefit Payments	(47,577)	(32,220)
Pension Plan Administrative Expense	(941)	(1,631)
State of Colorado supplemental discretionary payment	—	—
Net Change in Fiduciary Net Position	(23,760)	(27,494)
Plan Fiduciary Net Position - Beginning	<u>374,986</u>	<u>351,226</u>
Plan Fiduciary Net Position - Ending	<u>\$ 351,226</u>	<u>\$ 323,732</u>
Net Pension Liability/(Asset) Ending	\$ (22,881)	\$ (4,168)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.97%	101.30%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

Cherry Hills Old Hire Plan
Schedule of Required Supplemental Information
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Multiyear Last 10 Fiscal Years
(to be built prospectively)

Measurement period ending December 31,	2014	2015
Total Pension Liability		
Service Cost	\$ —	\$ —
Interest on Total Pension Liability	323,296	317,279
Difference between Expected and Actual Experience	—	(151,064)
Assumption Changes	—	296,129
Benefit Payments	(404,573)	(402,436)
Net Change in Pension Liability	(81,277)	59,908
Total Pension Liability - Beginning	4,509,247	4,427,970
Total Pension Liability - Ending	4,427,970	4,487,878
Plan Fiduciary Net Position		
Employer Contributions	201,921	201,921
Pension Plan Net Investment Income	160,764	45,805
Benefit Payments	(404,573)	(402,436)
Pension Plan Administrative Expense	(6,875)	(3,687)
Net Change in Fiduciary Net Position	(48,763)	(158,397)
Plan Fiduciary Net Position - Beginning	2,500,186	2,451,423
Plan Fiduciary Net Position - Ending	\$ 2,451,423	\$ 2,293,026
Net Pension Liability/(Asset) Ending	\$ 1,976,547	\$ 2,194,852
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	55.36%	51.09%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

**Parker Fire Protection District Volunteer Pension Plan
Schedule of Contributions Multiyear
Last 10 Fiscal years (8 years was all that is available)**

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 28,670	\$ 28,670	\$ —	N/A	N/A
2015	27,895	27,596	299	N/A	N/A
2014	27,895	27,895	—	N/A	N/A
2013	24,628	27,895	(3,267)	N/A	N/A
2012	24,628	24,628	—	N/A	N/A
2011	23,695	24,628	(933)	N/A	N/A
2010	23,695	23,695	—	N/A	N/A
2009	23,695	23,695	—	N/A	N/A

**South Metro Fire Rescue Volunteer Pension Plan
 Schedule of Contributions Multiyear
 Last 10 Fiscal years (7 years was all that is available)**

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ —	\$ —	\$ —	N/A	N/A
2015	—	—	—	N/A	N/A
2014	—	—	—	N/A	N/A
2013	—	—	—	N/A	N/A
2012	—	—	—	N/A	N/A
2011	—	—	—	N/A	N/A
2010	—	—	—	N/A	N/A
2009	—	—	—	N/A	N/A

**Cherry Hills Old Hire Pension Plan
Schedule of Contributions Multiyear
Last 10 Fiscal years**

FY Ending December 31,	Acturially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 201,921	\$ 201,921	\$ —	N/A	N/A
2015	201,921	201,921	—	N/A	N/A
2014	206,100	201,921	4,179	N/A	N/A
2013	206,100	206,100	—	N/A	N/A
2012	176,740	176,740	—	N/A	N/A
2011	176,740	176,740	—	N/A	N/A
2010	182,256	182,256	—	N/A	N/A
2009	182,256	182,256	—	N/A	N/A
2008	177,772	348,394	(170,622)	N/A	N/A
2007	177,772	170,622	7,150	N/A	N/A

**SOUTH METRO FIRE RESCUE
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2016**

NOTE 1 – SCHEDULE OF CONTRIBUTIONS

Significant actuarial methods and assumptions used to determine the contribution rates for the pension plans are as follows:

1. Parker Fire Protection District Volunteer Pension Fund

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	N/A

Investment Rate of Return	7.50%
Retirement Age	50% per Year of Eligibility Until 100% at Age 65
Mortality	Pre-Retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% Multiplier for Off-Duty Mortality Post-Retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All Tables Projected with Scale AA

2. South Metro Fire Rescue Volunteer Pension Fund

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

SOUTH METRO FIRE RESCUE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016
(Continued)

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per Year of Eligibility Until 100% at Age 65
Mortality	Pre-Retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% Multiplier for Off-Duty Mortality Post-Retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All Tables Projected with Scale AA

3. Cherry Hills Old Hire Fire Pension Fund

Valuation Date: Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2014 determines the contribution amounts for 2015 and 2016.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	18 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	Any remaining actives are assumed to retire immediately
Mortality	Post-Retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP-2000 Disabled Mortality Table All Tables Projected with Scale AA

**SOUTH METRO FIRE RESCUE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
REVENUES		
Property taxes	\$ 58,074,069	\$ —
Net investment earnings	423,816	206,110
Miscellaneous revenue	3,343,628	2,971,781
Total revenues	61,841,513	3,177,891
 EXPENDITURES		
Administration	7,077,211	5,752,824
Field operations	38,072,147	37,134,939
Preparedness	4,169,757	4,345,579
Life safety bureau	2,698,514	2,484,518
Metcom/Technology	6,249,759	3,234,209
Fleet maintenance	2,641,530	2,526,706
Buildings and ground maintenance	1,785,589	1,734,987
Total expenditures	62,694,507	57,213,762
 Excess (deficiency) of revenues over expenditures	(852,994)	(54,035,871)
 OTHER FINANCING SOURCES (USES)		
Sale of assets	47,236	164,852
Transfers from other funds	198,145	55,182,986
Transfers to other funds	1,145,626	—
	1,391,007	55,347,838
 Net change in fund balances	538,013	1,311,967
 Fund balances - beginning of year	36,004,713	34,692,746
 Fund balances - end of year	\$ 36,542,726	\$ 36,004,713

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

**SOUTH METRO FIRE RESCUE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
PARKER FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

REVENUES	2016	2015
Property Taxes	\$ —	\$ 19,420,139
Specific Ownership Tax	—	1,834,648
Miscellaneous revenue	—	—
Net investment earnings	—	11,885
Total revenues	—	21,266,672
 EXPENDITURES		
Administration	—	311,256
Total expenditures	—	311,256
Excess (deficiency) of revenues over expenditures	—	20,955,416
 OTHER FINANCING SOURCES (USES)		
Transfers to other funds	(149,945)	(20,955,429)
Net change in fund balances	(149,945)	—
Fund balances - beginning of year	149,945	149,958
Fund balances - end of year	\$ —	\$ 149,945

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

**SOUTH METRO FIRE RESCUE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SOUTH METRO FIRE RESCUE SPECIAL REVENUE FUND
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
REVENUES		
Property Taxes	\$ —	\$ 32,058,347
Specific Ownership Tax	—	2,635,377
Net investment earnings	—	22,714
Total revenues	—	34,716,438
 EXPENDITURES		
Administration	—	488,824
Total expenditures	—	488,824
 Excess (deficiency) of revenues over expenditures	—	34,227,614
 OTHER FINANCING SOURCES (USES)		
Transfers to other funds	(150,006)	(34,227,557)
 Net change in fund balances	(150,006)	—
 Fund balances - beginning of year	150,006	149,949
 Fund balances - end of year	\$ —	\$ 150,006

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

**SOUTH METRO FIRE RESCUE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CHERRY HILLS PENSION SPECIAL REVENUE FUND
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
REVENUES		
Property Taxes	\$ 192,050	\$ 206,110
Specific Ownership Tax	14,818	15,659
Net investment earnings	3,203	1,112
Total revenues	210,071	222,881
EXPENDITURES		
Administration	2,885	3,084
Pension contributions	201,921	201,921
Total expenditures	204,806	205,005
Excess (deficiency) of revenues over expenditures	5,265	17,876
Net change in fund balances	5,265	17,876
Fund balances - beginning of year	443,110	425,234
Fund balances - end of year	\$ 448,375	\$ 443,110

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

**SOUTH METRO FIRE RESCUE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
REVENUES		
Net investment earnings	\$ 129,220	\$ 74,174
Miscellaneous revenue	—	—
Total revenues	<u>129,220</u>	<u>74,174</u>
EXPENDITURES		
Administration	17,248	20,425
Vehicle capital outlay	4,052,888	3,009,973
Buildings and ground capital outlay	3,141,708	3,595,646
Total expenditures	<u>7,211,844</u>	<u>6,626,044</u>
Excess (deficiency) of revenues over expenditures	<u>(7,082,624)</u>	<u>(6,551,870)</u>
OTHER FINANCING SOURCES (USES)		
Total other financing sources (uses)	<u>—</u>	<u>—</u>
Net change in fund balances	(7,082,624)	(6,551,870)
Fund balances - beginning of year	<u>12,434,339</u>	<u>18,986,209</u>
Fund balances - end of year	<u>\$ 5,351,715</u>	<u>\$ 12,434,339</u>

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

**SOUTH METRO FIRE RESCUE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Capital Projects Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Net investment earnings	\$ 115,000	\$ 129,220	\$ 14,220
Total revenues	<u>115,000</u>	<u>129,220</u>	<u>\$ 14,220</u>
EXPENDITURES			
Administration	28,000	17,248	10,752
Capital outlay	<u>16,518,999</u>	<u>7,194,596</u>	<u>9,324,403</u>
Total expenditures	<u>16,546,999</u>	<u>7,211,844</u>	<u>9,335,155</u>
Excess (deficiency) of revenues over expenditures	(16,431,999)	(7,082,624)	9,320,935
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	<u>5,000,000</u>	—	<u>(5,000,000)</u>
Net change in fund balances	(11,431,999)	(7,082,624)	4,349,375
Fund balances - beginning of year	<u>13,782,315</u>	<u>12,434,339</u>	<u>(1,347,976)</u>
Fund balances - end of year	<u><u>\$ 2,350,316</u></u>	<u><u>\$ 5,351,715</u></u>	<u><u>\$ 3,001,399</u></u>

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

**SOUTH METRO FIRE RESCUE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE
BUDGET TO ACTUAL - BUDGETARY BASIS
AMBULANCE TRANSPORT FUND
YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Actual	Variance Positive (Negative)
REVENUES			
Ambulance fees	\$ 7,174,579	\$ 4,210,217	\$ (2,964,362)
Miscellaneous revenue	5,000	—	(5,000)
Total revenues	7,179,579	4,210,217	(2,969,362)
EXPENDITURES			
Fleet, buildings and grounds maintenance	—	35,333	(35,333)
Medical operations	3,765,764	3,318,781	446,983
Bad debt	3,221,950	—	3,221,950
Capital outlay	500,000	244,485	255,515
Total expenditures	7,487,714	3,598,599	3,889,115
Excess revenues over (under) expenditures	(308,135)	611,618	(6,858,477)
Transfer to/from other fund	(650,000)	101,806	751,806
Net change in fund balances	(958,135)	713,424	(6,106,671)
Funds available - beginning of year	2,717,625	4,142,243	1,424,618
Funds available - end of year	\$ 1,759,490	\$ 4,855,667	\$ (4,682,053)
Reconciliation of Actual (Budgetary Basis) to Statement of Revenues, Expenses and Changes in Net Position:			
Excess of revenues over expenditures		\$ 713,424	
Depreciation		(415,128)	
Capital purchases		244,485	
Decrease in compensated absences		(7,328)	
Change in net position		\$ 535,453	
Funds available at December 31, 2016 is computed as follows:			
Current assets		\$ 4,862,119	
Total current liabilities		(129,056)	
Compensated absences		167,917	
Refunds in process		(45,313)	
		\$ 4,855,667	

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

**SOUTH METRO FIRE RESCUE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS AVAILABLE
BUDGET TO ACTUAL - BUDGETARY BASIS
BUILDING RENTAL FUND
YEAR ENDED DECEMBER 31, 2016**

	Original Budget	Actual	Variance Positive (Negative)
REVENUES			
Rental Income	\$ 1,202,862	\$ 1,380,148	\$ 177,286
Investment income	—	7,649	7,649
Miscellaneous revenue	—	21,021	4,821
Total revenues	1,219,062	1,408,818	189,756
EXPENDITURES			
Fleet, buildings and grounds maintenance	664,616	625,344	39,272
Capital outlay	70,875	90,051	(19,176)
Total expenditures	735,491	715,395	20,096
Excess (deficiency) revenues over expenditures	483,571	693,423	209,852
Funds available - beginning of year (restated)	1,578,797	1,464,014	114,783
Funds available - end of year	\$ 2,062,368	\$ 2,157,437	\$ 324,635
Reconciliation of Actual (Budgetary Basis) to Statement of Revenues, Expenses and Changes in Net Position:			
Excess of revenue (under) expenditures		\$ 693,423	
Capital purchases		90,051	
Depreciation		(239,338)	
Change in net position		\$ 544,136	
Funds available at December 31, 2016 is computed as follows:			
Current assets		\$ 2,197,899	
Current liabilities		(40,462)	
		\$ 2,157,437	

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

**SOUTH METRO FIRE RESCUE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	1/1/2016	Additions	Deductions	12/31/2016
<u>JSF Agency Fund</u>				
ASSETS				
Cash and deposits	\$ 21,374	\$ —	\$ 5,937	\$ 15,437
Receivable	14,665	5,936	—	20,601
Total assets	<u>\$ 36,039</u>	<u>\$ 5,936</u>	<u>\$ 5,937</u>	<u>\$ 36,038</u>
LIABILITIES				
Due to other governments	\$ 36,039	\$ 5,936	\$ 5,937	\$ 36,038
Total liabilities	<u>\$ 36,039</u>	<u>\$ 5,936</u>	<u>\$ 5,937</u>	<u>\$ 36,038</u>
<u>SMFRA Medical Self-Insurance Fund</u>				
ASSETS				
Cash and deposits	\$ 1,979,716	\$ 554,883	\$ —	\$ 2,534,599
Receivable	21,730	—	21,730	—
Total assets	<u>\$ 2,001,446</u>	<u>\$ 554,883</u>	<u>\$ 21,730</u>	<u>\$ 2,534,599</u>
LIABILITIES				
Payables				
Held for medical claims	\$ 2,001,446	\$ 533,153	\$ —	\$ 2,534,599
Total liabilities	<u>\$ 2,001,446</u>	<u>\$ 533,153</u>	<u>\$ —</u>	<u>\$ 2,534,599</u>
<u>JACC Agency Fund</u>				
ASSETS				
Cash and deposits	\$ —	\$ 187,744	\$ —	\$ 187,744
Receivable	—	—	893	(893)
Total assets	<u>\$ —</u>	<u>\$ 187,744</u>	<u>\$ 893</u>	<u>\$ 186,851</u>
LIABILITIES				
Held for JACC	\$ —	\$ 186,851	\$ —	\$ 186,851
Total liabilities	<u>\$ —</u>	<u>\$ 186,851</u>	<u>\$ —</u>	<u>\$ 186,851</u>
<u>Totals-All Agency Funds</u>				
ASSETS				
Cash and deposits	\$ 2,001,090	\$ 742,627	\$ 5,937	\$ 2,737,780
Receivable	36,395	5,936	22,623	19,708
Total assets	<u>\$ 2,037,485</u>	<u>\$ 748,563</u>	<u>\$ 28,560</u>	<u>\$ 2,757,488</u>
LIABILITIES				
Due to other governments	\$ 36,039	\$ 5,936	\$ 5,937	\$ 36,038
Held for JACC	—	186,851	—	186,851
Held for medical claims	2,001,446	533,153	—	2,534,599
Total liabilities	<u>\$ 2,037,485</u>	<u>\$ 725,940</u>	<u>\$ 5,937</u>	<u>\$ 2,757,488</u>

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

**SOUTH METRO FIRE RESCUE
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2016**

	Castlewood Old Hire Pension Fund	Castlewood Volunteer Pension Fund	Total Pension Funds
ASSETS			
Cash and investments held by trustee	\$ 5,798	\$ 2,651	\$ 8,449
Total assets	<u>5,798</u>	<u>2,651</u>	<u>8,449</u>
NET POSITION			
Held in trust for pension benefits	5,798	2,651	8,449
Total net position	<u>\$ 5,798</u>	<u>\$ 2,651</u>	<u>\$ 8,449</u>

The accompanying notes are an integral part of the financial statements

**SOUTH METRO FIRE RESCUE
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Castlewood Old Hire Pension Fund</u>	<u>Castlewood Volunteer Pension Fund</u>	<u>Total Pension Fund</u>
ADDITIONS			
Contributions:			
Employer	\$ 10,000	\$ 4,400	\$ 14,400
Investment earnings:			
Interest	13	11	24
Total investment earnings	<u>13</u>	<u>11</u>	<u>24</u>
Total additions	<u>10,013</u>	<u>4,411</u>	<u>14,424</u>
DEDUCTIONS			
Operating expenses:			
Benefits	8,521	2,640	11,161
Administrative expenses	<u>3,360</u>	<u>1,664</u>	<u>5,024</u>
Total deductions	<u>11,881</u>	<u>4,304</u>	<u>16,185</u>
Changes in net position	(1,868)	107	(1,761)
Net position - beginning	<u>7,666</u>	<u>2,544</u>	<u>10,210</u>
Net position - ending	<u>\$ 5,798</u>	<u>\$ 2,651</u>	<u>\$ 8,449</u>

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

STATISTICAL SECTION

South Metro Fire Rescue
Net Position by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities	Restated							
Net invested in capital assets	\$ 31,555,399	\$ 31,155,124	\$ 30,211,735	\$ 37,553,488	\$ 37,980,429	\$ 35,572,670	\$ 40,310,492	45,859,677
Restricted - Emergency Reserve	1,676,967	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,859,413
Unrestricted	22,920,497	32,024,528	43,751,919	39,648,568	45,390,957	46,813,523	41,729,011	33,889,278
Total governmental activities net position	<u>\$ 56,152,863</u>	<u>\$ 64,856,881</u>	<u>\$ 75,640,883</u>	<u>\$ 78,879,285</u>	<u>\$ 85,048,615</u>	<u>\$ 84,063,422</u>	<u>\$ 83,716,732</u>	<u>\$ 81,608,368</u>
Business-type activities								
Net invested in capital assets	\$ 6,914,351	\$ 6,189,147	\$ 5,775,640	\$ 7,436,201	\$ 7,264,343	\$ 7,533,403	\$ 7,080,071	6,760,140
Unrestricted	128,226	591,688	1,918,033	2,896,818	3,491,121	4,317,329	5,323,063	6,722,583
Total business-type activities net position	<u>\$ 7,042,577</u>	<u>\$ 6,780,835</u>	<u>\$ 7,693,673</u>	<u>\$ 10,333,019</u>	<u>\$ 10,755,464</u>	<u>\$ 11,850,732</u>	<u>\$ 12,403,134</u>	<u>\$ 13,482,723</u>
Primary government								
Net invested in capital assets	\$ 38,469,750	\$ 37,344,271	\$ 35,987,375	\$ 44,989,689	\$ 45,244,772	\$ 43,106,073	\$ 47,390,563	\$ 52,619,817
Restricted - Emergency Reserve	1,676,967	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,859,413
Unrestricted	23,048,723	32,616,216	45,669,952	42,545,386	48,882,078	51,130,852	47,052,074	40,611,861
Total primary government net position	<u>\$ 63,195,440</u>	<u>\$ 71,637,716</u>	<u>\$ 83,334,556</u>	<u>\$ 89,212,304</u>	<u>\$ 95,804,079</u>	<u>\$ 95,914,154</u>	<u>\$ 96,119,866</u>	<u>\$ 95,091,091</u>

Note: The District began operations in 2009 so there will only be eight years of data.

South Metro Fire Rescue
Changes in Net Position
Last Eight Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:	Restated							
Field operations	\$ 39,409,243	\$ 39,277,194	\$ 38,610,659	\$ 38,124,220	\$ 38,306,121	\$ 42,244,360	\$ 37,210,868	\$ 38,237,300
Preparedness	—	—	—	—	—	—	4,295,777	4,149,473
Intra-governmental-fleet service	341,979	322,736	286,688	—	—	—	—	—
Fleet services	—	—	—	3,348,158	3,363,994	3,844,680	3,753,049	4,125,614
Support services	9,313,907	9,260,627	8,352,836	10,443,672	9,049,321	10,057,504	12,200,292	9,750,459
Community safety services	3,768,763	3,549,175	3,006,924	3,023,428	3,080,050	3,383,915	2,430,675	2,699,413
Metcom/Technical services	—	—	—	—	—	—	—	6,654,643
Capital lease interest	368,258	264,187	230,552	171,682	3,464	—	—	—
Total governmental activities expenses	\$ 53,202,150	\$ 52,673,919	\$ 50,487,659	\$ 55,111,160	\$ 53,802,950	\$ 59,530,459	\$ 59,890,661	\$ 65,616,902
Business-type activities:								
Building rental	\$ 1,324,113	\$ 1,327,309	\$ 1,316,922	\$ 1,100,047	\$ 1,047,679	\$ 1,096,244	\$ 1,087,384	\$ 864,682
Ambulance transports	3,422,257	3,355,837	3,079,904	3,267,603	3,607,107	3,798,215	3,960,029	3,776,570
Total business-type activities expenses	\$ 4,746,370	\$ 4,683,146	\$ 4,396,826	\$ 4,367,650	\$ 4,654,786	\$ 4,894,459	\$ 5,047,413	\$ 4,641,252
Total primary government expenses	\$ 57,948,520	\$ 57,357,065	\$ 54,884,485	\$ 59,478,810	\$ 58,457,736	\$ 64,424,918	\$ 64,938,074	\$ 70,258,154
Program Revenues								
Governmental activities:								
Field operations	\$ 430,040	\$ 550,481	\$ 920,800	\$ 1,289,828	\$ 947,793	\$ 723,404	\$ 647,132	\$ 544,856
Preparedness	—	—	—	—	—	—	79,679	170,598
Intra-governmental-fleet service	318,218	323,802	286,830	—	—	—	—	—
Fleet services	—	—	—	353,504	356,838	368,251	353,961	206,799
Support services	325,587	396,431	330,726	260,562	458,987	395,342	374,188	486,472
Community safety services	514,329	726,448	805,376	907,462	1,159,437	1,334,826	1,477,511	1,701,879
Metcom/Technical services	—	—	—	—	—	—	—	\$ 213,426
Total governmental activities program revenues	\$ 1,588,174	\$ 1,997,162	\$ 2,343,732	\$ 2,811,356	\$ 2,923,055	\$ 2,821,823	\$ 2,932,471	\$ 3,324,030
Business-type activities:								
Building rental	\$ 1,466,148	\$ 1,220,768	\$ 864,252	\$ 2,944,299	\$ 1,283,913	\$ 1,561,458	\$ 1,450,494	\$ 1,447,718
Ambulance transports	3,120,743	3,200,636	3,740,998	4,021,685	4,075,906	4,034,584	4,034,916	4,210,217
Total business-type activities program revenues	\$ 4,586,891	\$ 4,421,404	\$ 4,605,250	\$ 6,965,984	\$ 5,359,819	\$ 5,596,042	\$ 5,485,410	\$ 5,657,935
Total primary government program revenues	\$ 6,175,065	\$ 6,418,566	\$ 6,948,982	\$ 9,777,340	\$ 8,282,874	\$ 8,417,865	\$ 8,417,881	\$ 8,981,965
Net (Expense)/Revenue								
Governmental activities	\$(51,613,976)	\$(50,676,757)	\$(48,143,927)	\$(52,299,804)	\$(50,879,895)	\$(56,708,636)	\$(56,958,190)	\$(62,292,872)
Business-type activities	(159,479)	(261,742)	208,424	2,598,334	705,033	701,583	437,997	1,016,683
Total primary government net expense	\$(51,773,455)	\$(50,938,499)	\$(47,935,503)	\$(49,701,470)	\$(50,174,862)	\$(56,007,053)	\$(56,520,193)	\$(61,276,189)
General Revenues								
Governmental activities:								
Property tax	\$ 52,535,639	\$ 55,250,494	\$ 55,617,290	\$ 50,955,181	\$ 51,005,289	\$ 51,354,176	\$ 51,684,596	\$ 53,737,956
Specific ownership tax	3,859,914	3,751,846	3,618,371	3,697,554	3,964,219	4,197,425	4,485,684	4,542,980
Investment earnings	306,909	302,629	199,716	301,132	125,608	254,646	315,995	556,239
Sale of assets	—	62,617	—	2,000	876,929	(821,111)	85,914	47,236
Miscellaneous income	890,344	13,189	176,966	194,006	1,077,180	693,545	39,311	1,748,472
Transfers	32,846	—	(684,414)	—	—	(380,472)	—	—
Total governmental activities	\$ 57,625,652	\$ 59,380,775	\$ 58,927,929	\$ 55,149,873	\$ 57,049,225	\$ 55,298,209	\$ 56,611,500	\$ 60,632,883
Business-type activities:								
Miscellaneous income	\$ 19,118	—	\$ 20,000	\$ 41,012	\$ 163,481	\$ 12,435	\$ 113,212	\$ 55,257
Investment earnings	—	—	—	—	—	778	1,193	7,649
Sale of assets	—	—	—	—	40,698	—	—	—
Transfers	32,846	—	684,414	—	—	380,472	—	—
Total business-type activities	\$ 51,964	—	704,414	41,012	204,179	393,685	114,405	\$ 62,906
Total primary government	\$ 57,677,616	\$ 59,380,775	\$ 59,632,343	\$ 55,190,885	\$ 57,253,404	\$ 55,691,894	\$ 56,725,905	\$ 60,695,789
Change in Net Position								
Governmental activities	\$ 6,011,676	8,704,018	10,784,002	2,850,069	6,169,330	(1,410,427)	(346,690)	(1,659,989)
Business-type activities	(107,515)	(261,742)	912,838	2,639,346	909,212	1,095,268	552,402	1,079,589
Total primary government	\$ 5,904,161	\$ 8,442,276	\$ 11,696,840	\$ 5,489,415	\$ 7,078,542	\$ (315,159)	\$ 205,712	\$ (580,400)

Note: The District began operations in 2009 so there will only be eight years of data.

South Metro Fire Rescue
Fund Balances, Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
General Fund	Restated							
Non-spendable	\$ 117,873	\$ 651,756	\$ 672,803	\$ 283,797	\$ 207,902	\$ 289,979	\$ 248,845	\$ 1,421,568
Restricted	1,676,967	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,677,229	1,855,245
Unassigned	17,861,940	24,990,598	34,783,950	22,720,736	29,781,644	32,725,239	34,078,639	33,265,913
Total general fund	<u>\$ 19,656,780</u>	<u>\$ 27,319,583</u>	<u>\$ 37,133,982</u>	<u>\$ 24,681,762</u>	<u>\$ 31,666,775</u>	<u>\$ 34,692,447</u>	<u>\$ 36,004,713</u>	<u>\$ 36,542,726</u>
All Other Governmental Funds								
Non-spendable	—	—	—	218,684	—	—	—	—
Restricted: Cherry Hills Pension Fund	—	—	—	—	—	425,234	443,110	448,375
Assigned, reported in:	—	—	—	—	—			
Capital project funds	7,389,748	8,743,022	10,694,278	19,808,047	18,982,476	18,986,209	12,434,339	5,351,715
Special revenue funds:								
Parker Fire Protection District Fund	150,000	150,000	132,706	149,508	149,958	149,958	149,945	—
South Metro Fire Rescue Fund	150,000	150,000	132,793	149,584	149,949	149,949	150,006	—
Total all other governmental funds	<u>\$ 7,689,748</u>	<u>\$ 9,043,022</u>	<u>\$ 10,959,777</u>	<u>\$ 20,325,823</u>	<u>\$ 19,282,383</u>	<u>\$ 19,286,116</u>	<u>\$ 12,734,290</u>	<u>\$ 5,800,090</u>

Note: The District began operations in 2009 so there will only be eight years of data.

South Metro Fire Rescue
Changes in Fund Balances, Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Revenues	Restated							
Property taxes	\$52,535,639	\$55,250,495	\$55,617,290	\$50,955,181	\$51,005,289	\$51,354,176	\$51,684,596	\$53,737,957
Specific ownership taxes	3,859,914	3,751,846	3,618,371	3,697,554	3,964,220	4,197,425	4,485,684	4,542,980
Net investment earnings	306,909	302,627	199,714	301,131	125,609	254,646	315,995	556,239
Sale of assets	73,532	62,617	11,125	2,000	82,755	3,704,112	164,852	47,236
Rental income	176,677	191,661	201,124	197,761	198,708	247,862	203,673	217,357
Other	1,145,696	1,490,288	1,947,989	2,807,601	3,801,528	3,267,508	2,768,108	3,126,271
Total Revenues	58,098,367	61,049,534	61,595,613	57,961,228	59,178,109	63,025,729	59,622,908	62,228,040
Expenditures								
Public Safety								
Administration	4,119,528	4,823,890	4,478,882	4,343,370	4,417,199	4,754,912	6,460,264	6,837,944
Field operations	36,476,918	36,019,376	35,264,583	37,687,188	38,044,547	40,218,314	37,132,243	38,150,318
Preparedness	—	—	—	—	—	—	4,250,316	4,115,740
Community safety services	3,669,791	3,553,243	3,011,330	3,004,002	3,072,077	3,369,134	2,484,518	2,698,514
Technology	2,135,240	1,697,055	1,590,990	1,673,354	1,684,270	2,392,347	3,169,623	6,249,759
Fleet maintenance	1,543,483	1,915,986	1,967,017	2,216,122	2,393,930	2,831,042	2,484,845	2,641,530
Building and grounds maintenance	2,078,569	1,604,474	1,208,652	3,366,314	1,799,461	1,823,027	1,589,541	1,652,585
Debt Service								
Principal	3,346,840	1,049,180	974,135	4,038,731	86,305	46,093	—	—
Interest	439,314	277,435	237,037	190,200	5,344	1,885	—	—
Capital outlay	958,170	1,092,818	447,419	5,207,962	1,733,403	4,179,098	7,273,541	7,764,767
Total expenditures	54,767,853	52,033,457	49,180,045	61,727,243	53,236,536	59,615,852	64,844,891	70,111,157
Excess of revenue over (under) expenditures	3,330,514	9,016,077	12,415,568	(3,766,015)	5,941,573	3,409,877	(5,221,983)	(7,883,117)
Other Financing Sources (Uses)								
Transfer from other funds	61,904,541	60,084,743	60,472,497	67,532,954	54,228,710	58,286,717	55,182,986	\$1,445,577
Transfer (to) other funds	(61,937,387)	(60,084,743)	(61,156,911)	(67,532,954)	(54,228,710)	(58,667,189)	(55,182,986)	\$(401,757)
Total other financing sources (uses)	(32,846)	—	(684,414)	—	—	(380,472)	—	1,043,820
Net change in fund balances	\$3,297,668	\$9,016,077	\$11,731,154	\$(3,766,015)	\$5,941,573	\$3,029,405	\$(5,221,983)	(6,839,297)
Debt service as a percentage of noncapital expenditures	7.6%	2.7%	2.5%	8.1%	0.2%	0.1%	0.0%	0.0%

Note: The District began operations in 2009 so there will only be eight years of data.

South Metro Fire Rescue
Tax Revenues by Source, Governmental Funds Last Eight Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Specific Ownership Tax	Total
2009	\$ 52,535,639	\$ 3,859,914	\$ 56,395,553
2010	55,250,495	3,751,846	59,002,341
2011	55,617,290	3,618,371	59,235,661
2012	50,955,181	3,697,554	54,652,735
2013	51,005,289	3,964,219	54,969,508
2014	51,354,176	4,197,425	55,551,601
2015	51,684,596	4,485,684	56,170,280
2016	53,737,957	4,542,980	58,280,937

Source: Finance Division

Note: The District began operations in 2009 so there will only be eight years of data.

**South Metro Fire Rescue
Assessed Value and Estimated Actual Value of Taxable Property
Last Eight Fiscal Years**

Fiscal Year	Real Assessed Value	Personal Assessed Value	Real Actual Value	Personal Value	PFPD Mill Levy	SMFR Mill Levy	Ratio of Total Assessed to Total Estimate Actual Value	Residential Property Assessment Ratio
2009	\$ 4,542,103,830	\$ 338,727,850	\$ 36,119,905,996	\$ 1,166,209,597	13.978	9.25	13.09%	7.96%
2010	4,795,521,320	484,904,886	38,446,604,585	1,672,075,146	13.978	9.25	13.16%	7.96%
2011	4,327,704,590	326,572,570	34,906,657,128	1,126,103,040	13.978	9.25	12.92%	7.96%
2012	4,323,118,690	342,813,740	34,830,938,981	1,182,105,978	13.978	9.25	12.96%	7.96%
2013	4,367,442,344	377,636,430	35,498,753,463	1,302,186,194	13.978	9.25	12.89%	7.96%
2014	4,492,201,404	432,556,019	35,928,957,116	1,491,624,062	12.978	9.25	13.16%	7.96%
2015*	4,850,713,475	544,797,418	40,930,196,129	1,886,348,738	12.978	9.25	12.60%	7.96%
2016*	5,663,707,647	585,259,348	48,575,497,159	2,033,871,376	9.25	9.25	12.35%	7.96%

The commercial property assessment ratio is 29% for all years.

Note: The Real Assessed and Real Actual includes \$5,029,686 of Assessed Value (Unknown amount of Real Value) that is part of a TIF District Increment for 2016.

* The 2015 and beyond numbers include Cherry Hills Fire Assessed and Actual values.

Source: Department of Local Government - Property Tax Division.

Taxes are assessed and collected by the counties

South Metro Fire Rescue
Direct and Overlapping Property Tax Rates
Last Eight Fiscal Years
(per \$1,000 of assessed value)

<u>Government</u>	<u>Fiscal Year</u>							
	2009	2010	2011	2012	2013	2014	2015	2016
<u>Parker Fire Protection District</u>	13.978	13.978	13.978	13.978	13.978	12.978	12.978	9.2500
<u>South Metro Fire Rescue</u>	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500	9.2500
<u>Cities and Towns</u>								
City of Aurora	10.4940	10.5950	10.6530	10.2900	10.2900	8.8860	8.5690	8.6050
Foxfield	21.8650	21.8650	23.2380	20.4000	20.4000	20.4000	20.4000	20.4000
Town of Parker	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020	2.6020
Centennial	5.0470	5.0770	5.1200	5.1290	5.0730	5.0150	5.0300	5.0260
City of Lone Tree	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<u>Counties</u>								
Arapahoe County	15.6720	15.9490	17.3160	17.1500	17.1300	16.9500	14.8560	14.0390
Douglas County	19.7740	19.7740	19.7740	19.7740	19.7740	19.7740	19.7740	18.7740
<u>School Districts</u>								
Cherry Creek School District #5	48.8250	50.9470	54.3670	58.0370	57.4920	56.7020	49.7030	53.2320
Douglas County School District	46.6810	46.8900	48.7880	48.7270	48.2770	48.2770	42.4390	42.4390
Littleton Public School	46.0810	55.3890	57.5300	56.9350	56.9850	56.6010	53.4240	53.0300
<u>Metropolitan Districts</u>								
Chaparral Metropolitan District	11.2850	11.2600	12.0230	13.1720	12.5400	13.5400	12.1500	12.1500
Parker Jordan Metropolitan District	24.0000	24.0000	23.0000	23.0000	21.5000	21.0000	20.6330	20.6330
Parker Properties Metropolitan District	23.2350	15.0000	—	—	—	—	—	—
Stonegate Village Metropolitan District	27.4020	27.4020	28.9320	27.8030	27.8030	27.8030	25.7380	25.7380
Lincoln Park Metropolitan District	50.0000	50.0000	50.0000	55.0000	59.0000	52.0000	49.5000	49.5000
Inverness Metropolitan District	6.4000	8.7000	8.7200	6.6500	6.3500	6.6500	6.5000	6.7500
Meridian Metropolitan District	39.0780	44.2390	37.9900	44.0000	46.0000	49.0000	50.6820	50.6820
Piney Creek Metropolitan District	13.6560	13.6560	13.6560	13.6560	13.6560	1.0860	0.0000	—
Canteberry Crossing Metropolitan District	38.5000	38.5000	38.5000	38.5000	38.5000	38.5000	38.5000	35.0000
Columbia Metropolitan District	8.1960	8.1960	8.1960	8.1960	8.1960	4.1960	3.7830	3.7810
East Arapahoe Metropolitan District	9.7920	9.7920	9.7920	9.9720	9.7920	9.7920	9.7920	9.7920
Liverpool Metropolitan District	25.0000	25.0000	28.2790	31.9730	28.2790	28.2790	28.2790	28.2790
Cherry Creek South Metropolitan District	20.1140	20.1140	21.9140	21.9140	21.9140	—	—	—
Goodman Metropolitan District	24.0000	25.0000	28.0000	31.0000	31.0000	33.0000	33.0000	34.0000
Cottonwood Metropolitan District	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000	8.8000
Concord Metropolitan District	48.0000	35.0000	29.0000	29.0000	23.0000	20.5000	16.5000	16.5000
<u>Other Special Districts</u>								
Urban Drainage and Flood Control District	0.5440	0.5230	0.5660	0.5990	0.6080	0.6320	0.5530	0.611
Arapahoe County Recreation District	0.7950	0.8210	0.9190	0.9190	0.8830	0.8800	0.7740	0.7840
Arapahoe Park & Recreation District	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	6.8820	6.8820
Arapahoe Library District	4.7830	4.8690	4.9810	4.9030	4.8610	4.7940	5.9160	5.9260
Arapahoe Water & Wastewater District	16.7000	18.1500	22.4000	23.2500	23.2500	22.9500	19.3000	18.2000
East Cherry Creek Valley Water & Sanitation	4.9800	5.0450	4.9990	5.0140	5.0080	4.9830	4.2200	—
Douglas County Library District	4.0160	4.0340	4.0370	4.0680	4.0290	4.0320	4.0350	4.035
Cottonwood Water & Sanitation District	27.0000	27.0000	27.0000	27.0000	27.0000	27.0000	23.0000	19.000
Inverness Water & Sanitation District	7.1000	7.3000	7.3000	8.3500	7.8000	6.4500	6.1000	5.2300
Denver Southeast Water & Sanitation District	—	—	—	—	—	—	—	—
Parker Water and Sanitation District	14.9250	14.9250	10.2140	9.7270	9.7270	9.7270	8.6520	8.652
<u>Authorities</u>								
Cherry Creek Basin Authority	0.4050	0.4410	0.5000	0.5000	0.5000	0.5000	0.4490	0.4730
Arapahoe County Law Enforcement Authority	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820	4.9820

Source: Various Entities and Arapahoe & Douglas County Assessors Offices.

**South Metro Fire Rescue
Principal Property Tax Payers
Current Year and Year Authority was formed**

Taxpayer	2016			2009		
	Assessed Value	Rank	Percent of Total Assessed Value	Assessed Value	Rank	Percent of Total Assessed Value
Park Meadows Mall	58,592,530	1	1.02%	\$ 62,144,660	1	1.18%
HCA Healthone LLC	54,722,650	2	0.95%	49,552,030	2	0.94%
Verizion Wireless	47,592,540	3	0.83%	46,119,470	3	0.87%
Greenwood Property Corp	30,879,200	4	0.54%	30,450,000	4	0.58%
Portercare Adventist Health System	26,230,230	5	0.46%	18,329,450	7	0.35%
Kaiser Foundation Hospitals	25,568,410	6	0.44%			
Qwest Corp	24,261,200	7	0.42%	22,901,700	6	0.43%
GPI Plaza Tower	23,807,550	8	0.41%	—	—	—
Public Service of Colorado	23,660,220	9	0.41%	—	—	—
Denver CB Center 2 LLC	16,940,640	10	0.29%	—	—	—
Property Colorado OBJLYC	—	—	—	27,550,000	5	0.52%
Legacy III Centennial LLC	—	—	—	16,965,000	8	0.32%
CSHV Denver Tech Center	—	—	—	15,080,000	9	0.29%
5251 DTC Parkway	—	—	—	14,500,010	10	0.27%
	<u>\$332,255,170</u>		<u>5.77%</u>	<u>\$303,592,320</u>		<u>5.75%</u>

Source: Douglas County Assessors Office.
Arapahoe County Assessors Office.

Note: The District began operations in 2009 so there will only be eight years of data.

**South Metro Fire Rescue
Property Tax Levies and Collections
Last Eight Fiscal Years**

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Current Taxes Collected	Delinquent Tax Collection	Total Tax Collections	Ratio of Total Tax to Total Tax	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total
2009	\$53,259,127	\$52,735,647	99.02%	\$ (275,287)	\$52,460,360	98.50%	(1)	(1)
2010	56,096,645	55,974,794	99.78%	(723,951)	55,250,843	98.49%	38,301	0.068%
2011	57,566,618	56,523,150	98.19%	(905,860)	55,617,290	96.61%	55,115	0.096%
2012	52,133,804	51,397,244	98.59%	(442,063)	50,955,181	97.74%	141,779	0.272%
2013	51,790,046	51,289,058	99.03%	(283,769)	51,005,289	98.48%	32,664	0.063%
2014	51,865,957	51,584,734	99.46%	(230,558)	51,354,176	99.01%	91,320	0.176%
2015	51,944,348	51,898,770	99.91%	(214,174)	51,684,596	99.50%	125,705	0.242%
2016	54,129,916	53,737,957	99.28%	(13,654)	53,724,302	99.25%	31,830	0.059%

Source: Parker Fire Protection District & South Metro Fire Rescue Record of Levies and Collections.

- (1) Douglas and Arapahoe Counties collect the taxes for all property tax levies. The record of delinquent taxes is maintained by the counties, however, the District's individual delinquent taxes were not available in 2009.

**South Metro Fire Rescue
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years**

Fiscal Year	Governmental Activities			Business Type Certificates of Participation	Total Primary Government	Per Capita
	General Obligation Bonds	Capital Leases	Certificates of Participation			
2009	\$ —	\$ 971,576	\$ 5,222,750	\$ 2,812,250	\$ 9,006,576	\$ 45.49
2010	—	575,764	4,569,500	2,460,500	7,605,764	38.64
2011	—	284,129	3,887,000	2,093,000	6,264,129	32.16
2012	—	132,398	—	—	132,398	0.65
2013	—	46,093	—	—	46,093	0.23
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: Finance Division

**South Metro Fire Rescue
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016**

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to District*</u>	<u>Amount Applicable to District</u>
DIRECT:			
Parker Fire Protection District	—	100%	—
South Metro Fire Rescue	—	100%	—
OVERLAPPING:			
Arapahoe Park and Rec	\$ —	50%	\$ —
Arapahoe Water and Water PID	144,250,503	50%	72,125,252
Centennial 25 Metro District	0	100%	0
Cherry Creek Schools	458,270,000	50%	229,135,000
Cherry Creek South Metro		100%	0
Cherry Creek Vista Park & Rec District		50%	0
Cottonwood Water and Sanitation	16,876,384	100%	16,876,384
Country Homes Metro District		100%	0
Devonshire Heights Water & Sanitation		100%	0
Douglas County School	305,059,571	50%	152,529,786
Dove Valley Metro District	47,640,000	100%	47,640,000
Eagle Bend Metro	3,078,000	100%	3,078,000
East Valley Metro District	372,586	100%	372,586
Estancia Metro District	4,110,000	100%	4,110,000
Fiddler's Green Business Improvement District		100%	0
Foxfield Metro	780,000	100%	780,000
Hills at Cherry Creek Metro District	1,555,000	100%	1,555,000
Inverness Metro District	3,879,844	100%	3,879,844
Inverness Water and Sanitation	11,605,000	100%	11,605,000
Lincoln Park Metro District	30,800,000	100%	30,800,000
Littleton School District	136,016,195	5%	6,800,810
Liverpool Metro District		100%	0
Meridian Metro District		100%	0
North Meridian Metro District		100%	0
Panorama Metro District	460,000	100%	460,000
Parker Water & Sanitation District	96,444,617	100%	96,444,617
Piney Creek Village Metro	5,730,000	14%	802,200
Saddle Rock Metro District	8,725,000	100%	8,725,000
Saddle Rock South Metro Districts	14,310,000	100%	14,310,000
South Meridian Metro District		100%	0
South Suburban Rec/Park	9,835,000	20%	1,967,000
Sundance Hill Metro District		100%	0
Southeast Public Improvement		100%	0
Stonegate Village Metro	49,225,000	100%	49,225,000
Tallyn's Reach Metro	52,803,150	25%	13,200,788
Town of Foxfield	250,000	100%	250,000
Valley Club Point Metro District	5,656,257	100%	5,656,257
Total Overlapping Debt	<u>\$ 1,407,732,107</u>		<u>\$ 772,328,522</u>
Total Direct & Overlapping Debt			<u>772,328,522</u>

(continued)

South Metro Fire Rescue
Direct and Overlapping Governmental Activities Debt As of December 31, 2016
(Continued)

Source: South Metro Fire Rescue Finance

The various entities provide the outstanding debt information.

Assessed value data used to estimate the applicable percentages provided by the Assessors offices of Douglas and Arapahoe Counties.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of South Metro Fire Rescue District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident - and therefore responsible for repaying the debt - of each overlapping government.

* For debt repaid with property taxes , the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the District's boundaries and dividing it by each unit's total taxable assessed value.

**South Metro Fire Rescue
Legal Debt Margin Information
Last Eight Fiscal Years**

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Total Assessed Value	\$ 4,880,831,680	\$ 5,279,058,045	\$ 5,280,486,537	\$ 4,711,414,729	\$ 4,723,283,371	\$ 4,920,392,972	\$ 4,971,618,704	\$ 5,760,702,401
Debt Limit - 50% of total assessed value (1)	2,440,415,840	2,639,529,023	2,640,243,269	2,355,707,365	2,361,641,686	2,460,196,486	2,485,809,352	2,880,351,201
Amount of debt applicable to debt limit	—	—	—	—	—	—	—	—
Less amount available for debt service	—	—	—	—	—	—	—	—
Net amount of debt applicable to debt limit	—	—	—	—	—	—	—	—
Legal debt margin	<u>\$ 2,440,415,840</u>	<u>\$ 2,639,529,023</u>	<u>\$ 2,640,243,269</u>	<u>\$ 2,355,707,365</u>	<u>\$ 2,361,641,686</u>	<u>\$ 2,460,196,486</u>	<u>\$ 2,485,809,352</u>	<u>\$ 2,880,351,201</u>

Source: Douglas and Arapahoe County Assessors' Offices and South Metro Fire Rescue Finance Department.

(1) Colorado Revised Statutes.

**South Metro Fire Rescue
Demographic and Economic Statistics
Last Eight Fiscal Years (Douglas County)**

Fiscal Year	Population	Per Capita Income (3)	Median Age	Education Level (1)	School Enrollment (2)	Unemployment Rate
2009	114,369	\$ 60,361	35.0	49.0%	56,945	6.60%
2010	113,748	60,361	36.6	58.0%	61,465	7.00%
2011	112,252	50,544	33.6	NA	63,114	6.10%
2012	119,344	51,970	36.6	54.6%	63,934	6.20%
2013	119,344	52,971	36.6	54.6%	66,000	5.60%
2014	118,589	57,148	36.5	55.8%	67,000	3.40%
2015	118,589	60,821	38.5	61.0%	66,702	2.70%
2016	118,589	61,303	36.6	61.0%	67,000	2.20%

- (1) Percentage of population that has attained a Bachelors Degree or higher.
- (2) Douglas County School District
- (3) Douglas County

Sources: www.acn.net, Colorado Division of Local Government Demographics, Douglas County Schools Web Page and Douglas County and Town of Parker Web page.

**South Metro Fire Rescue
Demographic and Economic Statistics
Last Eight Fiscal Years (Arapahoe County)**

Fiscal Year	Population	Per Capita Income (3)	Median Age	Education Level (1)	School Enrollment (2)	Unemployment Rate
2009	83,621	\$ 60,361	35.0	49.0%	56,945	7.70%
2010	83,091	50,908	36.6	58.0%	52,166	8.60%
2011	82,544	51,196	36.0	37.5%	52,589	7.70%
2012	82,972	51,759	36.0	38.3%	53,272	7.20%
2013	82,972	59,937	36.0	38.5%	52,681	7.40%
2014	84,911	60,443	35.0	38.8%	54,226	4.10%
2015	84,911	56,294	36.7	39.0%	54,449	3.20%
2016	84,911	63,265	36.1	39.0%	54,695	2.60%

- (1) Percentage of population that has attained a Bachelors Degree or higher.
- (2) Cherry Creek School District
- (3) Arapahoe County

Sources: Colorado Division of Local Government Demographics, Cherry Creek Schools Web Page, and Arapahoe County

**South Metro Fire Rescue
Principal Employers
December 31, 2016**

	2016		2009	
	Employees	Rank	Employees	Rank
United Global	15,000	1		
Dish Network Corporation	6,500	2	6,500	1
Western Union Fincl Svcs Inc	3,200	3	3,200	2
Centura Health Corporation	3,096	4	—	—
Advantedge Busines Group	1,500	5	—	—
Jeppesen Sanderson	1,400	6	—	—
IHS Global	1,400	7	—	—
Solarcity Corporation	1,340	8	—	—
CH2M Hill	1,200	9	1,500	6
Adventist Health System	1,002	10	—	—
Starz Entertainment	—	—	1,000	10
TW Telecom LP	—	—	2,400	3
Great-West Annuity Insur Co	—	—	1,900	4
Fascore Institutional Services	—	—	1,541	5
Campus Middle School Unit	—	—	1,500	7
Richfield Hospitality Inc	—	—	1,000	8
Xanterra Holding Corp	—	—	1,000	9
	35,638		21,541	

Source: Zapdata.com and Hoovers.com

Note: The District began operations in 2009 so there will only be eight years of data.

Do not have data of all employers within District so cannot calculate percentage of employees.

South Metro Fire Rescue
Full-time Equivalent Authority Government Employees by Function/Program
Last Eight Fiscal Years

Function/Program	Full-time Equivalent Employees							
	2009	2010	2011	2012	2013	2014	2015	2016
Field Operations	287.51	287.5	280.75	290.75	283.5	288.22	279	301.75
Administration	34.8	23.9	23.05	21.2	19.5	19.8	31.5	34
Community Safety Services	34.28	30.78	27.18	25.68	24	17	19	23
Fleet Services	10.35	12.15	12	11	11	11	10	10
Ambulance	22	18.38	18.54	19.43	20.43	19.43	18.68	22
Total FTE	388.94	372.71	361.52	368.06	358.43	355.45	358.18	390.75

Source: South Metro Fire Rescue - Finance Department

**South Metro Fire Rescue
Operating Indicators by Function/Program
Last Eight Fiscal Years**

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Field Operations								
Fire Calls	347	390	371	352	381	312	382	443
Emergency Medical Calls	7,626	7,820	8,729	10,131	10,457	11,322	11,458	11,552
Alarms	2,147	2,059	2,401	2,272	2,452	2,451	2,325	2,187
Others	3,766	3,615	4,257	4,259	4,514	1,873	1,766	1,751
Number of hours of firefighter training	15,478	25,351	20,261	45,311	58,910	56,914	65,664	80,035
Hours of officer trainings	7,461	3,105	3,731	8,750	8,954	7,443	7,222	5,770
Hours of driver/operator trainings	3,978	5,579	2,507	4,471	2,540	681	4,416	3,698
Support Services								
Square footage of building maintained	338,322	338,322	338,322	349,091	349,091	320,084	320,084	320,084
Community Safety Services								
Fire Investigations	141	200	305	267	281	301	286	330
Plan Reviews	2,741	2,994	3,527	3,662	4,400	4,872	4,877	3,517
Construction Inspections				4,973	5,703	7,038	6,772	3,799
Business Inspections	11,378	4,568	5,023	5,548	4,218	3,932	2,916	—
Burn/Firework Permits	87	51	36	27	22	34	37	—
South Metro Safety Foundation Classes	74	71	83	91	101	92	91	122
Car seat checks	525	460	417	397	502	386	269	366
Apparatus/Crew resident attended	13,000	26,000	35,348	25,143	—	26,270	—	—
Prevention staff community/school students	12,000	31,000	—	11,324	13,256	30,857	—	—
Juvenile Fire Setters	23	27	28	34	8	21	16	—
Fleet Services								
Total number of warranty repairs	25	70	46	28	68	37	62	28
Total billable shop labor hours	9,038	10,733	12,936	10,393	9,698	9,575	8,574	8,843
Shop productivity rate	87.6%	83.5%	82.5%	80.3%	75.0%	74.0%	71.4%	83.5%
Total number of repairs	5,404	4,911	3,877	3,273	2,984	2,854	2,501	2,911
Ambulance								
EMS Transports	5,712	5,789	6,173	6,852	7,089	7,347	7,430	6,226
% of Transports to Skyridge Medical Center	40.40%	39.43%	39.67%	39.25%	41.02%	43.42%	43.42%	47%
% of Transports to Parker Adventist Hospital	30.50%	29.53%	29.18%	28.75%	27.78%	27.85%	30.86%	34%
% of Transports to Littleton Hospital	13.00%	14.80%	15.34%	16.76%	15.93%	13.03%	10.42%	5%
% of Transport to Swedish Medical Center	11.80%	11.78%	12.30%	11.10%	10.07%	9.21%	7.50%	7%
% of Transports to Porter Adventist Hospital	1.80%	1.70%	1.46%	1.07%	1.58%	1.18%	1.20%	1%
Collection Rate	63.62%	62.84%	57.91%	54.90%	53.94%	54.14%	55.73%	52.71%

Source: South Metro Fire Rescue various departments

**South Metro Fire Rescue
Capital Asset Statistics by Function/Program
Current Year**

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Field Operations								
Fire Stations	17	17	17	17	17	17	17	17
Communication towers	2	2	2	4	4	4	4	4
Training Facility	1	1	1	1	1	1	1	1
Driving facility	1	1	1	1	1	1	1	1
Pumpers	18	18	18	18	19	19	19	18
Tenders	5	5	5	5	6	6	6	6
Quints	2	2	2	2	2	1	1	1
Squirts	2	2	2	2	0	0	0	0
Aerials	5	5	5	5	6	5	5	7
ARFF vehicles	3	3	3	3	2	2	2	3
Chief/Staff vehicles	15	15	15	15	15	15	15	15
BC Vehicles	6	6	6	6	6	6	6	9
Wildland vehicles	12	12	12	12	12	12	12	18
Hazmat vehicles	1	1	1	1	2	2	2	2
Utility vehicle	1	1	1	1	1	1	1	1
Snow Cat	1	1	1	1	1	1	1	1
Dive Unit				1	1	1	1	1
Heavy Rescue	2	2	2	2	2	1	1	3
Tow Vehicles	2	2	2	2	2	2	2	2
Command vehicle	1	1	1	1	1	1	1	1
Plow/Ladder testing truck	1	1	1	1	1	1	1	1
Trailers	5	5	5	5	5	15	15	15
Support Services								
Headquarters buildings	2	2	2	2	2	1	1	1
Pool vehicles	2	2	2	1	0	1	1	1
Chief/Staff vehicles	5	5	5	5	5	5	5	5
Storage locations	2	2	2	2	2	1	1	1
Community Safety Services								
Pool vehicles	31	31	31	31	4	2	2	2
Assigned vehicles					21	22	22	22
Fleet Services								
Repair shop	1	1	1	1	1	1	1	1
Repair vehicles	2	2	2	2	2	2	2	2
Parts/Warehouse vehicles			3	3	3	3	3	3
Pool vehicles	7	7	7	7	11	7	7	7
IMT Vehicle	1	1	1	1	1	1	1	1
Lift	1	1	1	1	2	2	2	2
Overhead crane					1	1	1	1
Ambulance								
Medic units	17	17	17	17	17	17	17	18
ARM vehicle					1	1	1	1

Notes: Two stations in development stages.

Amounts shown represent total count.

Source: South Metro Fire Rescue